

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999

SENATE BILL 912
RATIFIED BILL

AN ACT (1) TO AUTHORIZE THE ISSUANCE OF THREE BILLION ONE HUNDRED MILLION DOLLARS GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO PROVIDE FUNDS FOR CAPITAL IMPROVEMENTS FOR THE UNIVERSITY OF NORTH CAROLINA AND GRANTS TO COMMUNITY COLLEGES FOR CAPITAL IMPROVEMENTS AND (2) TO AUTHORIZE THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA TO ISSUE SPECIAL OBLIGATION BONDS FOR IMPROVEMENTS TO THE FACILITIES OF THE UNIVERSITY OF NORTH CAROLINA AND FOR THE UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL AND OTHER FACILITIES OF THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. This act shall be known as the Michael K. Hooker Higher Education Facilities Financing Act.

Section 1.1. The General Assembly finds that although The University of North Carolina is one of the State's most valuable assets, the current facilities of the University have been allowed to deteriorate due to decades of neglect and have unfortunately fallen into a state of disrepair because of inadequate attention to maintenance. It is the intent of the General Assembly to reverse this trend and to provide a mechanism to assure that the University's capital assets are adequately maintained. The General Assembly commits to responsible stewardship of these assets to protect their value over the years, as follows:

- (1) The Board of Governors of The University of North Carolina shall require each constituent and affiliated institution to monitor the condition of its facilities and their needs or repair and renovation, and to assure that all necessary maintenance is carried out within funds available.
- (2) The Board of Governors shall report annually to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight Committee on the condition of the University's capital facilities, the repair, renovation, and maintenance projects being undertaken, and all needs for additional funding to maintain the facilities.
- (3) It is the intent of the General Assembly to assure that adequate oversight, funding, and accountability are continually provided so that the capital facilities of the University are properly maintained to preserve the level of excellence the citizens of this State deserve. To this end, the Joint Legislative Education Oversight Committee shall report to the General Assembly annually its recommendations for legislative changes to implement this policy.

Section 1.2. The General Statutes are amended by adding a new Chapter to read:

"CHAPTER 116D.
"HIGHER EDUCATION BONDS.

**"ARTICLE 1.
"GENERAL PROVISIONS.**

"§ 116D-1. Definitions.

The following definitions apply in this Chapter:

- (1) Board of Governors. – The Board of Governors of the University.
- (2) Capital facility. – Any one or more of the following for the University or for a community college:
 - a. One or more buildings, utilities, structures, or other facilities or property developments, including streets and landscaping, and the acquisition of equipment and furnishings in connection therewith.
 - b. Additions, extensions, enlargements, renovations, and improvements to existing buildings, utilities, structures, or other facilities or property developments, including streets and landscaping.
 - c. Land or an interest in land.
 - d. Other infrastructure.

The term includes, without limitation, classroom buildings, laboratory buildings, research facilities, libraries, physical education facilities, continuing education centers, student cafeterias, and activity facilities, including sports facilities, student and faculty housing facilities, and administrative office facilities.
- (3) Cost. – Any of the following in financing the cost of capital facilities and special obligation bond projects, as authorized by this Chapter:
 - a. The cost of constructing, reconstructing, renovating, repairing, enlarging, acquiring, and improving capital facilities and special obligation bond projects, including the acquisition of land, rights-of-way, easements, franchises, equipment, furnishings, and other interests in real or personal property acquired or used in connection with a capital facility or special obligation bond project.
 - b. The cost of engineering, architectural, and other consulting services as may be required.
 - c. The cost of providing personnel to ensure effective project management.
 - d. Finance charges, reserves for debt service, and interest prior to and during construction.
 - e. Administrative expenses and charges incurred by the State in connection with the administration of a bond program created under this Chapter.
 - f. The cost of bond insurance, investment contracts, credit enhancement, and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of bond and note issuance.
 - g. The cost of reimbursing the State for any payments made for any cost described in this subdivision.
 - h. Any other costs and expenses necessary or incidental to the purposes of this Chapter.
- (4) Credit facility. – An agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association or other banking institution, an insurance company, reinsurance company, surety company or other insurance institution, a corporation, investment banking firm or other investment institution, or any financial institution or other similar provider of a credit facility, which provider may be located within or without the United States, and

- providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State's agreeing to repay the provider of the credit facility in accordance with the terms and provisions of the agreement.
- (5) Fiscal period. – A fiscal biennium or a fiscal year of the fiscal biennium.
- (6) Fiscal year. – The fiscal year of the State beginning on July 1 of one calendar year and ending on June 30 of the next calendar year.
- (7) Par formula. – A provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne or provided for by any bonds or notes, including:
- a. A provision providing for an adjustment so that the purchase price of bonds or notes in the open market would be as close to par as possible.
 - b. A provision providing for an adjustment based upon a percentage or percentages of a prime rate or base rate, which percentages may vary or be applied for different periods of time.
 - c. A provision that the State Treasurer determines is consistent with this Chapter and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.
- (8) Securities issued under this Chapter. – Any of the following:
- a. University improvement general obligation bonds, refunding bonds, notes, and refunding notes issued under Article 2 of this Chapter.
 - b. Special obligation bonds, bond anticipation notes, and refunding bonds issued under Article 3 of this Chapter.
 - c. Community college general obligation bonds, refunding bonds, notes, and refunding notes issued under Article 4 of this Chapter.
- (9) State. – The State of North Carolina.
- (10) State Treasurer. – The incumbent Treasurer, from time to time, of the State.
- (11) University. – The University of North Carolina and its constituent and affiliated institutions, including, without limitation, the University of North Carolina Center for Public Television, the University of North Carolina Health Care System, the North Carolina School of Science and Mathematics, and the North Carolina Arboretum.

"§ 116D-2. General provisions.

(a) Signatures. – Should any officer whose signature or facsimile signature appears on securities issued under this Chapter cease to be that officer before the delivery of the securities, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery of the securities. Securities issued under this Chapter may bear the facsimile signatures of persons, who at the actual time of the execution of the securities were the proper officers to sign any security although at the date of the security those persons may not have been officers.

(b) Tax Exemption. – Securities issued under this Chapter shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting estate, inheritance, or gift taxes, income taxes on the gain from the transfer of

the securities, and franchise taxes. The interest on the securities is not subject to taxation as income.

(c) Investment Eligibility. – Securities issued under this Chapter are securities in which all of the following may invest, including capital in their control or belonging to them: public officers, agencies, and public bodies of the State and its political subdivisions, insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State, executors, administrators, trustees, and other fiduciaries. Securities issued under this Chapter are securities which may properly and legally be deposited with and received by any officer or agency of the State or a political subdivision of the State for any purpose for which the deposit of bonds or notes of the State or any political subdivision is now or may later be authorized by law.

(d) Inconsistent Laws. – All general, special, or local laws that are inconsistent with this Chapter do not apply to this Chapter.

"§ 116D-3. Reports.

(a) Board of Governors. – The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations by September 15 of each year, and more frequently as the Commission requests, on the following:

- (1) University Improvement General Obligation Bonds. – The Board of Governors shall report on projects funded by university improvement general obligation bonds under Article 2 of this Chapter, including the total project costs, the amount to be funded from the bonds, the expenditures to date from the bonds and other sources, and the percentage of each project completed. Each annual report shall include estimated operating costs for each project begun in the preceding fiscal year, including proposed sources of funds and anticipated dates for occupancy. Operating costs shall be projected for a period of at least 20 years from the date of anticipated project completion.
- (2) Special Obligation Bonds. – The Board of Governors shall report on special obligation bonds issued under Article 3 of this Chapter, including the amount of debt, itemized for each institution of the University, by bond issue, and by project. The report shall include schedules of debt service requirements and actual payments, as well as evidence of compliance with additional financial covenants required by bond documents. The report shall identify the trends and current revenue streams of the sources of obligated resources pledged for each bond issue.

(b) Treasurer. – Upon issuance of university improvement general obligation bonds under Article 2 of this Chapter or community college general obligation bonds under Article 4 of this Chapter, the Treasurer shall forward a schedule of required payments of principal and interest over the life of the bonds to the Director of the Budget, with copies to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. The Treasurer shall report to the Joint Legislative Commission on Governmental Operations by September 15 of each year, and more frequently as the Commission requests, on the university improvement general obligation bonds issued under Article 2 of this Chapter and community college general obligation bonds issued under Article 4 of this Chapter, including the annual debt service requirements over the remainder of the life of the bonds.

(c) Community Colleges. – The Community Colleges System Office shall report quarterly to the Joint Legislative Education Oversight Committee on the projects funded from community college general obligation bonds. Each report shall include the total project costs, the amount to be funded from the bonds, the expenditures to date from the bonds and other sources, and the percentage of each project completed.

**"ARTICLE 2.
"GENERAL OBLIGATION BONDS FOR FINANCING
CAPITAL FACILITIES FOR THE UNIVERSITY OF NORTH CAROLINA.**

"§ 116D-6. Short title.

This Article may be cited as the University Improvement General Obligation Bonds Finance Act.

"§ 116D-7. Definitions.

The following definitions apply in this Article:

- (1) Bonds. – Bonds authorized to be issued under this Article, including refunding bonds.
- (2) Notes. – Notes issued under this Article.
- (3) University improvement general obligation bonds. – Bonds authorized to be issued under this Article, including refunding bonds.

"§ 116D-8. Authorization of bonds and notes.

Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing university improvement general obligation bonds in the election held as provided by law, the State Treasurer may, by and with the consent of the Council of State, issue and sell, at one time or from time to time, university improvement general obligation bonds of the State to be designated 'State of North Carolina University Improvement General Obligation Bonds', with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State. Except as otherwise provided by this Article, the aggregate amount of bonds and notes issued pursuant to this Article shall not exceed two billion five hundred million dollars (\$2,500,000,000). The bonds and notes shall be issued in the following years up to the following amounts:

<u>Fiscal Year</u>	<u>Aggregate Amount</u>
<u>2000-2001</u>	<u>\$201,600,000</u>
<u>2001-2002</u>	<u>241,900,000</u>
<u>2002-2003</u>	<u>483,900,000</u>
<u>2003-2004</u>	<u>483,900,000</u>
<u>2004-2005</u>	<u>564,500,000</u>
<u>2005-2006</u>	<u>524,200,000</u>

If less than the aggregate amount of bonds or notes authorized to be issued in a fiscal year is issued in that fiscal year, the balance for that fiscal year may be issued in any subsequent fiscal year. Refunding bonds and notes issued pursuant to G.S. 116D-11(f) shall not be included in the limitation on the aggregate amount of bonds and notes that may be issued pursuant to this Article.

The proceeds of bonds or notes issued under this Article shall be applied to finance the cost of improvement, construction, and acquisition of capital facilities for the University or to refund any outstanding bonds or notes issued under this Article. The capital facilities to be improved, constructed, or acquired with the proceeds of bonds or notes shall be determined as provided in G.S. 116D-9.

"§ 116D-9. Designation of capital facilities and preconditions to bond issuance.

The capital facilities to be financed in whole or in part with the proceeds of university improvement general obligation bonds shall be set forth in legislation enacted from time to time by the General Assembly. This legislation shall also provide for voter approval of the bonds to finance the capital facilities and shall become effective only upon approval by the voters. The proceeds of university improvement general obligation bonds shall not be expended to pay the costs of any capital facilities other than those set forth in that legislation.

"§ 116D-10. Faith and credit.

The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes. The State retains the right to amend any provision of this Article to the extent it does not impair any contractual right of a bond owner.

"§ 116D-11. Issuance of bonds and notes.

(a) Terms and Conditions. – Bonds or notes may bear any dates, may be serial or term bonds or notes, or any combination of these, may mature in any amounts and at any times, not exceeding 25 years from their dates, may be payable at any places, either within or without the United States, in any coin or currency of the United States that at the time of payment is legal tender for payment of public and private debts, may bear interest at any rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at any prices, including a price greater than the face amount of the bonds or notes, and under any terms and conditions, all as may be determined by the State Treasurer, by and with the consent of the Council of State.

(b) Signatures; Form and Denomination; Registration. – Bonds or notes may be issued in certificated or uncertificated form. If issued in certificated form, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State or a facsimile of the Seal impressed or imprinted on them. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this Article.

