

PROCEDURES MANUAL
PUBLIC SCHOOL BUILDING CAPITAL FUND
(Established by the School Facilities Finance Act of 1987)

Published February 1988
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North Carolina Department of Public Instruction

PROCEDURES MANUAL
PUBLIC SCHOOL BUILDING CAPITAL FUND

Prepared by

Office of State Budget and Management

Revised 2003 by

Department of Public Instruction
301 N. Wilmington Street
Raleigh, North Carolina

Questions relating to the Public School Building Capital Fund should be directed to: School Planning, Division of School Support, NCDPI, 6319 Mail Service Center, Raleigh, North Carolina, 27699-6319, (919) 807-3554.

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INTRODUCTION

The 1987 Session of the General Assembly passed legislation (House Bills 1155 and 1142) establishing two funds to assist county governments in meeting their public school building capital needs. One was the Critical School Facility Needs Fund administered by the State Board of Education; the other is the Public School Capital Building Fund (which was administered by the Office of State Budget and Management from 1987 through June 30, 2003.) The General Assembly of North Carolina included in the budget for the 2003-04 fiscal year (HB397) a provision that transfers the Public School Building Capital Fund from the Office of State Budget and Management to the Department of Public Instruction

The purpose of this manual is to provide a comprehensive set of guidelines and regulations pertaining to the Public School Building Capital Fund to assist counties and school units in the application for funds for public school capital outlay projects as defined in G.S. 115C-546.2(b), in the drawdown of these funds, and in the reporting of the use of these funds.

G.S. 115C-546.2(b). "Counties shall use monies in the Fund for capital outlay projects including the planning, construction, reconstruction, enlargement, improvement, repair, or renovation of public school buildings and for the purchase of land for public school buildings; for equipment to implement a local school technology plan that is approved pursuant to G.S. 115C-102.6C; or for both. As used in this section, 'public school buildings' only includes facilities for individual schools that are used for instructional and related purposes and does not include centralized administration, maintenance, or other facilities."

The manual is divided into the following sections:

Public School Building Capital Fund

- I. Purpose of Fund
- II. Source of Monies
- III. Fund Allocations
- IV. Expenditure Guidelines
- V. Matching Requirements
- VI. Application Process
- VII. Disbursing Accounts
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- IX. Retirement of Debt

Exhibits

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2. Application Form - blank form
3. State Board's Certification of Review
4. Public School Building Capital Fund (G.S. 115C-546)

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- Exhibit 1. Application Form - Completed Sample
- Exhibit 2. Application Form - Blank Form
- Exhibit 3. State Board's Certification of Review
- Exhibit 4. Public School Building Capital Fund (G.S. 115C-546)

PUBLIC SCHOOL BUILDING CAPITAL FUND

I. Purpose of Fund

G.S. 115C-546.1(a). "...The Fund shall be used to assist county governments in meeting their public school building capital needs and their equipment needs under their local school technology plans."

II. Source of Monies

A. Corporate Income Taxes

1. Monthly Deposits

- a. House Bill 1155 increased the corporate income tax from 6% to 7%. Beginning October 1, 1987, and going through July, 1988, the Department of Revenue was to deposit into the Public School Building Capital Fund 100% of the one percent increase collected during the previous month. The Fund is administered by the Department of Public Instruction.
- b. The first monthly deposit was in October 1987 for taxes collected during September 1987.
- c. The last monthly deposit was in July 1988 for taxes collected during June 1988.

