

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**S**

**D**

**SENATE DRS55004-LE-7 (12/27)**

Short Title: Lottery Proceeds Do Not Supplant School Funds. (Public)

---

Sponsors: Senator Pittenger.

---

Referred to:

---

A BILL TO BE ENTITLED

AN ACT TO ENSURE THAT LOTTERY PROCEEDS EARMARKED FOR LOCAL SCHOOL ADMINISTRATIVE UNITS ARE NOT USED TO SUPPLANT EXISTING FUNDING.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 18C-164(c) reads as rewritten:

"(c) The Commission shall distribute the remaining net revenue of the Education Lottery Fund, as follows, in the following manner:

- (1) A sum equal to fifty percent (50%) to support reduction of class size in early grades to class size allotments not exceeding 1:18 in order to eliminate achievement gaps and to support academic prekindergarten programs for at-risk four-year-olds who would otherwise not be served in a high-quality education program in order to help those four-year-olds be prepared developmentally to succeed in school. Local governments shall use these funds to supplement and not to supplant existing funding for these purposes.
- (2) A sum equal to forty percent (40%) to the Public School Building Capital Fund in accordance with G.S. 115C-546.2.
- (3) A sum equal to ten percent (10%) to the State Educational Assistance Authority to fund college and university scholarships in accordance with Article 35A of Chapter 115C of the General Statutes."

**SECTION 2.** G.S. 115C-546.2(d) is amended by adding a new subdivision

to read:

"(d) Monies transferred into the Fund in accordance with Chapter 18C of the General Statutes shall be allocated for capital projects for school construction projects as follows:

...

1           (6)    A county shall use these monies to supplement and not to supplant  
2                existing local funding for school facilities. A county has not  
3                supplanted these funds if its annual local appropriation for capital  
4                outlay is at least as much as its average local appropriation for capital  
5                outlay for the last five years."

6           **SECTION 2.** This act becomes effective July 1, 2007.