

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2019**

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**HOUSE BILL 381**

Short Title: School Construction & Broadband Investm't Act. (Public)

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Sponsors: Representatives Arp, Saine, and Conrad (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

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Referred to: Rules, Calendar, and Operations of the House

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March 20, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FOR THE CAPITAL NEEDS OF PUBLIC SCHOOLS,  
3 COMMUNITY COLLEGES, UNIVERSITIES, AND AGENCIES OF THE STATE AND  
4 TO PROVIDE CONTINUING FUNDING FOR BROADBAND INFRASTRUCTURE  
5 EXPANSION.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** Short Title. – This act shall be known as the "2019 School  
8 Construction and Rural Broadband Investment Act."

9 **SECTION 1.(b)** Purpose. – It is the intent of the General Assembly by this act to  
10 appropriate funds to address the capital needs of the public schools and community colleges by  
11 pledging over two billion one hundred million dollars (\$2,100,000,000) available in the State  
12 Capital and Infrastructure Fund to counties and three hundred million dollars (\$300,000,000) to  
13 the community colleges in this State over the next 10 years, and by establishing an ongoing  
14 appropriation of fifteen million dollars (\$15,000,000) annually to bolster broadband  
15 infrastructure expansion projects in the Growing Rural Economies with Access to Technology  
16 program, while maintaining anticipated appropriations of four billion dollars (\$4,000,000,000)  
17 to assist State agencies and The University of North Carolina with their ongoing capital needs.

18 **SECTION 1.(c)** Funds Appropriated for State Agencies and The University of North  
19 Carolina. – Notwithstanding G.S. 143C-5-2, subject to the enactment of future allocations by  
20 legislative act on the use of appropriated funds, there is hereby appropriated from the State  
21 Capital and Infrastructure Fund the following sums for the following fiscal years for capital  
22 projects and repairs and renovations projects for State agencies and The University of North  
23 Carolina:

24	2019-2020	\$185,000,000
25	2020-2021	\$185,000,000
26	2021-2022	\$200,000,000
27	2022-2023	\$221,000,000
28	2023-2024	\$225,867,596
29	2024-2025	\$425,000,000
30	2025-2026	\$457,000,000
31	2026-2027	\$575,000,000
32	2027-2028	\$675,000,000
33	2028-2029	\$775,000,000

34 **SECTION 1.(d)** Use of Appropriated Funds for Counties. – Subject to the provisions  
35 of subsections (e) and (f) of this section, two billion one hundred sixty-six million nine hundred



1 fifty-five thousand one hundred twenty-eight dollars (\$2,166,955,128) shall be used for the  
 2 purpose of issuing allotted proceeds to local education agencies for new construction or  
 3 rehabilitation of existing facilities and repairs and renovations in accordance with the following:  
 4

<u>LEA</u>	<u>Proceeds Allotment</u>
5 Alamance-Burlington	\$29,296,678
6 Alexander County	\$15,518,364
7 Alleghany County	\$10,807,233
8 Anson County	\$14,311,716
9 Ashe County	\$11,772,521
10 Asheboro City	\$ 7,247,648
11 Asheville City	\$ 4,198,837
12 Avery County	\$11,169,810
13 Beaufort County	\$14,955,704
14 Bertie County	\$12,823,678
15 Bladen County	\$15,211,480
16 Brunswick County	\$17,588,614
17 Buncombe County	\$22,742,537
18 Burke County	\$23,177,832
19 Cabarrus County	\$34,106,904
20 Caldwell County	\$22,366,703
21 Camden County	\$11,524,013
22 Carteret County	\$14,938,829
23 Caswell County	\$13,048,098
24 Catawba County	\$16,533,847
25 Chapel Hill-Carrboro	\$13,706,552
26 Chatham County	\$15,350,741
27 Cherokee County	\$12,599,944
28 Clay County	\$10,765,626
29 Cleveland County	\$25,121,408
30 Clinton City	\$ 6,526,404
31 Columbus County	\$15,169,439
32 Craven County	\$20,037,747
33 Cumberland County	\$53,241,598
34 Currituck County	\$12,442,397
35 Dare County	\$13,161,013
36 Davidson County	\$24,276,209
37 Davie County	\$13,724,875
38 Duplin County	\$22,586,468
39 Durham County	\$29,660,055
40 Edenton/Chowan	\$11,666,873
41 Edgecombe County	\$17,844,837
42 Elkin City	\$ 2,276,785
43 Forsyth County	\$42,379,973
44 Franklin County	\$19,265,822
45 Gaston County	\$33,848,607
46 Gates County	\$12,090,212
47 Graham County	\$10,768,960
48 Granville County	\$19,483,994
49 Greene County	\$14,578,411
50 Guilford County	\$52,947,610

