

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1640*

Short Title: Community College Fund Allocation.

(Public)

Sponsors: Representatives Lee; Flaherty and Mosley.

Referred to: Appropriations.

May 25, 1994

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF TWENTY-THREE MILLION NINE HUNDRED THOUSAND DOLLARS OF COMMUNITY COLLEGE BONDS OR NOTES AND TO APPROPRIATE THE PROCEEDS OF THESE BONDS AND NOTES FOR SPECIFIC COMMUNITY COLLEGE CAPITAL PROJECTS IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE LEGISLATIVE STUDY COMMISSION ON COMMUNITY COLLEGE CAPITAL NEEDS.

The General Assembly of North Carolina enacts:

Section 1. **Legislative authorization to issue bonds.** – In accordance with the requirements of Section 6(b)II of Chapter 542 of the 1993 Session Laws (the "Bond Act"), the General Assembly hereby authorizes the issuance of twenty-three million nine hundred thousand dollars (\$23,900,000) Community College Bonds authorized by the Bond Act and approved by the qualified voters of the State who voted thereon on the first Tuesday after the first Monday of November 1993. The proceeds of Community College Bonds and notes, including premium thereon, if any, except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be designated "1994 Community College Bonds Fund" and shall be disbursed as provided in this act.

Sec. 2. **Appropriation of bond proceeds.** – In accordance with the requirements of Section 6(b)II of the Bond Act, the General Assembly hereby appropriates the proceeds of the twenty-three million nine hundred thousand dollars (\$23,900,000) Community College Bonds and notes for specific projects as provided in this act and subject to change as provided in this act. The proceeds of Community

1 College Bonds and notes shall be used for the purpose of making grants to community
 2 colleges, as defined in Chapter 115D of the General Statutes, the proceeds of the grants
 3 to be allocated and expended for paying the cost of Community College capital
 4 improvements, including, without limitation, construction and renovation of classroom
 5 buildings, laboratory buildings, research facilities, libraries, physical education
 6 facilities, continuing education centers, student cafeteria and activity facilities, including
 7 sports facilities, administrative office buildings, and related equipment and land
 8 acquisition. The buildings constructed using the proceeds of the bonds may be
 9 constructed only after consideration of the energy design guidelines developed by the
 10 Energy Division of the Department of Commerce.

11 Any additional moneys which may be received by means of a grant or grants
 12 from the United States of America or any agency or department thereof or from any
 13 other source to aid in financing the cost of any Community College grants authorized by
 14 this act may be placed by the State Treasurer in the 1994 Community College Bonds
 15 Fund or in a separate account or fund and shall be disbursed, to the extent permitted by
 16 the terms of the grant or grants, without regard to any limitations imposed by this act.

17 The proceeds of Community College Bonds and notes may be used with any
 18 other moneys made available by the General Assembly for the making of Community
 19 College grants, including the proceeds of any other State bond issues, whether
 20 heretofore made available or which may be made available at the session of the General
 21 Assembly at which this act is ratified or any subsequent sessions. The proceeds of
 22 Community College Bonds and notes shall be expended and disbursed under the
 23 direction and supervision of the Director of the Budget. The funds provided by this act
 24 for Community College improvements shall be disbursed for the purposes provided in
 25 this act upon warrants drawn on the State Treasurer by the State Controller, which
 26 warrants shall not be drawn until requisition has been approved by the Director of the
 27 Budget and which requisition shall be approved only after full compliance with the
 28 Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

29 The State Board of Community Colleges shall provide quarterly reports to the
 30 Joint Legislative Commission on Governmental Operations, the chairs of the Senate and
 31 House of Representatives Appropriations Committees, and the Fiscal Research Division
 32 on the expenditure of moneys from the 1994 Community College Bonds Fund.

