



SENATE BILL 5: Building North Carolina's Future.

2019-2020 General Assembly

Committee:	Senate Appropriations/Base Budget. If favorable, re-refer to Rules and Operations of the Senate	Date:	February 12, 2019
Introduced by:	Sens. Brown, Harrington, Krawiec	Prepared by:	Luke Gillenwater
Analysis of:	First Edition		Committee Staff

OVERVIEW: *Senate Bill 5 allows State and local educational institutions access to funding from the State Capital and Infrastructure Fund to address critical capital funding needs.*

CURRENT LAW: Effective July 1, 2019, the General Assembly has created the State Capital and Infrastructure Fund in G.S. 143C-4-3.1. The Fund implements a “pay as you go” policy for capital projects and repairs and renovations projects for State agencies and The University of North Carolina System. Monies in the Fund are comprised of:

- ¼ of the unreserved fund balance remaining at the end of each fiscal year
- 4% of net General Fund tax revenue
- Any other funds appropriated by the General Assembly for capital improvements
- Accrued interest on Fund deposits

Monies in the Fund are dedicated first to meeting the State’s debt service obligations with the remaining amounts being available for appropriation for new capital projects and repairs and renovations.

BILL ANALYSIS: Senate Bill 5 establishes the intent of the General Assembly to allow Community Colleges and local school administrative units access to funds for capital projects through the 2027-2028 fiscal year and would make the following changes to the State Capital and Infrastructure Fund:

- Increase to 4.5% the amount of General Fund tax revenue deposited into the Fund
- Allow new capital projects and repair and renovation projects for Community Colleges and local school administrative units as statutorily-authorized recipients of capital funds.
- Capital appropriations for local school administrative units to be administered by DPI with priority to schools with greatest need and those that have not received a grant from the Needs-Based Public School Capital Fund in the previous five years.
- Restriction on use of funds by schools not in compliance with the class size requirements in G.S. 115C-301.
- Repair and renovation funds allocated to local school administrative units may additionally be used for school safety enhancements.

The bill also appropriates funds from the Fund for specific projects at DNCR, Western Carolina University, Elizabeth City State University, and the Community Colleges system for the 2019-20 FY, and adds an annual statutory appropriation of \$100,000,000 to the Public School Building Capital Fund.

EFFECTIVE DATE: This act becomes effective July 1, 2019.

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Director

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Legislative Drafting
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