1	Halifax County	\$ 6,802,232
2	Harnett County	\$37,227,558
3	Haywood County	\$14,323,043
4	Henderson County	\$18,037,972
5	Hertford County	\$13,488,210
6	Hickory City	\$ 4,253,614
7	Hoke County	\$24,994,351
8	Hyde County	\$10,356,092
9	Iredell-Statesville	\$19,874,997
10	Jackson County	\$12,229,605
11	Johnston County	\$78,560,261
12	Jones County	\$10,912,395
13	Kannapolis City	\$ 5,049,681
14	Lee County	\$19,230,068
15	Lenoir County	\$19,320,705
16	Lexington City	\$ 3,919,554
17	Lincoln County	\$17,029,296
18	Macon County	\$12,645,678
19	Madison County	\$11,524,348
20	Martin County	\$13,565,556
21	McDowell County	\$16,441,333
22	Mecklenburg County	\$88,635,779
23	Mitchell County	\$11,249,428
24	Montgomery County	\$13,405,659
25	Moore County	\$17,586,831
26	Mooresville City	\$ 5,837,181
27	Mount Airy City	\$ 3,184,088
28	Nash-Rocky Mount	\$25,896,373
29	New Hanover County	\$25,666,357
30	Newton-Conover	\$ 3,113,073
31	Northampton County	\$11,980,471
32	Onslow County	\$29,139,404
33	Orange County	\$ 8,068,990
34	Pamlico County	\$10,740,662
35	Pasquotank County	\$15,609,708
36	Pender County	\$18,863,820
37	Perquimans County	\$11,079,658
38	Person County	\$13,326,874
39	Pitt County	\$32,566,609
40	Polk County	\$11,250,053
41	Randolph County	\$25,963,217
42	Richmond County	\$19,620,899
43	Roanoke Rapids City	\$ 7,901,555
44	Robeson County	\$52,708,322
45	Rockingham County	\$23,018,490
46	Rowan-Salisbury	\$27,418,226
47	Rutherford County	\$19,248,241
48	Sampson County	\$17,908,481
49	Scotland County	\$18,173,631
50	Stanly County	\$18,542,515
51	Stokes County	\$16,223,466

1	Surry County	\$15,242,117
2	Swain County	\$11,407,659
3	Thomasville City	\$ 2,903,813
4	Transylvania County	\$12,047,723
5	Tyrrell County	\$10,715,191
6	Union County	\$34,614,879
7	Vance County	\$18,274,094
8	Wake County	\$96,319,476
9	Warren County	\$11,527,286
10	Washington County	\$11,608,637
11	Watauga County	\$12,785,359
12	Wayne County	\$30,840,744
13	Weldon City	\$ 2,468,315
14	Whiteville City	\$ 6,148,507
15	Wilkes County	\$19,194,623
16	Wilson County	\$21,173,733
17	Yadkin County	\$15,796,247
18	Yancey County	\$11,308,509

19           **SECTION 1.(e)** K-12 Building Fund Created; Administration. – There is created  
20 within the Office of State Budget and Management the K-12 Building Fund as a capital project  
21 fund. Proceeds disbursed from the Fund shall be used for new construction or rehabilitation of  
22 existing facilities, repairs and renovations, building of technology infrastructure, and the  
23 purchase of measures to ensure building security. Projects for facilities for centralized  
24 administration, trailers, relocatable classrooms, or mobile classrooms are not eligible for funding.  
25 Any items purchased with such proceeds and installed or replaced as part of a renovation or  
26 rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by  
27 at least 10 years once renovated or rehabilitated. In order to receive the proceeds for projects for  
28 new construction, the county receiving the proceeds shall provide local matching funds from  
29 county funds, other non-State funds, or a combination of these sources for such proceeds. The  
30 amount of matching funds shall be (i) one dollar (\$1.00) of local matching funds for every three  
31 dollars (\$3.00) of such proceeds for a county located in a development tier one area, as defined  
32 in G.S. 143B-437.08, (ii) one dollar (\$1.00) of local matching funds for every two dollars (\$2.00)  
33 of such proceeds for a county located in a development tier two area, as defined in  
34 G.S. 143B-437.08, and (iii) one dollar (\$1.00) of local matching funds for every one dollar  
35 (\$1.00) of such proceeds for a county located in a development tier three area, as defined in  
36 G.S. 143B-437.08. No matching funds shall be required for proceeds intended for rehabilitation  
37 of existing facilities and repairs and renovations. A county shall draw upon the proceeds allocated  
38 to it pursuant to subsection (d) of this section over a two-year period, and no more than half of  
39 the allocated proceeds may be drawn by a county in the first year of the two-year period. In the  
40 case of a local school administrative unit located entirely in one county, the unit's total  
41 distribution amount shall be allocated to that county. In the case of a local school administrative  
42 unit located in more than one county, the unit's distribution amount shall be allocated among the  
43 counties in which the unit is located in proportion to average daily membership of the unit in  
44 each county. A unit's distribution amount allocated to a county may be used only with respect to  
45 public school facilities of that unit. If two or more local school administrative units are  
46 consolidated into one unit, the distribution amounts provided in subsection (d) of this section for  
47 the units shall be considered the distribution amount for the merged unit.