(c) Manner of Sale; Expenses. – Subject to the approval by the Council of State as to the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase or otherwise, the State Treasurer is authorized to sell bonds or notes at one time or from time to time at any rates of interest, which may vary from time to time, and at any prices, including a price less than the face amount of the bonds or notes, as the State Treasurer may determine. All expenses incurred in the preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available moneys.

(d) Application of Proceeds. – The proceeds of any bonds or notes shall be used solely for the purposes for which the bonds or notes were issued and shall be disbursed in the manner and under the restrictions, if any, that the Council of State may provide in the resolution authorizing the issuance of, or in any trust agreement securing, the bonds or notes.

Any additional moneys which may be received by means of a grant or grants from the United States or any agency or department thereof or from any other source to aid in financing the cost of a capital facility may be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this Article.

(e) Notes; Repayment. – By and with the consent of the Council of State, the State Treasurer is authorized to borrow money and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:

- (1) For anticipating the sale of bonds, the issuance of which the Council of State has approved, if the State Treasurer considers it advisable to postpone the issuance of the bonds.
- (2) For the payment of interest on or any installment of principal of any bonds then outstanding, if there are not sufficient funds in the State treasury with which to pay the interest or installment or principal as they respectively become due.
- (3) For the renewal of any loan evidenced by notes authorized in this Article.

(4) For the purposes authorized in this Article.

(5) For refunding bonds or notes as authorized in this Article.

Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this Article. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which have been used in paying interest on or principal of the bonds.

(f) Refunding Bonds and Notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes for the purpose of refunding bonds or notes issued pursuant to this Article and to pay the cost of issuance of the refunding bonds or notes. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured. Refunding bonds or notes may be issued at any time prior to the final maturity of the debt or obligation to be refunded. The proceeds from the sale of any refunding bonds or notes shall be applied to the immediate payment and retirement of the bonds or notes being refunded or, if not required for the immediate payment of the bonds or notes being refunded, the proceeds shall be deposited in trust to provide for the payment and retirement of the bonds or notes being refunded and to pay any expenses incurred in connection with the refunding. Money in a trust fund may be invested in (i) direct obligations of the United States government, (ii) obligations the principal of and interest on which are guaranteed by the United States government, (iii) obligations of any agency or instrumentality of the United States government if the timely payment of principal and interest on the obligations is unconditionally guaranteed by the United States government, or (iv) certificates of deposit issued by a bank or trust company located in the State if the certificates are secured by a pledge of any of the obligations described in (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. This section does not limit the duration of any deposit in trust for the retirement of bonds or notes being refunded but that have not matured and are not presently redeemable, or if presently redeemable, have not been called for redemption.

(g) University Improvement Bonds Fund. – The proceeds of university improvement general obligation 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 'University Improvement Bonds Fund'. Moneys in the University Improvement Bonds Fund shall be used for the purposes set forth in this Article.

Any additional moneys that may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source to aid in financing the cost of any university improvements authorized by this Article may be placed by the State Treasurer in the University Improvement Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this act.

The proceeds of university improvement general obligation bonds and notes may be used with any other moneys made available by the General Assembly for the making of university improvements, including the proceeds of any other State bond issues, whether previously made available or which may be made available after the effective date of this Article. The proceeds of university improvement bonds and notes shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this Article for university improvements shall be disbursed for the purposes provided in this Article upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

"§ 116D-12. Variable rate demand bonds and notes.

(a) In fixing the details of bonds and notes, the State Treasurer may provide that the bonds and notes may:

- (1) Be made payable from time to time on demand or tender for purchase by the owner, if a credit facility supports the bonds or notes, unless the State Treasurer specifically determines that a credit facility is not required upon a finding and determination by the State Treasurer that the absence of a credit facility will not materially and adversely affect the financial position of the State and the marketing of the bonds or notes at a reasonable interest cost to the State.
- (2) Be additionally supported by a credit facility.
- (3) Be made subject to redemption or a mandatory tender for purchase prior to maturity.
- (4) Bear interest at rates that may vary from any periods of time, as may be provided in the proceedings providing for the issuance of the bonds or notes, including, without limitation, any variations as may be permitted pursuant to a par formula.
- (5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility or to the State.

(b) If the aggregate principal amount payable by the State under a credit facility is in excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium, or for any other reason, then the amount of authorized but unissued bonds or notes during the term of the credit facility shall not be less than the amount of the excess, unless the payment of the excess is otherwise provided for by agreement of the State executed by the State Treasurer.

"§ 116D-13. Other agreements.

The State Treasurer may authorize, execute, obtain, or otherwise provide for bond insurance, investment contracts, credit and liquidity facilities, interest rate swap agreements and other derivative products, and any other related instruments and matters the State Treasurer determines are desirable in connection with the issuance of bonds or notes. The State Treasurer is authorized to employ and designate any financial consultants, underwriters, and bond attorneys to be associated with any bond issue under this Article as the State Treasurer considers necessary.

"ARTICLE 3.**"SPECIAL OBLIGATION BONDS FOR IMPROVEMENTS TO THE FACILITIES OF THE UNIVERSITY OF NORTH CAROLINA.****"§ 116D-21. Purpose.**

The purpose of this Article is to authorize the Board of Governors of The University of North Carolina to issue special obligation bonds, payable from obligated resources, but with no pledge of taxes or the faith and credit of the State or any agency or political subdivision of the State, to pay the cost, in whole or in part, of improvements to the facilities of the University.

"§ 116D-22. Definitions.

The following definitions apply in this Article:

- (1) Existing facilities. – Buildings and facilities then existing that generate income or receipts to the Board of Governors that are pledged, under the provisions of a resolution authorizing the issuance of the special obligation bonds under this Article, to the payment of the bonds.
- (2) Institution. – Each of the institutions enumerated in G.S. 116-2, and any affiliated institutions of the University, including, without limitation, the University of North Carolina Center for Public

- Television, the University of North Carolina Health Care System, the North Carolina School of Science and Mathematics, and the North Carolina Arboretum.
- (3) Obligated resources. – Any sources of income or receipts of the Board of Governors or the institution at which a special obligation bond project is or will be located that are designated by the Board as the security and source of payment for bonds issued under this Article to finance a special obligation bond project, including, without limitation, any of the following:
- a. Rents, charges, or fees to be derived by the Board of Governors or the institution from any activities conducted at the institution.
 - b. Earnings on the investment of the endowment fund of the institution at which a special obligation project will be located, to the extent that the use of the earnings will not violate any lawful condition placed by the donor upon the part of the endowment fund that generates the investment earnings.
 - c. Funds to be received under a contract or a grant agreement, including 'overhead costs reimbursement' under a grant agreement, entered into by the Board of Governors or the institution to the extent the use of the funds is not restricted by the terms of the contract or grant agreement or the use of the funds as provided in this Article does not violate the restriction.
- Obligated resources do not include funds appropriated to the Board of Governors or the institution from the General Fund by the General Assembly from funds derived from general tax and other revenues of the State, and obligated resources do not include tuition payment by students.
- (4) Special obligation bonds. – Bonds issued under this Article to finance the cost of a special obligation project, which bonds are secured by and payable from obligated resources designated by the Board of Governors at the time the issuance of the bonds is authorized in accordance with this Article.
- (5) Special obligation bond project. – Any capital facilities located or to be located at an institution for the purpose of carrying out the mission of that institution and designated specifically by the Board of Governors as a 'special obligation bond project' for purposes of this Article. A special obligation bond project need not necessarily consist of buildings or facilities that are expected to generate 'self-liquidating revenues' to the Board of Governors or the institution from direct rentals, charges, or fees from the services provided by the building or facility, and may include facilities such as classroom buildings, administration buildings, research facilities, libraries, and equipment that do not produce direct, or indirect, income to the Board of Governors or the institution.

"§ 116D-23. Credit and taxing power of State not pledged; statement on face of bonds.

Special obligation bonds issued under this Article shall not constitute a debt or liability of the State or any political subdivision of the State or a pledge of the faith and credit of the State or of any political subdivision of the State. Special obligation bonds shall be secured solely by the obligated resources pledged to their payment. All of the special obligation bonds shall contain on their face a statement to the effect that neither the State nor the Board of Governors is obligated to pay the bonds or the interest on the bonds except from the obligated resources pledged for payment and that neither the faith and credit nor the taxing power of the State or of any political subdivision or instrumentality of the State is pledged to the payment of the principal of or the interest

on the bonds. The issuance of special obligation bonds under this Article does not directly or indirectly or contingently obligate the State or any political subdivision of the State to levy or to pledge any taxes for the bonds.

"§ 116D-24. General powers of Board of Governors.

The Board of Governors is authorized, subject to the requirements of this Article, to do all of the following:

- (1) Determine the location and character of any special obligation bond project, to acquire, construct, and provide the project, and to maintain, repair, and operate and enter into contracts for the management, lease, use, or operation of all or any portion of any special obligation bond project and any existing facilities.
- (2) Issue special obligation bonds to pay all or any part of the cost of a special obligation bond project, and to fund or refund any bonds previously issued by the Board of Governors to finance facilities designated as a special obligation bond project.
- (3) Fix and revise from time to time and charge and collect fees, rates, rents, charges, and other income for the use of and for the services furnished by the institution that are designated as obligated resources in connection with a special obligation bond issue.
- (4) Establish and enforce, and to agree through any resolution or trust agreement authorizing or securing bonds under this Article to make and enforce, rules for the use of and services rendered by the institution of the income or receipts to be obtained from the use or services designated as obligated resources in connection with a special obligation bond issue.
- (5) Acquire, hold, lease, and dispose of real and personal property in the exercise of its powers and the performance of its duties and to lease all or any part of a special obligation bond project and any existing facilities for any periods of years, not exceeding 40 years, upon any terms and conditions as the Board of Governors determines, subject to the provisions of G.S. 143-341.
- (6) Employ consulting engineers, attorneys, accountants, construction and financial experts, superintendents, managers, and any other employees and agents as may be necessary in its judgment in connection with a special obligation bond project and existing facilities, and to fix their compensation.
- (7) Enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this Article.
- (8) Receive and accept from any federal, State, or other public agency and any private agency, person, or other entity donations, loans, grants, aid, or contributions of any money, property, labor, or other things of value for a special obligation bond project or any other services provided by the institution that is designated as the obligated resource in connection with a special obligation bond issue, and to agree to apply and use them in accordance with the terms and conditions under which they are provided.
- (9) Do all acts and things necessary or convenient to carry out the powers granted by this Article.

"§ 116D-25. Consultation with the Joint Legislative Commission on Governmental Operations.

Whenever this Article requires the approval of the Director of the Budget of an action, the Director of the Budget may consult with the Joint Legislative Commission on Governmental Operations before giving approval.

"§ 116D-26. Issuance of special obligation bonds and bond anticipation notes.

(a) Authority. – The Board of Governors may issue, subject to the approval of the Director of the Budget, at one time or from time to time, special obligation bonds of the Board of Governors for the purpose of paying all or any part of the cost of acquiring, constructing, or providing a special obligation project. Before issuing special obligation bonds, the Board of Governors shall first adopt a resolution (i) setting forth the designation by the Board of Governors that the buildings or facilities to be financed by the bond issue are the special obligation bond project being financed and (ii) designating the obligated resources that will secure and be the source of payment of the special obligation bonds to be issued. The Board of Governors shall not issue any special obligation bonds unless the Board of Governors finds that sufficient obligated resources are reasonably expected to be available (i) to pay the principal and interest on the special obligation bonds proposed to be issued, (ii) to create and maintain any reserves for the payment of the special obligation bonds, to the extent the Board of Governors is required to maintain reserves for this purpose by the terms of the trust agreement or resolution authorizing the issuance of the special obligation bonds, and (iii) to provide for the maintenance and operation of the facilities that are to generate the obligated resources to the extent the Board of Governors is required to maintain those facilities by the terms of the trust agreement or resolution authorizing the issuance of the special obligation bonds. Notwithstanding any other provision of this Article, the proceeds of special obligation bonds to be secured by obligated resources derived from the operation of or activities at one institution may not be applied to finance a special obligation project to be located at another institution.

