

Building North Carolina's Foundation

The NC School Bond - HB 866/SB 542

Please ask legislators to support the Public School Building Bond Act (HB 866/SB 542), which would get a statewide school construction bond on the ballot in November 2018. Counties urgently need a bond to address over \$8.1 billion in needs for new facilities and renovations at public schools throughout North Carolina.

A statewide school construction bond would:

Address the \$8.1 Billion Backlog – Based on information from the school districts and counties, the North Carolina Department of Public Instruction reported in 2016 that public schools throughout the state need about \$8.1 billion to pay for new school facilities, maintenance and renovations. Public school capital needs will continue to soar as school districts implement the new mandate to lower class sizes in grades kindergarten through third grade over the next four years. If the bond is approved by voters, it will provide \$1.9 billion for public school facility grants to all 100 counties. Funds can be used to make facility upgrades to address school safety, and help counties meet new state requirements to reduce class size, among other things.

Enable Digital Learning – The school construction bond can help modernize school facilities to support the state's transition to digital learning, ensuring that North Carolina students have the tools to complete in the workforce of the future.



Train Skilled Workers – The bond can help increase offerings for Career and Technical Education (CTE), which require modern learning environments. Expanding facilities that can support CTE training can help reduce NC's skilled worker shortage.

Save Money – Now is the time to act because interest rates are low and North Carolina currently has the debt capacity to support a \$1.9 billion bond. This means no tax increase is necessary for the state to meet its debt obligations under this proposed bond. Moreover, delaying construction and renovation projects won't make the problem go away, it only causes costs to rise over time. According to a recent Statewide Facility Needs Survey, construction costs are increasing from a base of \$136 per square foot in 2005 to \$194 per square foot in 2015.

Promote Economic Growth – The Associated General Contractors of America found that an investment of \$1 billion in nonresidential construction produces 28,600 jobs.

Give Counties a Much-Needed Boost – All counties have limited options to raise revenue to pay for school construction. Many counties have no room to raise property taxes and are seeing no growth in their sales and property tax bases. Counties are also spending more on operational costs for schools, providing more funding for principals, assistant principals, teachers, teacher assistants and professional instructional support personnel. This results in less available funding for school construction.

Address Changing Demographics – The traditional public school population has grown 24.3% since the last bond passed in 1996. Historically, statewide school bonds have boosted construction every ten years, but the last one was over twenty years ago.



Fill Gaps in Lottery Funding – When the education lottery was first established in 2005, 40% of the proceeds was designated for school construction. However, over time, the lottery funds have been diverted for other education-related expenses. From 2012-2017, the legislature provided a lump sum appropriation every year in the amount of \$100 million statewide to be shared among 100 counties for school construction. This equates to roughly 17% of the lottery proceeds. And, between 2011 and 2015, nearly 75% of the lottery funds allocated to counties were spent to pay off capital debt rather than for new construction or renovations.

Let Voters Decide – Passage of this bill is necessary to give voters the opportunity to decide this important issue in the 2018 general election this November.

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