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SENATE DRS35244-LB-227 (3/10)

Short Title: Reallocate Lottery Funding.   (Public)

Sponsors: Senator Goodall.

Referred to:

1   A BILL TO BE ENTITLED
2   AN ACT TO REALLOCATE LOTTERY FUNDING FROM CLASS SIZE REDUCTION
3   AND PRE-K PROGRAMS TO SCHOOL CONSTRUCTION.
4   The General Assembly of North Carolina enacts:
5   **SECTION 1.** G.S. 18C-164 reads as rewritten:
6   "**§ 18C-164. Transfer of net revenues.**
7   (a)   The funds remaining in the North Carolina State Lottery Fund after receipt of all
8   revenues to the Lottery Fund and after accrual of all obligations of the Commission for prizes
9   and expenses shall be considered to be the net revenues of the North Carolina State Lottery
10   Fund. The net revenues of the North Carolina State Lottery Fund shall be transferred four times
11   a year to the Education Lottery Fund, which shall be created in the State treasury.
12   (b)   From the Education Lottery Fund, the Commission shall transfer a sum equal to five
13   percent (5%) of the net revenue of the prior year to the Education Lottery Reserve Fund. A
14   special revenue fund for this purpose shall be established in the State treasury to be known as
15   the Education Lottery Reserve Fund, and that fund shall be capped at fifty million dollars
16   ($50,000,000). Monies in the Education Lottery Reserve Fund may be appropriated only as
17   provided in subsection (e) of this section.
18   (c)   The Commission shall distribute the remaining net revenue of the Education Lottery
19   Fund, as follows, in the following manner:
20   (1)   ~~A sum equal to fifty percent (50%) to support reduction of class size in early~~
21   ~~grades to class size allotments not exceeding 1:18 in order to eliminate~~
22   ~~achievement gaps and to support academic prekindergarten programs for~~
23   ~~at-risk four-year-olds who would otherwise not be served in a high-quality~~
24   ~~education program in order to help those four-year-olds be prepared~~
25   ~~developmentally to succeed in school.~~
26   (2)   A sum equal to ~~forty percent (40%)~~ ninety percent (90%) to the Public
27   School Building Capital Fund in accordance with G.S. 115C-546.2.
28   (3)   A sum equal to ten percent (10%) to the State Educational Assistance
29   Authority to fund college and university scholarships in accordance with
30   Article 35A of Chapter 115C of the General Statutes.
31   (d)   Of the sums transferred under subsection (c) of this section, the General Assembly
32   shall appropriate the funds annually based upon estimates of lottery net revenue to the
33   Education Lottery Fund provided by the Office of State Budget and Management and the Fiscal
34   Research Division of the North Carolina General Assembly.

1   (e)   If the actual net revenues are less than the appropriation for that given year, then the
2 Governor may transfer from the Education Lottery Reserve Fund an amount sufficient to equal
3 the appropriation by the General Assembly. If the monies available in the Education Lottery
4 Reserve Fund are insufficient to reach a full appropriation, the Governor shall transfer monies
5 in order of priority, to the following:
6   ~~(1)   To support academic prekindergarten programs for at-risk four-year-olds~~
7   ~~who would otherwise not be served in a high-quality education program in~~
8   ~~order to help those four-year-olds be prepared developmentally to succeed in~~
9   ~~school.~~
10   ~~(2)   To reduce class size.~~
11   (3)   To provide financial aid for needy students to attend college.
12   (4)   To the Public School Building Capital Fund to be spent in accordance with
13   this section.
14   (f)   If the actual net revenues exceed the amounts appropriated in that fiscal year, the
15 excess net revenues shall remain in the Education Lottery Fund, and then be transferred as
16 follows:
17   (1)   Fifty percent (50%) to the Public School Building Capital Fund to be spent
18   in accordance with this section.
19   (2)   Fifty percent (50%) to the State Educational Assistance Authority to be
20   spent in accordance with this section."
21   **SECTION 2.** This act becomes effective July 1, 2009.