33 **Sec. 3. Allocations of funds for specific projects.** – The proceeds of grants
 34 made from the proceeds of twenty-three million nine hundred thousand dollars
 35 (\$23,900,000) Community College Bonds and notes shall be allocated and expended for
 36 paying the cost of Community College capital improvements, to the extent and as
 37 provided in this act and subject to change as provided in this act, as follows:

COLLEGE	CAPITAL IMPROVEMENTS	PROJECTED	ALLOCATION
40 Watauga County Ctr.	Class/Lab Building Increase		\$753,367
41 Pitt CC	Industrial Construction Fac.		995,034
42 Catawba Valley CC	Classroom/Lab Bldg.		2,500,000
43 Central Piedmont CC	Class/Lab/Office Bldg.		2,500,000
44 Cape Fear CC	Bldg. Acquisition & Renovation		2,500,000

1	Coastal Carolina CC	Science Building	2,500,000
2	Craven CC	Classroom/Lab Building	2,500,000
3	Durham TCC	Classroom/Lab Building	1,723,491
4	Robeson CC	Class/PE Activities Bldg.	1,035,387
5	Vance-Granville CC	Day Care/Class/Off. Bldg. Incr.	194,000
6	Western Piedmont CC	Class/Office Bldg. (Cont. Ed.)	2,064,729
7	Guilford TCC	Science Building	2,500,000
8	Wilkes CC	Major Renovations	1,422,114
9	Halifax CC	Bus/Ind/Economic Develop. Ctr.	711,878

10 Projected allocations set forth above may be adjusted to reflect the
11 availability of other funds. The Board of Trustees of an individual community college
12 may change the projects or allocations for that college, but not for a satellite campus,
13 within the total amount of funds allocated for that college; the Board of Trustees may
14 not, however, change, reduce, or eliminate a project or an allocation at a satellite
15 campus of the community college.

16 The Director of the Budget is empowered, when the Director of the Budget
17 determines it is in the best interest of the State and the North Carolina Community
18 College System to do so, and if the cost of a particular project is less than the projected
19 allocation, to use the excess funds to increase the size of that project or increase the size
20 of any other project itemized in this section, or to increase the amount allocated to a
21 particular community college within the aggregate amount of funds available under this
22 section. The Director of the Budget may consult with the Advisory Budget Commission
23 and the Joint Legislative Commission on Governmental Operations before making these
24 changes. In addition, the particular capital improvements and the amount of the
25 projected allocation therefor set forth above may be changed from time to time as the
26 General Assembly may decide.

27 Nothing in this act restricts the right of the General Assembly, in addition to
28 the right to specify the projects and the allocations therefor, in 1994 or at a subsequent
29 session to:

- 30 (1) Establish a procedure whereby projected allocations set forth in
31 subsequent legislation may be increased or decreased to reflect the
32 availability of other funds, including, without limitation, contingency
33 funds, income earned on the investment of bond and notes proceeds,
34 and the proceeds of grants.
- 35 (2) Establish a contingency account and provide for an allocation of bond
36 proceeds thereto. The funds in the contingency account may be used
37 to pay the cost of projects, the costs of issuance of bonds and notes,
38 and increased project costs resulting from construction costs exceeding
39 projections, inflationary factors, and changes in projects and
40 allocations. The funds allocated to the contingency account shall be
41 placed by the State Treasurer in a separate account in the Community
42 College Bonds Fund and shall be disbursed in accordance with the
43 procedures established for disbursements from the Community College
44 Bonds Fund.

1 (3) Empower the Director of the Budget, when the Director determines it
2 is in the best interest of the State and the North Carolina Community
3 College System to do so, and if the cost of a particular project is less
4 than the projected allocation, to use the excess funds to increase the
5 size of that project or increase the size of any other project authorized
6 by the General Assembly.

7 Allocations to the costs of a capital improvement or undertaking in each case
8 may include allocations to pay the costs set forth in Section 3(4)c., d., e., f., and g. of the
9 Bond Act in connection with the issuance of bonds for that capital improvement or
10 undertaking. The matching requirements of G.S. 115D-31(a)(1) apply to the proceeds
11 of Community College Bonds and notes used to make grants to community colleges.

12 Sec. 4. **Effective date.** – This act becomes effective July 1, 1994.