(b) Approval Required. – The Board of Governors shall not issue any special obligation bonds for a project at an institution unless the board of trustees of that institution has approved the issuance of bonds for that project. The Board of Governors shall not issue special obligation bonds under this Article until the effective date of legislation enacted by the General Assembly authorizing the undertaking of the special obligation bond project to be financed and fixing the maximum aggregate principal amount of special obligation bonds that shall be issued for that purpose. In submitting proposed special obligation bond projects to the General Assembly for approval, the Board of Governors shall submit information on the need for each project, project costs, estimates of increased operating costs upon completion, estimated debt service requirements, and the sources and amounts of obligated resources to be pledged for the repayment of the bonds. If the obligated resources to repay the bonds or to operate the proposed project potentially involve increased costs to students or to the General Fund, these costs shall be identified in the Board of Governors' submission.

Except as provided in this Article, special obligation bond projects may be undertaken, special obligation bonds may be issued, and other powers vested in the Board of Governors under this Article may be exercised by the Board without obtaining the consent of any department, division, commission, board, bureau, or agency of the State and without any other proceedings or the happening of any other conditions or things other than those proceedings, conditions, or things which are specifically required by this Article.

(c) Term; Form. – The special obligation bonds of each issue shall be dated, shall mature at any times not exceeding 25 years from their dates, shall bear interest at any rates as may be determined by the Board of Governors, and may be redeemable before maturity at the option of the Board, at any prices and under any terms and conditions as may be fixed by the Board prior to the issuance of the special obligation bonds. The Board of Governors shall determine the form and manner of execution of the special obligation bonds and shall fix the denominations of the special obligation bonds and the places of payment of principal and interest, which may be at any bank or trust company within or without the State. Notwithstanding any of the other provisions of this Article or any recitals in any special obligation bonds issued under the provisions of this Article, all special obligation bonds shall be negotiable instruments under the laws of this State, subject only to the provisions for registration in a resolution authorizing the

issuance of the special obligation bonds or a trust agreement securing the bonds. The Board of Governors may sell the special obligation bonds in any manner, at public or private sale, and for any price, as it may determine to be for its best interests.

(d) Proceeds; Additional Bonds. – The proceeds of the special obligation bonds of each issue shall be used solely for the purpose for which the bonds have been authorized and shall be disbursed in the manner and under such restrictions, if any, as the Board of Governors may provide in the resolution authorizing the issuance of the bonds or in the trust agreement securing them. Unless otherwise provided in the authorizing resolution or in the trust agreement securing the special obligation bonds, if the proceeds of the special obligation bonds, by error of estimates or otherwise, are less than the cost of the special obligation bond project, additional bonds may in like manner be issued to provide the amount of the deficit and shall be deemed to be of the same issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued for the same purpose.

The resolution providing for the issuance of special obligation bonds, and any trust agreement securing them, may also contain limitations upon the issuance of additional special obligation bonds as the Board of Governors considers proper, and the additional special obligation bonds must be issued under the restrictions and limitations prescribed by the resolution or trust agreement.

(e) Temporary Bonds; Notes. – Before preparing definitive bonds, the Board of Governors may, under like restrictions, issue interim receipts or temporary bonds exchangeable for definitive bonds when the bonds have been executed and are available for delivery. The Board may also provide for the replacement of any bonds which become mutilated, destroyed, or lost.

The Board of Governors may enter into or negotiate a note with an acceptable bank or trust company in lieu of issuing special obligation bonds for the financing of special obligation bond projects covered under this Article. The terms and conditions of any note of this nature shall be in accordance with the terms and conditions surrounding issuance of the special obligation bonds.

(f) Bond Anticipation Notes. – The Board of Governors may issue, subject to the approval of the Director of the Budget, at one time or from time to time, bond anticipation notes of the Board of Governors in anticipation of the issuance of special obligation bonds authorized by this Article. The principal of and the interest on these notes shall be payable solely from the proceeds of special obligation bonds or renewal notes or, in the event bond or renewal note proceeds are not available, from the obligated resources designated for their payment. The notes of each issue shall be dated, shall mature at any times not exceeding two years from their dates, shall bear interest at any rates as may be determined by the Board of Governors, and may be redeemable before maturity, at the option of the Board of Governors, at any prices and under any terms and conditions as may be fixed by the Board of Governors prior to the issuance of the notes. The Board shall determine the form and the manner of execution of the notes and shall fix the denominations of the notes and the places of payment of principal and interest, which may be at any bank or trust company within or without the State. Notwithstanding any of the other provisions of this Article or any recitals in any notes issued under the provisions of this Article, all notes shall be negotiable instruments under the laws of this State, subject only to the provisions for registration in a resolution authorizing the issuance of the notes or any trust agreement securing the bonds in anticipation of which the notes are being issued. The Board of Governors may sell the notes in any manner, at public or private sale, and for any price, as it may determine to be for its best interests.

The proceeds of the notes of each issue shall be used solely for the purpose for which the special obligation bonds in anticipation of which the notes are being issued have been authorized, and the note proceeds shall be disbursed in any manner and under any restrictions as the Board of Governors may provide in the resolution authorizing the

issuance of the notes or bonds or in the trust agreement securing the special obligation bonds.

The resolution providing for the issuance of notes, and any trust agreement securing the special obligation bonds in anticipation of which the notes are being authorized, may also contain limitations upon the issuance of additional notes as the Board of Governors considers proper, and such additional notes shall be issued under the restrictions and limitations prescribed by the resolution or trust agreement. The Board may also provide for the replacement of any notes which shall become mutilated, destroyed, or lost.

Except as provided in this Article, notes may be issued under this Article and other powers vested in the Board of Governors under this Article may be exercised by the Board without obtaining the consent of any department, division, commission, board, bureau, or agency of the State and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions, or things which are specifically required by this Article.

Unless the context indicates otherwise, the word 'bonds', wherever used in this Article, include the words 'bond anticipation notes'.

"§ 116D-27. Trust agreement; money received deemed trust funds; insurance; remedies.

(a) Trust Agreement Securing Bonds. – In the discretion of the Board of Governors and subject to the approval of the Director of the Budget, any special obligation bonds issued under this Article may be secured by a trust agreement by and between the Board of Governors and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State. The trust agreement or the resolution providing for the issuance of special obligation bonds may pledge or assign the obligated resources designated as security for the special obligation bonds, but shall not convey or mortgage any property of the institution. The trust agreement or resolution providing for the issuance of special obligation bonds may contain provisions for protecting and enforcing the rights and remedies of the holders of the special obligation bonds that are reasonable and proper and not in violation of law, including covenants setting forth the duties of the Board of Governors in relation to the acquisition, construction, or provision of any of the charging and collecting of any rates, fees, or charges that have been designated as obligated resources, the maintenance, repair, operation, and insurance of any property of the institution, and the custody, safeguarding, and application of all moneys. It shall be lawful for any bank or trust company incorporated under the laws of the State which may act as depository of the proceeds of special obligation bonds or funds securing special obligation bonds to furnish any indemnifying bonds or to pledge any securities as may be required by the Board of Governors. A trust agreement or resolution may set forth the rights and remedies of the holders of the special obligation bonds and the rights, remedies, and immunities of the trustee or trustees, if any, and may restrict the individual right of action by the holders. In addition to the foregoing, a trust agreement or resolution may contain other provisions the Board of Governors considers reasonable and proper for the security of the holders. All expenses incurred in carrying out the provisions of the trust agreement or resolution may be treated as a part of the cost of the special obligation bond projects for which the special obligation bonds are issued or as an expense of operation of the special obligation bond project.

(b) Trust Funds. – All moneys received pursuant to the authority of this Article, whether as proceeds from the sale of bonds, or as obligated resources, are trust funds to be held and applied solely as provided in this Article. The Board of Governors may provide for the payment of all or part of the proceeds of the sale of the special obligation bonds and the obligated resources to any officer, board, or depository that it may designate for their custody, and may provide for their method of disbursement, with any safeguards and restrictions it may determine. Any officer with whom, or any bank or trust company with which, moneys are deposited shall act as trustee of the moneys and shall hold and apply them for the purposes of this Article, subject to any

requirements provided in this Article and in the resolution or trust agreement, authorizing or securing the special obligation bonds.

(c) Insurance. – Notwithstanding the provisions of any other law, the Board of Governors may carry insurance on any special obligation bond projects and any existing facilities in any amounts and covering any risks it considers advisable.

(d) Remedies. – Any holder of special obligation bonds issued under this Article and the trustees under a trust agreement, except to the extent the rights given in this section may be restricted by the trust agreement or the resolution authorizing the issuance of the special obligation bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the State or granted under this Article or under the trust agreement or resolution, and may enforce and compel the performance of all duties required by this Article or by the trust agreement or resolution to be performed by the Board of Governors or by any of its officers, including the fixing, charging, and collecting of obligated resources.

"§ 116D-28. Fixing and collecting obligated resources.

(a) Board to Provide Sufficient Resources. – For the purpose of aiding in the financing of a special obligation bond project and to provide security to the owners of the special obligation bonds issued to finance the special obligation bond project, the Board of Governors is authorized, to the extent the generation of the obligated resources is in the control of the Board, to fix, revise from time to time, charge, and collect the rents, charges, fees, or other revenues constituting the obligated resources. Fees and other revenue sources constituting obligated resources may be imposed or increased only with the approval of the Board of Governors. As long as any special obligation bonds issued under this Article and payable from those obligated resources are outstanding, the obligated resources, to the extent within the control of the Board of Governors, shall be so fixed and adjusted, with relation to other funds available, as to provide funds pursuant to the requirements of the resolution or trust agreement authorizing or securing the special obligation bonds and at least sufficient to pay the principal of and the interest on the special obligation bonds as they become due and payable, to assure the continued collection of the obligated resources, and to create and maintain reserves for these purposes. A sufficient amount of the obligated resources, except any part that may be necessary to pay the cost of maintenance, repair, and operation, and to provide reserves for these purposes and for renewals, replacements, extensions, enlargements, and improvements as may be provided for in the resolution authorizing the issuance of the special obligation bonds or in the trust agreement securing the same, shall be set aside at regular intervals as may be provided in the resolution or trust agreement authorizing the issuance of the special obligation bonds in a sinking fund which is hereby pledged to, and charged with, the payment of the principal of and the interest on the special obligation bonds as they become due and the redemption price or the purchase price of special obligation bonds retired by call or purchase as provided in the resolution or trust agreement. This pledge shall be valid and binding from the time it is made, the obligated resources so pledged and thereafter received by the Board of Governors shall immediately be subject to the lien of the pledge without any physical delivery of the pledge or further act, and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Board of Governors, irrespective of whether the parties have notice of the pledge. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the Board of Governors. The use and disposition of moneys to the credit of the sinking fund shall be subject to the provisions of the resolution authorizing the issuance of the special obligation bonds or of the trust agreement securing the bonds.

(b) State Pledge. – The State pledges to, and agrees with, the holders of any special obligation bonds or notes issued by the Board of Governors pursuant to this Article that as long as any of the special obligation bonds or notes are outstanding and unpaid, the State will not limit or alter the rights vested in the Board of Governors at the

time of issuance of the special obligation bonds or notes to set the terms and conditions of the special obligation bonds or notes and to fulfill the terms of any agreements made with the bondholders or noteholders. The State shall in no way impair the rights and remedies of the bondholders or noteholders until the special obligation bonds or notes and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders or noteholders are fully paid, met, and discharged.

"§ 116D-29. Vesting powers in committee.

The Board of Governors may authorize its budget and finance committee to sell any special obligation bonds which the Board has, with the approval of the Director of the Budget, authorized to be issued under this Article in any manner and under any limitations or conditions as the Board prescribes and to perform other functions under this Article the Board determines.

"§ 116D-30. Refunding bonds.

The Board of Governors may, subject to the approval of the Director of the Budget, issue from time to time refunding bonds for the purpose of refunding any bonds by the Board under this Article or under any Article of Chapter 116 of the General Statutes, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the bonds refunded. The Board of Governors is further authorized, subject to the approval of the Director of the Budget, to issue from time to time refunding bonds for the combined purpose of (i) refunding any bonds issued by the Board under this Article or under any Article of Chapter 116 of the General Statutes, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the bonds, and (ii) paying all or any part of the cost of acquiring or constructing any additional special obligation bond projects.

