

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

H

1

HOUSE BILL 315

Short Title: Community College Fund Allocation.

(Public)

Sponsors: Representatives C. Wilson; Alexander, Baker, Berry, Black, Brawley, J. Brown, Buchanan, Capps, Earle, Easterling, Edwards, Fox, Hayes, Hiatt, Hill, Locke, McComas, McMahan, Mercer, Miner, Nye, Rayfield, Redwine, Snowden, G. Wilson, and Wright.

Referred to: Appropriations, Subcommittee on Education.

February 27, 1995

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE ISSUANCE OF COMMUNITY COLLEGE BONDS
2 OR NOTES AND TO APPROPRIATE THE PROCEEDS OF THESE BONDS AND
3 NOTES FOR COMMUNITY COLLEGE CAPITAL PROJECTS.
4

5 The General Assembly of North Carolina enacts:

6 Section 1. **Legislative authorization to issue bonds.** – In accordance with the
7 requirements of Section 6(b)II of Chapter 542 of the 1993 Session Laws (the "Bond Act"
8), the General Assembly hereby authorizes the issuance of Community College Bonds
9 that have not yet been authorized for issuance and that were authorized by the Bond Act
10 and approved by the qualified voters of the State who voted thereon on the first Tuesday
11 after the first Monday of November 1993. The proceeds of Community College Bonds
12 and notes, including premium thereon, if any, except the proceeds of bonds the issuance
13 of which has been anticipated by bond anticipation notes or the proceeds of refunding
14 bonds or notes, shall be placed by the State Treasurer in a special fund to be designated
15 "1995 Community College Bonds Fund" and shall be disbursed as provided in this act.

16 Sec. 2. **Appropriation of bond proceeds.** – In accordance with the
17 requirements of Section 6(b)II of the Bond Act, the General Assembly hereby

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

14 Any additional moneys which may be received by means of a grant or grants
15 from the United States of America or any agency or department thereof or from any other
16 source to aid in financing the cost of any Community College grants authorized by this
17 act may be placed by the State Treasurer in the 1995 Community College Bonds Fund or
18 in a separate account or fund and shall be disbursed, to the extent permitted by the terms
19 of the grant or grants, without regard to any limitations imposed by this act.

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

32 The State Board of Community Colleges shall provide quarterly reports to the
33 Joint Legislative Commission on Governmental Operations, the chairs of the Senate and
34 House of Representatives Appropriations Committees, and the Fiscal Research Division
35 on the expenditure of moneys from the 1995 Community College Bonds Fund.

36 **Sec. 3. Allocations of funds for specific projects.** – The proceeds of grants
37 made from the proceeds of the Community College Bonds and notes shall be allocated
38 and expended for paying the cost of Community College capital improvements, to the
39 extent and as provided in this act and subject to change as provided in this act, in
40 accordance with the Capital Outlay Funding Ranking's provided as Attachment 13 to the
41 State Board of Community Colleges at its meeting on January 20, 1995, except that no
42 institution shall receive more than two million five hundred thousand dollars
43 (\$2,500,000).

1 Projected allocations may be adjusted to reflect the availability of other funds.
2 The Board of Trustees of an individual community college may change the projects or
3 allocations for that college, but not for a satellite campus, within the total amount of
4 funds allocated for that college; the Board of Trustees may not, however, change, reduce,
5 or eliminate a project or an allocation at a satellite campus of the community college.

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

17 Nothing in this act restricts the right of the General Assembly, in addition to
18 the right to specify the projects and the allocations therefor, in 1995 or at a subsequent
19 session to:

- 20 (1) Establish a procedure whereby projected allocations set forth in
21 subsequent legislation may be increased or decreased to reflect the
22 availability of other funds, including, without limitation, contingency
23 funds, income earned on the investment of bond and notes proceeds, and
24 the proceeds of grants.
- 25 (2) Establish a contingency account and provide for an allocation of bond
26 proceeds thereto. The funds in the contingency account may be used to
27 pay the cost of projects, the costs of issuance of bonds and notes, and
28 increased project costs resulting from construction costs exceeding
29 projections, inflationary factors, and changes in projects and allocations.
30 The funds allocated to the contingency account shall be placed by the
31 State Treasurer in a separate account in the Community College Bonds
32 Fund and shall be disbursed in accordance with the procedures
33 established for disbursements from the Community College Bonds
34 Fund.
- 35 (3) Empower the Director of the Budget, when the Director determines it is
36 in the best interest of the State and the North Carolina Community
37 College System to do so, and if the cost of a particular project is less
38 than the projected allocation, to use the excess funds to increase the size
39 of that project or increase the size of any other project authorized by the
40 General Assembly.

41 Allocations to the costs of a capital improvement or undertaking in each case
42 may include allocations to pay the costs set forth in Section 3(4)c., d., e., f., and g. of the
43 Bond Act in connection with the issuance of bonds for that capital improvement or

- 1 undertaking. The matching requirements of G.S. 115D-31(a)(1) apply to the proceeds of
2 Community College Bonds and notes used to make grants to community colleges.
3 Sec. 4. **Effective date.** – This act becomes effective July 1, 1995.