48           **SECTION 1.(f)** The Department of Public Instruction shall assist the Office of State  
49 Budget and Management in developing a priority list of projects and capital needs to enable the  
50 Office of State Budget and Management in administering the proceeds from the K-12 Building

1 Fund in a manner that will not exceed the appropriations to the Fund provided in subsection (g)  
 2 of this section.

3 **SECTION 1.(g)** Ten-Year Appropriations for K-12. – Notwithstanding  
 4 G.S. 143C-5-2, there is appropriated from the State Capital and Infrastructure Fund to the K-12  
 5 Building Fund the following sums for the following fiscal years:

6	2019-2020	\$262,144,812
7	2020-2021	\$109,897,923
8	2021-2022	\$148,085,245
9	2022-2023	\$171,805,749
10	2023-2024	\$243,094,397
11	2024-2025	\$190,741,014
12	2025-2026	\$248,785,212
13	2026-2027	\$271,693,748
14	2027-2028	\$271,517,349
15	2028-2029	\$249,189,678

16 **SECTION 1.(h)** Use of Appropriated Funds for Community Colleges. – The  
 17 Community Colleges System Office shall administer funds appropriated from the State Capital  
 18 and Infrastructure Fund for capital projects at community colleges, major equipment acquisitions,  
 19 building of the enterprise resource planning information technology, and other technology  
 20 infrastructure. Projects for facilities for centralized administration, trailers, relocatable  
 21 classrooms, or mobile classrooms are not eligible for funding. Any items purchased with such  
 22 proceeds for new construction or rehabilitation of existing facilities and repairs and renovations  
 23 and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least  
 24 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.  
 25 In order to receive proceeds for projects for new construction, the community college receiving  
 26 an allocation shall provide local matching funds from county funds, other non-State funds, or a  
 27 combination of these sources for such proceeds. The amount of matching funds shall be (i) one  
 28 dollar (\$1.00) of local matching funds for every three dollars (\$3.00) of such allocation for a  
 29 community college with a main campus located in a development tier one area, as defined in  
 30 G.S. 143B-437.08, (ii) one dollar (\$1.00) of local matching funds for every two dollars (\$2.00)  
 31 of such allocation for a community college with a main campus located in a development tier  
 32 two area, as defined in G.S. 143B-437.08, and (iii) one dollar (\$1.00) of local matching funds for  
 33 every one dollar (\$1.00) of such allocation for a community college with a main campus located  
 34 in a development tier three area, as defined in G.S. 143B-437.08. Community colleges are not  
 35 required to match allocations in this section for rehabilitation of existing facilities, repairs and  
 36 renovations, or major equipment acquisitions. The provisions of G.S. 115D-31, or any other  
 37 provision of law permitting prior expenditures to be used for match purposes, do not apply for  
 38 purposes of meeting the matching funds requirements of this subsection.

39 **SECTION 1.(i)** Appropriation of Funds for Community Colleges. – Notwithstanding  
 40 G.S. 143C-5-2, there is appropriated from the State Capital and Infrastructure Fund to the  
 41 Community Colleges System Office the following sums in the following fiscal years to be used  
 42 for the purposes provided in subsection (h) of this section:

43	2019-2020	\$10,000,000
44	2020-2021	\$10,000,000
45	2021-2022	\$30,000,000
46	2022-2023	\$40,000,000
47	2023-2024	\$40,000,000
48	2024-2025	\$60,000,000
49	2025-2026	\$90,000,000
50	2026-2027	\$20,000,000

51 **SECTION 1.(j)** G.S. 143B-1373 is amended by adding a new subsection to read:

1       "(p) There is hereby appropriated each fiscal year the sum of fifteen million dollars  
2 (\$15,000,000) from the State Capital and Infrastructure Fund to the Growing Rural Economies  
3 with Access to Technology Fund established pursuant to this section to be used to administer the  
4 GREAT program."

5               **SECTION 1.(k)** G.S. 143C-4-3.1 reads as rewritten:

6       "**§ 143C-4-3.1. State Capital and Infrastructure Fund.**

7       ...

8       (e) Use of Funds. – Monies in the Fund shall first be used to meet the debt service  
9 obligations of the State. In addition to meeting the State's debt service obligations, monies in the  
10 Fund may be used for the following purposes:

11           (1) New State and The University of North Carolina capital projects governed  
12 pursuant to Article 8 of Chapter 143C of the General Statutes.

13           (2) Repair and renovation of existing capital assets, as provided in  
14 G.S. 143C-8-13.

15           (3) Capital projects and repair and renovation of existing capital assets as  
16 provided pursuant to the 2019 School Construction and Rural Broadband  
17 Investment Act.

18           (4) Broadband infrastructure projects funded through appropriations to the  
19 Growing Rural Economies with Access to Technology Fund established in  
20 G.S. 143B-1373(b).

21       (f) Funds Available Only Upon Appropriation. – Funds reserved to the Fund shall be  
22 available for expenditure only upon an act of appropriation by the General Assembly."

23               **SECTION 2.** Section 1(j) of this act shall expire on June 30, 2029. This act becomes  
24 effective July 1, 2019.