This Article, as applicable, governs the issuance of refunding bonds, their maturities and other details, the rights and remedies of their holders, and the rights, powers, privileges, duties, and obligations of the Board of Governors with respect to them.

"§ 116D-31. Additional and alternative method.

This Article provides an additional and alternative method for the doing of the things authorized and is supplemental and additional to powers conferred by other laws, including G.S. 116-175 to G.S. 116-185, inclusive and G.S. 116-197 and G.S. 116-198, and is not in derogation of or repealing any powers now existing under any other law, whether general, special, or local. The issuance of special obligation bonds or refunding bonds under this Article, however, need not comply with the requirements of any other law applicable to the issuance of bonds.

"ARTICLE 4.

**"COMMUNITY COLLEGES FACILITIES GENERAL OBLIGATION
FINANCE ACT.**

"§ 116D-41. Short title.

This Article may be cited as the Community College Facilities General Obligation Finance Act.

"§ 116D-42. Definitions.

The following definitions apply in this Article:

- (1) Bonds. – Bonds authorized to be issued under this Article, including refunding bonds.
- (2) Community college. – Defined in G.S. 115D-2.
- (3) Community college general obligation bonds. – Bonds authorized to be issued under this Article, including refunding bonds.
- (4) Community Colleges System Office. – The North Carolina Community Colleges System Office, created by Article 1 of Chapter 115D of the General Statutes, or if the Community Colleges System Office is abolished or otherwise divested of its functions under this Article, the public body succeeding it in its principal functions, or

upon which are conferred by law the rights, powers, and duties given by this Article to the Community Colleges System Office.

(5) Notes. – Notes issued under this Article.

"§ 116D-43. Authorization of bonds and notes.

Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing community college general obligation bonds in the election held as provided by law, and upon the application of the Community Colleges System Office, the State Treasurer may, by and with the consent of the Council of State, issue and sell, at one time or from time to time, community college general obligation bonds of the State to be designated 'State of North Carolina Community College General Obligation Bonds', with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State. Except as otherwise provided by this Article, the aggregate amount of bonds and notes issued pursuant to this Article shall not exceed six hundred million dollars (\$600,000,000). The bonds and notes shall be issued in the following years up to the following amounts:

<u>Fiscal Year</u>	<u>Aggregate Amount</u>
<u>2000-2001</u>	<u>\$ 48,400,000</u>
<u>2001-2002</u>	<u>58,100,000</u>
<u>2002-2003</u>	<u>116,100,000</u>
<u>2003-2004</u>	<u>116,100,000</u>
<u>2004-2005</u>	<u>135,500,000</u>
<u>2005-2006</u>	<u>125,800,000</u>

If less than the aggregate amount of bonds or notes authorized to be issued in a fiscal year is issued in that fiscal year, the balance for that fiscal year may be issued in any subsequent fiscal year. Refunding bonds and notes issued pursuant to G.S. 116D-46(f) shall not be included in the limitation on the aggregate amount of bonds and notes that may be issued pursuant to this Article.

The proceeds of bonds or notes issued under this Article shall be applied to finance the cost of grants to be made by the State to community colleges to finance the cost of capital facilities for the community college or to refund any outstanding bonds or notes issued under this Article. The capital facilities to be improved, constructed, or acquired with the proceeds of bonds or notes shall be determined as provided in G.S. 116D-44.

"§ 116D-44. Designation of capital facilities and preconditions to bond issuance.

The capital facilities to be financed in whole or in part with the proceeds of community college general obligation bonds shall be described in legislation enacted from time to time by the General Assembly. This legislation shall also provide for voter approval of the bonds to finance the capital facilities and shall become effective only upon approval by the voters. The proceeds of community college general obligation bonds shall not be expended to pay the costs of any capital facilities other than those described in that legislation.

"§ 116D-45. Faith and credit.

The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes. The State retains the right to amend any provision of this Article to the extent it does not impair any contractual right of a bond owner.

"§ 116D-46. Issuance of bonds and notes.

(a) Terms and Conditions. – Bonds or notes may bear any dates, may be serial or term bonds or notes, or any combination of these, may mature in any amounts and at any times, not exceeding 25 years from their dates, may be payable at any places, either within or without the United States, in any coin or currency of the United States that at the time of payment is legal tender for payment of public and private debts, may bear interest at any rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at any prices, including a price greater than the face amount of the bonds or notes, and

under any terms and conditions, all as may be determined by the State Treasurer, by and with the consent of the Council of State.

(b) Signatures; Form and Denomination; Registration. – Bonds or notes may be issued in certificated or uncertificated form. If issued in certificated form, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State or a facsimile of the Seal impressed or imprinted on them. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this Article.

(c) Manner of Sale; Expenses. – Subject to the approval by the Council of State as to the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase or otherwise, the State Treasurer is authorized to sell bonds or notes at one time or from time to time at any rates of interest, which may vary from time to time, and at any prices, including a price less than the face amount of the bonds or notes, as the State Treasurer may determine. All expenses incurred in the preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available moneys.

(d) Application of Proceeds. – The proceeds of any bonds or notes shall be used solely for the purposes for which the bonds or notes were issued and shall be disbursed in the manner and under the restrictions, if any, that the Council of State may provide in the resolution authorizing the issuance of, or in any trust agreement securing, the bonds or notes.

Any additional moneys which may be received by means of a grant or grants from the United States or any agency or department thereof or from any other source to aid in financing the cost of a capital facility may be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this Article.

(e) Notes; Repayment. – By and with the consent of the Council of State, the State Treasurer is authorized to borrow money and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:

- (1) For anticipating the sale of bonds the issuance of which the Council of State has approved, if the State Treasurer considers it advisable to postpone the issuance of the bonds.
- (2) For the payment of interest on or any installment of principal of any bonds then outstanding, if there are not sufficient funds in the State treasury with which to pay the interest or installment or principal as they respectively become due.
- (3) For the renewal of any loan evidenced by notes authorized in this Article.
- (4) For the purposes authorized in this Article.
- (5) For refunding bonds or notes as authorized in this Article.

Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this Article. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which have been used in paying interest on or principal of the bonds.

(f) Refunding Bonds and Notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes for

the purpose of refunding bonds or notes issued pursuant to this Article and to pay the cost of issuance of the refunding bonds or notes. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured. Refunding bonds or notes may be issued at any time prior to the final maturity of the debt or obligation to be refunded. The proceeds from the sale of any refunding bonds or notes shall be applied to the immediate payment and retirement of the bonds or notes being refunded or, if not required for the immediate payment of the bonds or notes being refunded, the proceeds shall be deposited in trust to provide for the payment and retirement of the bonds or notes being refunded and to pay any expenses incurred in connection with the refunding. Money in a trust fund may be invested in (i) direct obligations of the United States government, (ii) obligations the principal of and interest on which are guaranteed by the United States government, (iii) obligations of any agency or instrumentality of the United States government if the timely payment of principal and interest on the obligations is unconditionally guaranteed by the United States government, or (iv) certificates of deposit issued by a bank or trust company located in the State if the certificates are secured by a pledge of any of the obligations described in (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. This section does not limit the duration of any deposit in trust for the retirement of bonds or notes being refunded but that have not matured and are not presently redeemable, or if presently redeemable, have not been called for redemption.

(g) Community College Bonds Fund. – The proceeds of community college general obligation 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 'Community College Bonds Fund'. Moneys in the Community College Bonds Fund shall be used for the purposes set forth in this Article.

Any additional moneys that may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source to aid in financing the cost of any community college capital facilities authorized by this Article may be placed by the State Treasurer in the Community College Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this act.

The proceeds of community college general obligation bonds and notes may be used with any other moneys made available by the General Assembly for the making of grants to community colleges for capital facilities, including the proceeds of any other State bond issues, whether previously made available or which may be made available after the effective date of this Article. The proceeds of community college bonds and notes shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this Article for grants to community colleges shall be disbursed for the purposes provided in this Article upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

"§ 116D-47. Variable rate demand bonds and notes.

(a) In fixing the details of bonds and notes, the State Treasurer may provide that the bonds and notes may:

- (1) Be made payable from time to time on demand or tender for purchase by the owner, if a credit facility supports the bonds or notes, unless the State Treasurer specifically determines that a credit facility is not required upon a finding and determination by the State Treasurer that the absence of a credit facility will not materially and adversely affect the financial position of the State and the marketing of the bonds or notes at a reasonable interest cost to the State.

- (2) Be additionally supported by a credit facility.
- (3) Be made subject to redemption or a mandatory tender for purchase prior to maturity.
- (4) Bear interest at rates that may vary from any periods of time, as may be provided in the proceedings providing for the issuance of the bonds or notes, including, without limitation, any variations as may be permitted pursuant to a par formula.
- (5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility or to the State.

(b) If the aggregate principal amount payable by the State under a credit facility is in excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium, or for any other reason, then the amount of authorized but unissued bonds or notes during the term of the credit facility shall not be less than the amount of the excess, unless the payment of the excess is otherwise provided for by agreement of the State executed by the State Treasurer.

"§ 116D-48. Other agreements.

The State Treasurer may authorize, execute, obtain, or otherwise provide for bond insurance, investment contracts, credit and liquidity facilities, interest rate swap agreements and other derivative products, and any other related instruments and matters the State Treasurer determines are desirable in connection with the issuance of bonds or notes. The State Treasurer is authorized to employ and designate any financial consultants, underwriters, and bond attorneys to be associated with any bond issue under this Article as the State Treasurer considers necessary.

"§ 116D-49. Procurement of capital facilities.

Any laws, rules, or regulations of the State that relate to the acquisition and construction of capital facilities shall apply to the capital facilities financed pursuant to this Article."

Section 2. Proceeds of University Improvement General Obligation Bonds. –

(a) The proceeds of university improvement general obligation bonds and notes, including any premium thereon, except the proceeds of university improvement general obligation bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be allocated and expended for paying the cost of university capital facilities, to the extent and as provided in Article 2 of Chapter 116D of the General Statutes, as enacted by this act and subject to change as provided in this act, as follows:

<u>Constituent or Affiliated Institution or Board of Governors Capital Improvement</u>	<u>Projected Allocation</u>
Appalachian State University	
Central Library Complex.....	\$47,586,800
Science Building - Completion of Interior Laboratories & Academic Space 1,260,000	
Rankin Science Bldg. - Comprehensive Renovation 11,157,000	
Living & Learning Center - Academic Portion	4,022,800
Visual Arts Center/Education	
Outreach Center - Renovation	4,374,700
Smith-Wright Hall Classroom Bldg. - Comprehensive Renovation 1,636,100	
Founders Hall - Comprehensive Renovation.....	1,044,100
Walker Hall Classroom Bldg. -	

Comprehensive Renovation	1,733,800	
B.B. Dougherty Hall - Comprehensive Renovation.....		1,000,000
Water System Improvements.....		2,866,200
Land Acquisition		829,300
Technology Infrastructure Expansion		<u>4,838,900</u>
Total Appalachian State University		\$ 82,349,700
East Carolina University		
Science Laboratories & Technology Bldg. - Replacement for Flanagan Science Building \$ 55,125,300		
Flanagan Bldg. - Renovation & Conversion for General Academic Use. 13,421,300		
Nursing, Allied Health & Developmental Evaluation Clinic Complex - Replace Rivers & Belk Buildings & Relocate to Medical School 46,882,500		
Expansion & Renovation of the Old Nursing Bldg.....		14,685,500
Belk Bldg. - Comprehensive Renovation & Conversion from Allied Health to General Academic 7,791,300		
Classroom Improvements - Technology Upgrades & Renovation (Speight, Brewster, Rivers, General Classroom Bldg., Rawl & Austin) 3,648,400		
Academic Space Requirements - Teaching Laboratories.....		5,250,000
Medical School - Addition of Library & Study Space.....		12,600,000
"Old Cafeteria"Office Bldg. - Comprehensive Renovation for Student Services/Academic Use 4,442,100		
Infrastructure - Repairs & Expansion.....		16,291,100
Campus Computing Center - Comprehensive Renovation		1,785,000
Land Acquisition		7,879,400
Technology Infrastructure Expansion		<u>807,600</u>
Total East Carolina University.....		\$ 190,609,500
Elizabeth City State University		
Lane Hall Classroom Bldg. - Comprehensive Renovation \$ 2,360,600		
Trigg Hall Classroom Bldg. - Comprehensive Renovation.....		2,109,000
Johnson Hall Classroom Bldg. - Comprehensive Renovation 3,156,300		
Williams Hall Classroom Bldg. - Comprehensive Renovation 2,822,700		
Lester Hall Classroom Bldg. - Partial Renovation		250,000
White Graduate Center and Continuing Education Bldg - Comprehensive Renovation. 1,514,000		
Wilkins Laboratory Bldg. - Comprehensive Renovation.....		451,800
Mitchell-Lewis Residence Hall - Comprehensive Renovation 2,123,700		
Wamack Residence Hall - Comprehensive Renovation.....		3,334,300
Doles Residence Hall - Comprehensive Renovation.....		1,722,500
Residence Hall for 200 Students - Replacement of Symera Hall 5,510,000		
Central Chiller Plant		1,400,000
Student Center		8,778,300
Physical Education Facilities.....		1,447,500
Campus Infrastructure Improvements		3,405,300
Electrical Distribution System Upgrade		<u>1,225,000</u>

Energy Management System Improvements.....	886,400
Technology Infrastructure Expansion	3,149,400
Land Acquisition	<u>650,000</u>
Total Elizabeth City State University	\$ 46,296,800
Fayetteville State University	
Residence Hall For 275 Students.....	\$ 6,872,300
Lyons Science and Laboratory Building - Comprehensive Renovation and Addition 15,146,900	
Science Annex - Comprehensive Renovation	1,740,500
Continuing Education Center - Comprehensive Renovation	432,600
Taylor Social Sciences Classroom Building - Comprehensive Renovation 884,300	
Charles Chestnutt Library - Comprehensive Renovation.....	875,900
William Collins Building - Comprehensive Renovation.....	640,600
Seabrook Auditorium - Comprehensive Renovation	6,325,000
Taylor Gymnasium - Conversion of Building for Academic Use	3,360,000
Lilly Gymnasium - Comprehensive Renovation and Conversion of Building for Student Services 3,256,400	
Cook Dining Hall - Comprehensive Renovation and Conversion of Building for Academic Use and Student Services	1,773,500
Student Residence Halls - Fire Safety Improvements	611,700
Campus Infrastructure Improvements	1,435,000
Comprehensive Renovation and Conversion of Spaulding (Old Infirmary) for Public Safety Facilities 1,029,100	
Technology Infrastructure Expansion	<u>1,137,600</u>
Total Fayetteville State University	\$ 45,521,400
North Carolina Agricultural and Technical State University	
Classroom and Laboratory Complex	\$ 29,920,700
Chemistry Laboratory - Replacement for Hines Hall.....	21,831,600
Harrison Auditorium - Comprehensive Renovation.....	2,895,200
Curtis Residence Hall - Replacement.....	3,723,500
Scott Residence Hall - Replacement	26,253,300
Gamble Residence Hall - Replacement	1,552,000
New Student Housing.....	1,897,900
Holland Residence Hall - Comprehensive Renovation	856,800
Morrison Residence Hall - Comprehensive Renovation	3,701,100
Zoe Barbee Residence Hall - Comprehensive Renovation	3,693,800
Hazardous Materials and Waste Storage Facility.....	1,575,000
Improvements to School of Agriculture Facilities	1,832,700
Barnes Hall Laboratory - Comprehensive Renovation	5,550,100
Graham Hall Engineering Laboratory - Comprehensive Renovation 5,782,200	
Corbett Intramural Center - Addition.....	7,035,000
Replacement of Steam Lines & Access Holes	1,568,300
Electrical Distribution System - Upgrade and Expansion	2,256,800
Central Cooling Plant - Phase I	9,430,700
Cherry Hall Laboratory Building - Comprehensive Renovation	8,438,200
Three Classroom Buildings (Dudley, Gibbs, & Moore) Comprehensive Renovation 4,797,100	
Land Acquisition	6,300,000
Technology Infrastructure Expansion	<u>2,921,700</u>

Total North Carolina A & T State University\$ 153,813,700

North Carolina Central University

 Science Complex - Replacement of Robinson, Hubbard,
 and Lee Science Buildings \$ 36,780,000
 Farrison-Newton Building - Comprehensive Renovation
 of Classroom Building 7,048,700
 Student Housing - Replacement1,556,600
 Baynes Residence Hall - Replacement.....15,091,100
 Rush Residence Hall - Comprehensive Renovation.....2,089,400
 Eagleson Residence Hall - Comprehensive Renovation6,869,500
 Shepard Residence Hall - Comprehensive Renovation.....4,357,800
 Latham Residence Hall - Comprehensive Renovation.....3,411,600
 McLean Residence Hall - Comprehensive Renovation.....305,800
 Pearson Cafeteria - Comprehensive Renovation.....1,263,600
 Student Residence Halls - Fire Safety and Security Improvements 1,541,000
 Turner Law School - Comprehensive Renovation7,028,800
 Shepard Library - Comprehensive Renovation4,374,800
 Old Senior Dorm - Conversion to Academic Use2,130,700
 Alexander Dunn Building - Comprehensive Renovation.....1,779,300
 Campus Infrastructure Improvements10,263,800
 Hoey Building - Comprehensive Renovation.....2,867,700
 Code Compliance Corrections of Buildings Not Scheduled
 for Compliance Modifications 3,675,000
 Land Acquisition4,000,000
 Renovation of Existing Space for Public Safety Facility840,000
 Technology Infrastructure Expansion1,422,000

Total North Carolina Central University\$ 118,697,200

North Carolina State University

 Undergraduate Science Teaching Lab - Phase I.....\$ 30,215,400
 Withers Hall - Conversion From Laboratory
 to General Academic Use 11,480,400
 College of Engineering Complex - Phase I32,806,500
 College of Veterinary Medicine - Research Addition
 and Renovation of Laboratories and Academic Space20,180,000
 College of Engineering Complex - Phase II.....46,565,200
 David Clark Laboratory - Comprehensive Renovation
 and Addition 11,555,800
 Undergraduate Science Teaching Lab - Phase II.....12,197,000
 South Gardner Hall Laboratory Building -
 Comprehensive Renovation 15,214,500
 1911 Classroom Building - Comprehensive Renovation6,972,000
 Park Shops - Comprehensive Renovation and Use Conversion
 for General Academic Use 6,310,700
 Riddick Lab - Comprehensive Renovation and Conversion
 From Laboratory to Classroom Building 26,020,900
 Harrelson Classroom Building - Comprehensive Renovation 13,608,500
 Clark Hall - Conversion From Infirmary to Student
 and Faculty Support Services 2,415,000
 Schaub Food Science Building - Comprehensive Renovation 10,515,500
 Williams Hall Laboratory Building - Comprehensive Renovation 12,865,500

Polk Hall Laboratory Building - Comprehensive Renovation	15,053,000
Leazar Hall Laboratory Building - Comprehensive Renovation	8,361,100
Daniels Hall Laboratory Building - Phase I - Comprehensive Renovation	7,864,500
Jordan Hall Lab and Classroom Building - Addition.....	13,553,300
Library - Addition.....	9,193,900
Support Services Center - to Relocate Various Campus Services	10,335,800
Field Research Laboratories and Outlying Research Facilities - Phase I	2,500,000
Horticulture Classroom at Arboretum Education Center	500,000
Research Laboratory Space - Phase I	18,900,000
Public Safety Facility.....	4,704,000
College of Veterinary Medicine - Mechanical and Electrical System Improvements	21,000,000
Technology Infrastructure Expansion	2,424,100
Chilled Water Central Plant - North Campus.....	41,769,000
Chilled Water Brickyard Loop Extension and Cooling Tower	2,913,800
Steam Distribution & Capacity Improvements (Sullivan Dr. Area)	3,244,100
Main Campus Infrastructure (Including Water System)	9,330,700
College of Veterinary Medicine - Infrastructure	5,300,000
Centennial Campus - Infrastructure	11,338,500
Land Acquisition	<u>2,100,000</u>
Total North Carolina State University	\$ 449,308,700
North Carolina School of the Arts	
Basic Performance and Education Complex	\$ 19,130,700
Stevens Center - Comprehensive Modernization and Major Renovations	4,434,500
Film Archives Building	2,250,000
Student Services Support Complex	2,500,000
Dance Costume Shop - Comprehensive Renovation.....	420,000
Workplace Building #2 - Comprehensive Renovation.....	1,350,000
Crawford Hall and the Recital Hall - Comprehensive Renovation	499,900
Residence Hall	1,832,100
Gray Classroom Building - Partial Renovation.....	1,787,700
Technology Infrastructure Expansion	1,862,300
Renovation of DeMille Theatre	2,330,300
Land Acquisition	<u>4,150,000</u>
Total North Carolina School of the Arts.....	\$ 42,547,500
University of North Carolina at Asheville	
Math and Science Building - Replacement of Rhodes and Robinson Buildings	\$ 22,203,200
Highsmith Center - Comprehensive Renovation and Addition	11,522,000
Carmichael Hall Classroom Building - Comprehensive Renovation	5,524,200
Zageir Hall Classroom Building - Partial Renovation	2,569,100
Campus Primary Electrical Distribution System Upgrade and Improvements	1,023,800
Relocate Physical Plant Facilities.....	6,318,900

Technology Infrastructure Expansion	751,200
Total University of North Carolina at Asheville.....	\$ 49,912,400
University of North Carolina at Chapel Hill	
Science Complex - Phase I	\$ 55,012,500
Science Complex - Phase II.....	33,437,500
Murphey Hall Classroom Bldg. - Comprehensive Renovation	6,723,500
School of Medicine - Medical Research Bldg. - Comprehensive Renovation of Classroom & Laboratory Space	12,895,000
New West Classroom Bldg. - Comprehensive Renovation.....	4,500,000
Steele Bldg. - Comprehensive Renovation & Conversion of Administrative Office Bldg. to a Classroom Bldg.	3,428,600
Saunders Hall Classroom Bldg. - Comprehensive Renovation	4,194,100
Peabody Hall Classroom Bldg. - Comprehensive Renovation	8,509,800
Memorial Hall - Comprehensive Renovation & Addition	9,000,000
Smith Hall - Comprehensive Renovation.....	1,355,200
Health Sciences Library - Comprehensive Renovation.....	11,000,000
Institute of Marine Sciences Morehead City - Comprehensive Renovation and Conversion From Lab to Classroom	1,833,300
School of Dentistry Bldg. - Renovation & Conversion from Operatory to General Academic Use	8,397,100
Rosenau Hall Laboratory Bldg. - Comprehensive Renovation	9,000,000
Brauer Hall - Comprehensive Renovation of Dental Clinic	13,415,400
Burnett Womack Bldg. Research Laboratory - Comprehensive Renovation	24,848,000
Berryhill Hall Laboratory Bldg. - Comprehensive Renovation	10,700,000
Beard Hall Classroom & Laboratory Bldg. - Comprehensive Renovation	3,500,000
Hamilton Hall - Comprehensive Renovation of Classrooms & Lecture Halls	1,539,000
Gerrard Hall Classroom Bldg. - Comprehensive Renovation	1,350,000
Caldwell & Howell Halls - Comprehensive Renovation of Classrooms & Lecture Halls	1,732,000
Coker & Mitchell Halls - Comprehensive Renovation of Classrooms & Lecture Halls	1,718,000
Hanes & Manning Halls & Alumni Bldg. - Comprehensive Renovation of Classrooms & Lecture Halls	2,233,000
Woollen & Fetzer - Comprehensive Renovation of Classrooms & Lecture Halls	1,598,000
Greenlaw Hall - Comprehensive Renovation of Classrooms & Lecture Halls	1,825,000
Phillips Hall - Comprehensive Renovation of Classrooms & Lecture Halls	1,450,000
Hill & Davie Halls - Comprehensive Renovation of Classrooms & Lecture Halls	1,949,000
Teaching Research Building - School of Public Health Project Supplement	13,382,900
Carrington Hall - Addition for School of Nursing Project Supplement	10,082,100
Medical Biomolecular Research Bldg.....	26,718,000
Community Health Bldg. - Consolidation of Programs	18,340,000
Academic Facilities to Consolidate International	

Education Programs	20,000,000
College of Arts & Sciences - Digital Multimedia Instructional Center & Music Library	20,150,000
School of Medicine - Bioinformatics Bldg. - Supplement for Appropriated Activity	2,000,000
Physical Plant Support Facilities	7,875,000
Student Services Bldg. - Consolidation of Services (Advising, Financial Aid, Registration, Housing)	27,000,000
Storm Drainage Improvements	10,500,000
Cogeneration Facility - Back Pressure Turbine Generator	2,625,000
Steam Distribution System Replacement	6,300,000
Upgrade Campus Energy Management & Control System	3,682,600
Campus Fiber Optics Network	17,533,500
Electrical Systems Improvements	8,400,000
Infrastructure Improvements - Main Campus	32,298,000
Technology Infrastructure Expansion	9,165,000
Land Acquisition	8,000,000
440 West Franklin Street - Comprehensive Renovation & Conversion for Information Technology & Data Processing	9,170,000
Wilson Hall Laboratory - Comprehensive Renovation	8,920,000
Total University of North Carolina at Chapel Hill	\$ 499,286,100
University of North Carolina at Charlotte	
Academic Facilities - Humanities	\$ 16,167,000
Science and Technology Bldg.	33,207,000
Classroom & Office Bldg.	26,102,500
College of Education Bldg.	24,654,500
College of Nursing & Health Professions Bldg.	34,125,000
Graduate Engineering Complex	14,700,000
Research Facility & Laboratory - Phase I	8,400,000
Central Heating & Plant Improvements - Upgrade & Modernization	2,826,200
Rowe Classroom Bldg. - Comprehensive Renovation	4,306,500
McEniry Classroom Bldg. - Comprehensive Renovation	3,433,000
Physical Plant & Campus Public Safety Facilities	5,515,000
Chiller Replacement	1,824,200
Technology Infrastructure Expansion	3,345,500
Total University of North Carolina at Charlotte	\$ 178,606,400
University of North Carolina at Greensboro	
Science Instructional Bldg. - Replacement of Petty Science Bldg.	\$ 38,412,200
Petty Bldg. - Comprehensive Renovation for Classroom Use	16,272,300
Brown Classroom Bldg. - Comprehensive Renovation	6,493,900
McIver Classroom Bldg. - Replacement	21,636,500
Aycock Auditorium - Comprehensive Renovation	17,163,000
Stone Classroom Bldg. - Comprehensive Renovation	8,930,400
Meeting/Seminar/Office Space - Alumni House - Code Compliance & Bldg. System Replacements	3,258,000
Heating Plant Capacity Expansion & Energy Efficiency Improvements	4,851,300
Forney Classroom Bldg. - Comprehensive Renovation	3,565,400

McNutt Classroom Bldg. - Comprehensive Renovation	2,724,000
Electric Power Distribution - Capacity Expansion & Upgrade	4,091,000
Research Space - Phase I	5,250,000
McIver Chiller Plant Expansion & Improvements	9,373,800
Infrastructure - Northeast Quadrant.....	6,825,200
Technology Infrastructure Expansion	4,101,300
Land Acquisition	<u>7,000,000</u>

Total University of North Carolina at Greensboro\$ 159,948,300

University of North Carolina at Pembroke

Science Bldg.....	\$ 9,408,000
Oxendine Science Bldg. - Comprehensive Renovation	8,032,600
Locklear Hall Classroom Bldg. - Comprehensive Renovation	2,000,000
D.F. Lowry Classroom Bldg. - Comprehensive Renovation	
& Addition	1,950,500
Business Administration Bldg. - Comprehensive Renovation	1,059,800
Moore Classroom Hall - Comprehensive Renovation.....	2,639,700
Residence/Dining Hall - Replacement of Jacobs & Wellons Halls	7,700,300
West Residence Hall - Comprehensive Renovation.....	977,300
Jones Physical Education Complex - Comprehensive Renovation	8,243,700
Replace Physical Plant Complex.....	5,656,000
Renovation of Former Physical Plant Facility to Provide	
Relocation of Auxiliary Services Complex &	
Student Bookstore	2,696,000
Campuswide Infrastructure Improvements	1,996,600
Campus Water Distribution Upgrades.....	525,000
Primary Electrical Distribution Upgrades	945,000
Technology Infrastructure Expansion	<u>2,798,500</u>

Total University of North Carolina at Pembroke.....\$ 56,629,000

University of North Carolina at Wilmington

School of Education Bldg.....	\$ 18,725,000
Academic & Classroom Facilities	33,032,100
General Classroom Bldg.....	12,647,000
King Hall Classroom Bldg. - Comprehensive Renovation	2,697,400
Hoggard Hall Classroom Bldg. - Comprehensive Renovation	3,550,400
Alderman Hall Classroom Bldg. - Comprehensive Renovation	2,940,800
Westside Hall Classroom Bldg. - Comprehensive Renovation	2,687,300
Kenan Hall Classroom Bldg. - Comprehensive Renovation.....	3,056,600
Hinton James Hall Classroom Bldg. - Comprehensive Renovation	
	1,468,000
Friday Hall Laboratory Bldg. - Comprehensive Renovation	7,693,400
Kenan Auditorium - Comprehensive Renovation	3,095,300
Marine Sciences Research Center Operations Facility.....	2,929,600
Academic Support Facilities & Computing Center	4,585,900
Infrastructure Expansion.....	1,775,000
Land Acquisition	2,100,000
Primary Electrical Distribution System Improvements.....	2,238,200
Technology Infrastructure Expansion	<u>2,949,000</u>

Total University of North Carolina at Wilmington.....\$ 108,171,000

Western Carolina University

Academic Facilities - Humanities & Fine Arts	\$26,030,700
Stillwell Lab Bldg. - Comprehensive Renovation.....	15,057,500
McKee Classroom Bldg. - Comprehensive Renovation.....	5,289,700
Bird Bldg. - Renovation & Conversion for Student Health Center 1,836,500	
Conversion of Old Student Health Center to Residential & Academic Space 1,887,100	
Breese Gymnasium - Conversion to Academic Use	1,161,300
Housing Facility for 300 Students	15,204,600
Chiller Replacement & CFC Retrofit	1,489,600
Infrastructure Improvements (Steam & Electrical)	10,639,000
Killian Clinic Annex - Comprehensive Renovation.....	3,129,900
Killian Education & Allied Professions Bldg. - Partial Renovation 1,546,300	
Forsyth Classroom & Computer Labs Bldg. - Comprehensive Renovation 7,064,000	
Land Acquisition	3,093,000
Technology Infrastructure Expansion	<u>5,018,600</u>
Total Western Carolina University	\$ 98,447,800
Winston-Salem State University	
Computer Science Facility - Replacement & Consolidation \$11,643,300	
Carolina Hall - Renovation & Conversion From Computer Center to Classrooms 4,270,700	
Physical & Life Sciences Bldg. - Replacement of Hill Hall 12,109,500	
Anderson Center - Comprehensive Renovation & Change of Use for Early Childhood/Gerontology Programs 6,917,900	
Health Center Bldg. & Old Nursing Bldg. - Comprehensive Renovation for Student Health 2,265,900	
Replace Underground Steam and Hot Water Piping	1,249,500
Chilled Water Loop System	435,000
Infrastructure Improvements	1,708,300
Technology Infrastructure Expansion	<u>1,676,100</u>
Total Winston-Salem State University	\$ 42,276,200
University of North Carolina Affiliated Institutions	
UNC Center for Public Television - Digital Conversion.....	\$64,995,000
UNC Center for Public Television - Mobile Satellite Uplink	895,600
North Carolina School of Science & Math - Comprehensive Renovation of Bryan Center	3,172,600
North Carolina School of Science and Math - Comprehensive Renovation of Royall Outreach Center	1,990,400
North Carolina Arboretum in Asheville - Improvements to Facilities & Infrastructure to Provide for Environmental Education & Economic Development Opportunities	<u>9,331,700</u>
Total - UNC Affiliated Institutions	\$80,385,300
Projects Whose Funding Was Transferred to Disaster Recovery Fund:	

Appalachian State University	
Rankin Science Building - Renovation & Addition	\$ 5,056,500
Fayetteville State University	
Seabrook Auditorium - Comprehensive Renovation	500,000
North Carolina Agricultural and Technical State University	
Campus Security Improvements	828,716
Classroom & Laboratory Complex	7,157,675
North Carolina Central University	
B.N. Duke Auditorium Addition	740,000
Health & Safety Repairs & Renovations	1,809,003
North Carolina State University	
College of Veterinary Medicine - Research Addition and Renovation of Labs & Academic Space	675,000
College of Engineering Complex, Planning	3,200,000
Meat Processing Laboratory	4,853,755
Research & Teaching Feed Mill	2,582,000
Undergraduate Science Teaching Lab - Phase I	4,586,000
University of North Carolina at Asheville	
Highsmith Center - Comprehensive Renovation & Addition	356,800
Justice Gym - Renovations	195,000
University of North Carolina at Chapel Hill	
Carolina Living & Learning Center	1,154,275
Memorial Hall - Comprehensive Renovation & Addition	200,000
R.B. House Library - Renovations	9,898,700
University of North Carolina at Charlotte	
Academic Facilities - Humanities	9,243,365
Science & Technology Building	2,183,736
University of North Carolina at Greensboro	
Science Instructional Bldg. - Replace Petty Science Bldg	6,059,955
General Administration	
Reserve for Land Acquisition	3,051,200
University of North Carolina at Pembroke	
Economic Forum Building	244,600
University of North Carolina at Wilmington	
School of Education Building - Planning	1,030,800
Western Carolina University	
Academic Facilities - Humanities & Fine Arts	1,888,944
Winston-Salem State University	
F.L. Atkins - Additions & Renovations	4,159,840
Computer Science Facility - Planning	350,541
Total - Disaster Recovery Projects.....	\$72,006,405
Reserve for Repairs and Renovations and Cost Overruns	\$25,186,595
TOTAL	\$ 2,500,000,000

Section 2.(b) The Director of the Budget is empowered, when the Director of the Budget determines it is in the best interest of the State and the University to do so, and if the cost of a particular capital facility is less than the amount allocated for it, to use the excess funds to meet increased costs of other capital facilities itemized in this section and located at the same institution. The Director of the Budget shall report to the Joint Legislative Commission on Governmental Operations on changes made under this subsection. In addition, any capital facility and the amount of the allocation for it set forth above may be changed from time to time as the General Assembly may decide.

The provisions of G.S. 116-11(9) with respect to appropriations to the Board of Governors of The University of North Carolina shall not apply to proceeds of university improvement general obligation bonds and notes issued pursuant to Article 2 of Chapter 116D of the General Statutes, as enacted by this act.

Section 2.(c) Allocations to the costs of a capital improvement or undertaking in each case may include allocations to pay the costs set forth in this act in connection with the issuance of university improvement general obligation bonds for that capital improvement or undertaking.

Section 2.(d) The validity of university improvement general obligation bonds and notes issued under Article 2 of Chapter 116D of the General Statutes, as enacted by this act, is not affected by any subsequent adjustment of allocations, or by any failure to comply with the reporting requirements provided in this act.

Section 2.(e) Bond proceeds allocated to the reserve for repairs and renovations and cost overruns may be used only for repairs and renovations for any of the institutions listed in this section and for additional costs needed for projects listed in this section due to cost overruns. The capital facilities for which bond proceeds in the reserve will be used shall be determined by the Board of Governors, subject to approval by the Director of the Budget. The Board of Governors shall include the details of all allocations made pursuant to this subsection in its periodic reports under G.S. 116D-3 to the Joint Legislative Commission on Governmental Operations.

Section 2.(f) It is the intent of the General Assembly that every effort will be made to preserve the architectural and historic fabric of the buildings being renovated pursuant to this section.

Section 3. Proceeds of Community College General Obligation Bonds. – (a) The proceeds of community college general obligation bonds and notes, including any premium thereon, except the proceeds of community college general obligation bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be allocated and expended for paying the cost of community college capital facilities, to the extent and as provided in Article 4 of Chapter 116D of the General Statutes, as enacted by this act and subject to change as provided in this act, to be located at the following community colleges, campuses, and centers:

SITE NEW	REPAIR & CONSTRUCTION	TOTAL RENOVATION
Alamance CC	\$5,045,847 \$6,472,952	\$1,427,105
Alamance-Glenhope Sch. Ctr.	0	0
Alamance-Front St. Ctr. 405,524	405,524	0
Alamance-Glen Raven Ctr. 295,980	295,980	0
Asheville- Buncombe TCC 14,014,604	10,898,254	3,116,351
Asheville-Madison Cty. 63,176	63,176	0
Beaufort County CC	6,059,045 7,178,445	1,119,399

GENERAL ASSEMBLY OF NORTH CAROLINA

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Bladen CC	3,424,794	896,809	
	4,321,603		
Bladen-Kelly/ East Arcadia Ctr.	0	0	0
Blue Ridge CC	0	1,611,877	
	1,611,877		
Blue Ridge- Transylvania Cty. 1,801,615	1,801,615	0	
Brunswick CC	0	1,068,070	
	1,068,070		
Brunswick-Job Link Ctr.	0	0	0
Brunswick-Leland Ctr. 348,648	348,648	0	
Brunswick-Southport Ctr.	0	0	0
Caldwell CC & TI	2,457,408	1,903,423	
	4,360,831		
Cald-Watauga Cty.Campus 2,416,450	2,416,450	0	
Cald-Admin.Support/ Basic Skills Ctr.	0	0	0
Cald-Watauga Cty.Bus.Ctr. 254,060	254,060	0	
Cape Fear CC	34,263,025	2,377,932	
	36,640,957		
Cape-North Campus	0	0	0
Cape-Burgaw Ctr.	0	0	0
Cape-Hampstead Ctr.	0	0	0
Carteret CC	5,645,724	1,164,051	
	6,809,775		
Catawba Valley CC	7,567,306	2,429,339	
	9,996,645		
Central Carolina CC	7,648,795	1,751,070	
	9,399,864		
Central-Chatham Cty. 447,158	447,158	0	
Central-Harnett Cty. 3,142,702	3,142,702	0	
Central-School of Telecommunications 731,923	731,923	0	
Central-Siler Cty.Ctr. 180,647	180,647	0	
Central Piedmont CC	18,654,400	10,445,679	
	29,100,079		
CP-North Campus 6,530,615	6,530,615	0	

CP-Northeast Campus 4,533,241	4,533,241	0	
CP-South Campus 17,887,868	17,887,868	0	
CP-Southwest Campus 535,683	535,683	0	
CP-West Campus 3,833,442	3,833,442	0	
CP-West Center 1,440,726	1,440,726	0	
Cleveland CC	3,887,036 5,139,140	1,252,104	
Coastal Carolina CC	17,790,113 19,479,093	1,688,980	
College of the Albemarle	3,616,438	1,491,244	5,107,682
Coll Alb-Chowan Cty. 905,612	905,612	0	
Coll Alb-Dare Cty. 742,724	742,724	0	
Coll Alb-Riverside Ext. Ctr.	0	0	0
Craven CC	4,846,449 5,994,625	1,148,175	
Craven-Havelock/ Cherry Point Ctr. 1,454,284	1,454,284	0	
Davidson County CC	4,379,058 6,120,468	1,741,409	
Davidson-Davie Cty.	0	0	0
Durham TCC	13,275,320 15,427,992	2,152,672	
Durham-Northern Durham Ctr.	0	0	0
Edgecombe CC 5,170,734	3,913,531	1,257,203	
Edge-Rocky Mt. Campus 2,843,283	2,843,283	0	
Fayetteville TCC	26,786,691 30,300,664	3,513,973	
Fay-Firefighting Fac.Ctr. 111,530	111,530	0	
Fay-Ft. Bragg Ctr. 8,078,980	8,078,980	0	
Forsyth TCC	10,684,819 14,366,507	3,681,688	

Forsyth-Carver Rd. Ctr. 448,575	448,575	0	
Forsyth-Kernersville Ctr. 260,414	260,414	0	
Forsyth-West Ctr. 3,251,213	3,251,213	0	
Gaston College 9,220,639	6,489,955	2,730,684	
Gaston-Lincoln Cty. 396,044	396,044	0	
Guilford TCC	20,197,109	4,923,774	
	25,120,883		
Guilf-Aviation Ctr. 0	0	0	0
Guilf-Greensboro Campus 5,505,710	5,505,710	0	
Guilf-High Point Ctr. 2,397,563	2,397,563	0	
Guilf-Small Bus. Ctr. 0	0	0	0
Halifax CC	8,273,039	811,569	
	9,084,608		
Haywood CC	570,480	1,851,922	
	2,422,402		
Hay-Continuing Ed. Ctr. 0	0	0	0
Hay-High Tech. Ctr. 217,598	217,598	0	
Hay-Human Resource Dev.Ctr. 0 00			
Isothermal CC	1,658,309	1,683,735	
	3,342,044		
Isothermal-Polk Cty. 0	0	0	0
James Sprunt CC	1,783,718	931,319	
	2,715,037		
Johnston CC	8,967,804	1,212,688	
	10,180,492		
Lenoir CC	8,225,249	2,399,692	
	10,624,940		
Lenoir-Aviation Ctr. 0	0	0	0
Lenoir-Greene Cty. 2,190,044	2,190,044	0	
Lenoir-Jones Cty. 0	0	0	0
Lenoir-Walstonburg Ctr. 0	0	0	0
Lenoir-West Boundary Street Ctr. 26,314	26,314	0	
Martin CC	0	1,563,896	
	1,563,896		

Martin-Bertie Cty.	0	0	0
Mayland CC	2,375,835	441,545	
	2,817,380		
Mayland-Avery Cty.	355,617	0	
355,617			
Mayland-Yancey Cty.	73,158	0	
73,158			
McDowell TCC	2,138,279	721,288	
	2,859,567		
McDowell-Marion Ctr.	0	0	0
Mitchell CC	3,178,788	2,256,112	
	5,434,900		
Mitchell-Mooresville Ctr.	216,851	0	
216,851			
Montgomery CC	0	502,004	
	502,004		
Nash CC	4,283,237	948,844	
	5,232,081		
Pamlico CC	2,187,555	283,376	
	2,470,930		
Piedmont CC	2,343,199	844,824	
	3,188,023		
Piedmont-Caswell Cty.	1,567,922	0	
1,567,922			
Pitt CC	16,393,265	1,632,443	
	18,025,708		
Randolph CC	1,237,606	1,685,530	
	2,923,136		
Randolph-Archdale Ctr.	106,773	0	
106,773			
Richmond CC	3,542,287	1,248,389	
	4,790,676		
Rich-Continuing Ed. Ctr.	295,672	0	
295,672			
Rich-James Nursing Bldg.	0	0	0
Rich-Scotland Cty.	137,272	0	
137,272			
Roanoke-Chowan CC	0	856,263	
	856,263		
Robeson CC	10,575,996	1,151,996	
	11,727,992		
Robeson-Emergency			

Training Ctr. 61,160	61,160	0	
Robeson-Lumberton Extension Ctr. 1,407,677	1,407,677	0	
Robeson-Pembroke Extension Ctr. 608,293	608,293	0	
Rockingham CC	2,639,291 4,816,641	2,177,350	
Rowan-Cabarrus CC	5,207,129 6,818,297	1,611,168	
Rowan-Cabarrus Cty. 4,357,029	4,357,029	0	
Rowan-Cabarrus-Corban Ctr. 0 0		0	
Sampson CC	3,439,820 4,140,350	700,530	
Sandhills CC	10,136,912 12,262,627	2,125,715	
Sandhills-Hoke Cty. 1,333,467	1,333,467	0	
South Piedmont CC	0 416,235	416,235	
SP-Ansonville Ctr.	0	0	0
SP-Union Cty. Campus 263,488	263,488	0	
SP-Wadesboro Ctr.	0	0	0
Southeastern CC	5,496,936 6,891,803	1,394,868	
Southwestern CC	6,232,770 7,521,712	1,288,942	
Southwestern-Macon Cty. 2,944,018	2,944,018	0	
Southwestern-Swain Cty.	0	0	0
Stanly CC	4,226,740 5,136,590	909,851	
Stanly-Western Stanly Ctr.	0	0	0
Surry CC	7,466,541 8,941,125	1,474,584	
Surry-Yadkin Cty. 541,702	541,702	0	
Tri-County CC	125,294 1,016,820	891,527	

Tri-County-Graham Cty. 43,597	43,597	0	
Vance-Granville CC	7,633,566 8,906,700	1,273,135	
Vance-Franklin Cty. 2,369,272	2,369,272	0	
Vance-Granville Cty. 3,879,202	3,879,202	0	
Vance-Warren Cty. 1,915,271	1,915,271	0	
Wake TCC	26,516,423 29,379,360	2,862,938	
Wake-Adult Ed. Ctr. 1,129,190	1,129,190	0	
Wake-Health Ed. Campus 2,525,838	2,525,838	0	
Wake-Northeast Campus	0	0	0
Wayne CC	11,613,049 12,990,406	1,377,357	
Wayne-Aviation Ctr.	0	0	0
Western Piedmont CC	3,858,649 5,344,923	1,486,274	
WP-North King/ West Meeting St. Ctr.	0	0	0
Wilkes CC	2,686,596 4,685,413	1,998,817	
Wilkes-Alleghany Cty. 33,995	33,995	0	
Wilkes-Ashe Cty. 671,077	671,077	0	
Wilson TCC	4,584,607 5,943,147	1,358,540	
Wilson-Police Acad. Ctr. 305,311	305,311	0	
Center for Applied Textile Technology <u>779,447</u>	<u>750,000</u>	<u>29,447</u>	
TOTAL	\$498,702,280 \$600,000,000	\$101,297,720	

Section 3.(b) Except as provided in this subsection, a community college may use the bond proceeds allocated in subsection (a) of this section for new construction only in accordance with the capital allocation formula adopted by the State Board of Community Colleges in March 2000. Except as provided in this subsection, a community college may use the bond proceeds allocated in subsection (a) of this section for repair and renovation only in accordance with the repair and renovation formula adopted by the State Board of Community Colleges in May 1998, as supplemented by

additional repair and renovation needs determined by the State Board of Community Colleges as of April 2000. The following provisions govern reallocations:

- (1) New Construction. – Except as provided in this paragraph, new construction funds allocated in this section to a specific site may not be allocated to another site. If the local board of trustees of a community college determines that new construction funds allocated to a specific site are not needed at that site, the board may request that the State Board of Community Colleges reallocate those funds for new construction at another site of the community college. Except in the case of Mayland Community College, the funds may not be reallocated from a site outside the main campus county to a site within the main campus county. If the State Board of Community Colleges determines that the funds are not needed for new construction at the site for which they were originally allocated, it shall approve the reallocation to the other site and shall substitute the proposed facility at the other site in the Community Colleges System Office's application to the State Treasurer pursuant to G.S. 116D-43.

Each community college shall submit to the State Board of Community Colleges a statement (i) proposing the capital facilities to be financed with the proceeds of community college general obligation bonds allocated to that community college, (ii) certifying that the proposed site is included in the allocations in this section or is a substitute facility at another site because the funds are not needed for new construction at the site for which they are allocated in this section, (iii) certifying that the community college is prepared to proceed with the construction, acquisition, or improvement of the proposed capital facilities, and (iv) demonstrating that the applicable matching requirements have been or will be met.

Upon receipt by the State Board of Community Colleges of the information set forth above, the Board shall add the proposed capital facilities to the next application of the Community Colleges System Office to the State Treasurer to issue bonds pursuant to G.S. 116D-43.

The board of trustees of an individual community college may use funds allocated for new construction either for new construction or for repair and renovations.

- (2) Repair and Renovations. – The board of trustees of a community college may use funds allocated for repair and renovations only for repair and renovations, and not for new construction. Funds allocated for repair and renovations shall be directed by the local board of trustees of a community college among the State Board approved sites of the community college on the basis of need, subject to approval by the State Board of Community Colleges.
- (3) Reallocation by General Assembly. – The projected allocations set forth above may be changed from time to time as the General Assembly may decide.

Section 3.(c) Community colleges are not required to match bond proceeds allocated in this section for repair and renovations. The match requirements of Chapter 115D of the General Statutes apply to bond proceeds allocated in this section for new construction except as provided in this subsection. The consultant hired by the State Board of Community Colleges to determine funding formulas for the community college system developed an index to measure each county's ability to pay. The consultant found that some counties are unable to meet their local match requirement under Chapter 115D of the General Statutes because of inability to pay. The consultant recommended applying the "ability to pay" index to generate an adjusted matching rate. Accordingly, community colleges are required to match bond proceeds allocated for

new construction in this section only as follows: Community colleges assigned an adjusted matching rate of less than forty percent (40%) in the ability to pay portion of the formula adopted by the State Board of Community Colleges in March 2000 are not required to match, and community colleges assigned an adjusted matching rate of forty percent (40%) or more in the ability to pay portion of the formula are required to match only at the assigned rate.

Section 3.(d) If the State Board of Community Colleges determines that a community college has not met its matching requirements by July 1, 2006, with respect to a capital improvement project for which bond proceeds are allocated in this act, the Board shall certify that fact to the State Treasurer by October 1, 2006. All of these bond proceeds with respect to which the Board certifies that the matching requirement has not been met by July 1, 2006, shall be placed by the State Treasurer in a special account within the Community Colleges Bond Fund and shall be used for making grants to community colleges. Bond proceeds in the special account shall be allocated among the community colleges in accordance with the following conditions:

- (1) The State Board of Community Colleges shall generate, by October 1, 2006, a priority ranking of legitimate community college capital improvement needs using a formula based on objective meaningful factors relevant to capital needs, including actual and projected enrollment, space requirements, current capacity, construction costs, and any other factors the State Board considers relevant.
- (2) The State Board of Community Colleges shall provide the State Treasurer a projected allocation of the proceeds in the special account in accordance with this priority ranking, except that:
 - a. No projected allocation shall be made for a community college that the Board certified in accordance with this subsection had failed to meet a matching requirement.
 - b. No more than four million dollars (\$4,000,000) shall be allocated to a single community college.
 - c. Funds shall not be allocated for more than one project per community college.
- (3) The proceeds of grants made from bond proceeds in the special account shall be allocated and expended for paying the cost of community college capital improvements in accordance with this allocation by the State Board of Community Colleges, to the extent and as provided in this act. The Director of the Budget is empowered, when the Director of the Budget determines it is in the best interest of the State and the North Carolina Community College System to do so, and if the cost of a particular project is less than the projected allocation, to use the excess funds to increase the size of that project or increase the size of any other project itemized in this section, or to increase the amount allocated to a particular community college within the aggregate amount of funds available under this section. The Director of the Budget shall consult with the Advisory Budget Commission and the Joint Legislative Commission on Governmental Operations before making these changes.

Section 3.(e) For all purposes of this act, the North Carolina Center for Applied Textile Technology is designated to be a community college, with a matching rate of less than forty percent (40%). The General Assembly finds and determines that such designation is reasonable in that the Center is subject to policies and regulations of the State Board of Community Colleges, is governed by a board of trustees consisting of the President of the North Carolina System of Community Colleges and other members appointed by the Governor, and has a legislative directive to (i) assist individual citizens of North Carolina in becoming contributing members of a well-qualified workforce and (ii) assist in identification of problems confronting the textile industry and in solving

these problems through education, training, and technology transfer in partnership with the North Carolina Community College System.

Section 3.(f) Notwithstanding G.S. 143-341(3)a.2., G.S. 143-341(3) applies only to funds provided by this act for construction or renovation of community college buildings requiring an estimated expenditure of more than two hundred fifty thousand dollars (\$250,000).

Section 3.(g) The validity of community college general obligation bonds and notes issued under Article 4 of Chapter 116D of the General Statutes, as enacted by this act, is not affected by any subsequent adjustment of allocations or matching requirements provided in this act, or by any failure to comply with matching requirements or reporting requirements provided in this act.

Section 4. Higher Education Bond Oversight Committee. – (a) Creation and Membership. The Higher Education Bond Oversight Committee is established. The Committee shall be located administratively in the General Assembly. The Committee shall consist of 10 members appointed as provided below. In making appointments, each appointing officer shall select members who have appropriate experience and knowledge of the issues to be examined by the Committee and shall strive to ensure geographical diversity among the membership.

- (1) Three members shall be appointed by the Speaker of the House of Representatives.
- (2) Three members shall be appointed by the President Pro Tempore of the Senate.
- (3) Two members shall be appointed by the Chair of the Board of Governors of The University of North Carolina.
- (4) Two members shall be appointed by the Chair of the State Board of Community Colleges.

Section 4.(b) Terms. Terms on the Committee are for three years and begin on January 15, except the terms of the initial members, which begin on appointment. A member continues to serve until a successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

Section 4.(c) Duties. The Committee shall:

- (1) Call for reports and presentations from the following parties and convene for the purpose of hearing from the following parties:
 - a. The University Facilities Office of each institution of The University of North Carolina.
 - b. The Facilities Office of the General Administration of The University of North Carolina.
 - c. The State Construction Office of the Department of Administration.
 - d. The president of each community college, or the president's designee.
 - e. The Administrative and Facilities Services Section of the North Carolina Community College System Office.
 - f. The State Treasurer.
- (2) Analyze and prepare recommendations, based on the information received under subdivision (1) of this subsection, concerning the following issues:
 - a. Whether expenditures of the proceeds from the bonds issued under this act are in compliance with the provisions of this act.
 - b. Whether the awarded contracts are consistent with the budget and scope of the approved projects.
 - c. Whether changes in construction methods could enhance cost savings and promotion of on-time completion of projects.
 - d. Whether the bond issuances are adequately timed to reflect cash-flow requirements of the projects.

Section 4.(d) Reports. The Committee shall report semiannually to the Board of Governors of The University of North Carolina, the State Board of Community Colleges, and the Joint Legislative Commission on Governmental Operations.

Section 4.(e) Organization. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Committee. The Committee shall meet at least once a quarter upon the joint call of the cochairs. A quorum of the Committee is six members. No action may be taken except by a majority vote at a meeting at which a quorum is present.

Section 4.(f) Funding. From funds available to the General Assembly, the Legislative Services Commission shall allocate monies to fund the work of the Higher Education Bond Oversight Committee. Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1 and G.S. 138-5.

Section 4.(g) Staff. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

Section 4.(h) Expiration. The Higher Education Bond Oversight Committee terminates upon completion of all projects funded by bond proceeds issued under this act.

Section 5. Interpretation of Act. (a) Additional Method. – This act provides an additional and alternative method for the doing of the things authorized by this act and shall be regarded as supplemental and additional to powers conferred by other laws. Except where expressly provided, this act shall not be regarded as in derogation of any powers now existing. The authority granted in this act is in addition to other laws now or hereinafter enacted authorizing The University of North Carolina to issue self-liquidating debt or other debt secured by designated sources of funds.

Section 5.(b) Statutory References. – References in this act to specific sections or Chapters of the General Statutes are intended to be references to those sections or Chapters as they may be amended from time to time by the General Assembly.

Section 5.(c) Liberal Construction. – This act, being necessary for the health and welfare of the people of the State, shall be liberally construed to effect its purposes.

Section 5.(d) Severability. – If any provision of this act or its application to any person or circumstance is held invalid, that invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Section 6. Repair and Renovation Reports. – The Board of Governors of The University of North Carolina shall report annually to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight Committee on the condition of all of the University's capital facilities, including a status report on all repair, renovation, and maintenance projects being undertaken and an assessment of needs for additional funding to repair, renovate, and maintain the facilities.

The Board of Governors of The University of North Carolina shall also study the repairs and renovations formula currently utilized with respect to funding for the Repairs and Renovations Reserve Account to determine whether it adequately takes into account all of the appropriate maintenance needs of each constituent and affiliated institution, and shall recommend to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight Committee any changes necessary to improve the formula. The Board shall make recommendations on the scope and adequacy of the methodology used to calculate the funding for the repairs and renovations reserve as specified in G.S. 143-15.2.

Section 7.(a) Minority Business Participation. – The goals set by G.S. 143-128 for participation in projects by minority businesses apply to projects funded by the proceeds of bonds or notes issued under this act. The following State agencies shall

monitor compliance with this requirement and shall report to the General Assembly by January 1 of each year on the participation by minority businesses in these projects. The State Construction Office, Department of Administration, shall monitor compliance with regard to projects funded by the proceeds of university improvement general obligation bonds and notes and special obligation bonds and notes; the Board of Governors of The University of North Carolina shall provide the State Construction Office any information required by the State Construction Office to monitor compliance. The Community Colleges System Office shall monitor compliance with regard to projects funded by the proceeds of community college general obligation bonds and notes.

Section 7.(b) The Department of State Treasurer shall provide contracting opportunities for historically underutilized businesses in providing professional services in connection with the issuance of bonds and notes authorized by this act. As used in this subsection, the term "historically underutilized business" means a business described in G.S. 143-48. The Department of State Treasurer shall strive to increase the amount of legal, financial, and other professional services acquired by it from historically underutilized businesses. With the assistance of the Office for Historically Underutilized Businesses in the Department of Administration, the Department of State Treasurer shall set objectives for contracting with these businesses, identify and eliminate barriers or constraints that may restrict these businesses from contracting with the Department, and develop a plan for meeting its objectives. The Department of State Treasurer shall report quarterly to the Office for Historically Underutilized Businesses on its progress in carrying out the requirements of this subsection.

Section 8. Equity in University Improvements. – The Board of Governors of The University of North Carolina shall continue to study and monitor any inequities in funding for capital improvements and facilities needs which may still exist on North Carolina's Public Historically Black Colleges and Universities and the University of North Carolina at Pembroke, beyond the funding of the projects provided for in this act, and shall report annually to the Joint Legislative Commission on Governmental Operations on any remaining inequities found, including recommendations as to how those inequities should be addressed.

Section 9. Reserved.

Section 10. The question of the issuance of the bonds authorized by Articles 2 and 4 of Chapter 116D of the General Statutes, as enacted by this act, and authorized by Sections 2 and 3 of this act, shall be submitted to the qualified voters of the State at the statewide general election to be held in November 2000. Any other primary, election, or referendum validly called or scheduled by law at the time the election on the bond question provided for in this section is held may be held as called or scheduled. Notice of the election shall be given in the manner and at the times required by G.S. 163-33(8). The election and the registration of voters therefor shall be held under and in accordance with the general laws of the State. Absentee ballots shall be authorized in the election.

The State Board of Elections shall reimburse the counties of the State for all necessary expenses incurred in holding the election that are in addition to those that would have otherwise been incurred, the same to be paid out of the Contingency and Emergency Fund or other funds available to the State Board of Elections.

Ballots, voting systems authorized by Article 14 of Chapter 163 of the General Statutes, or both may be used in accordance with rules prescribed by the State Board of Elections. The bond question to be used in the ballots or voting systems shall be in substantially the following form:

"[] FOR [] AGAINST

the issuance of State of North Carolina Higher Education Improvement Bonds, constituting general obligation bonds of the State secured by a pledge of the faith and credit and taxing power of the State for the purpose of providing funds, with any other available funds, to pay all or part of the cost of (i) renovating laboratories, classrooms,

academic buildings, and worker training facilities and providing other capital improvements at the 59 institutions of the North Carolina Community College System in order to fulfill the mission of educating students and providing worker training essential to the North Carolina economy, and to address expected large increases in student enrollment, and (ii) renovating and replacing classrooms, laboratories, and academic buildings and providing other capital improvements at the 16 campuses of the constituent institutions, the affiliated institutions, and the Center for Public Television (UNC-TV) of the University of North Carolina System in order to meet large expected student enrollment increases, serve North Carolina by providing the education critical to the State's economy, and continue to provide UNC-TV public television to the State's viewers; in the amount of three billion one hundred million dollars (\$3,100,000,000)."

If a majority of those voting on the bond question in the election vote in favor of the issuance of the bonds, the bonds may be issued as provided in this act. If a majority of those voting on the bond question in the election do not vote for the issuance of the bonds, the bonds shall not be issued.

The results of the election shall be canvassed and declared as provided by law for elections for State officers; the results of the election shall be certified by the State Board of Elections to the Secretary of State, in the manner and at the time provided by the general election laws of the State.

Section 11. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of May, 2000.

Dennis A. Wicker
President of the Senate

James B. Black
Speaker of the House of Representatives

James B. Hunt, Jr.
Governor

Approved _____ .m. this _____ day of _____ , 2000