2. Quarterly Deposits

- a. Starting with the quarter beginning July 1, 1988, the Department of Revenue was to deposit 50% of the increase into the Public School Building Capital Fund quarterly, less \$2,500,000 which the Department of Revenue was to deposit quarterly into the Critical School Facility Needs Fund. The Public School Building Bond Act of 1996 repealed the Critical School Facility Needs Fund effective 30 days after the last local school administrative unit on the priority list is funded. Thereafter, funds earmarked for the Critical School Facility Needs Fund will be transferred to the Public School Building Capital Fund.
- b. The first quarterly deposit was in October 1988 for the months of July, August, and September 1988. Currently quarterly deposits are made in August, November, February, and May.
- c. While the fraction of corporate income tax net collections deposited into the Public School Building Capital Fund has changed (see Exhibit 4) due to changes in the corporate income tax rate, the amount deposited is equated to the level deposited in 1988.

B. Interest Income

Cash balances in the Public School Building Capital Fund and monies transferred from the Fund into county disbursing accounts earn interest. All interest earned is deposited into the Public School Building Capital Fund and allocated to counties based on individual county cash balances.

III. Fund Allocations

A. Corporate Income Taxes

1. County Allocations

Corporate income tax collections deposited into the Fund are to be allocated to the counties on a per average daily membership (ADM) basis. Each year the State Board of Education is to determine the ADM number which is to be used.

2. Nash/Edgecombe Counties

In the case of Nash/Edgecombe counties, the counties shall allocate the monies in the Fund between the local school administrative unit located partially in each county on the basis of average daily membership attributable to each county, as estimated by the Department of Public Instruction.

3. Basis for Allocation

The State Board of Education in September 1987 passed the following policy for certification of ADM numbers:

“The basis for the distribution of the School Capital Outlay Fund will be the projected best three out of the first four months of average daily membership as adjusted by the actual tenth day membership.”

B. Interest Income

Interest earned on the balance on each county's funds in the county's ADM account and the county's disbursing account shall be allocated to that county and added to the balance in each county's ADM account.

C. County ADM Allocation Accounts

1. Deposits into County Accounts

- a. An ADM allocation account for each county is established and maintained by the Department of Public Instruction.
- b. Corporate income tax deposits are allocated to each county on an ADM basis monthly from October 1987 - July 1988 for deposits made into the Fund from September 1987 - June 1987, and quarterly thereafter.
- c. Interest earnings based on individual county cash balances are added to the balance in each county's ADM account monthly starting in November 1987, which will be for interest earned in October 1987.

III. Fund Allocations (continued)

2. Account Statements

A cumulative statement showing corporate tax deposits and interest earnings is sent to each county manager and superintendent monthly from October 1987 - July 1988, and quarterly thereafter. Currently, quarterly reports are posted on the Internet; individual reports are no longer sent to each county manager or superintendent. Circulation of copies for county and school staff is the responsibility of each county manager and superintendent.

3. Withdrawals from County ADM Accounts

The Department of Public Instruction transfers funds from a county's ADM account to the county's disbursing account in the State Treasurer's Office at the end of the month in which a capital building project is approved by the Department of Public Instruction. Funds for school technology are transferred at the end of the month to the State School Technology Trust Fund and allotted to the local school administrative unit by the Department of Public Instruction.

IV. Expenditure Guidelines

A. Allowable Types of Capital Outlay Projects of Public School Buildings

1. Purchase of Land for Public School Buildings
2. Planning/Design Fees
3. Construction
4. Renovation
5. Enlargement
6. Repair
7. School Technology

B. Definition of Public School Building

1. The definition of public school buildings in G. S. 115C-546.2(b) "...only includes facilities for individual schools that are used for instructional and related purposes and does not include centralized administration, maintenance, or other facilities."
2. Mobile or modular classrooms are also not an allowable category for use of state or matching funds.

C. Planning/Design Fees

Fees such as inspection fees for determining if asbestos removal is required in building renovation, engineering, architectural, or other directly related fees for a public school building capital project are allowable.

D. Equipment Purchases

1. Equipment which is an integral part of the building such as HVAC, plumbing, wiring, and electrical equipment is an allowable expense. Equipment in this case would be included in the appropriate funding category on the application, i.e. construction, renovation, enlargement.

IV. Expenditure Guidelines (continued)

2. Moveable equipment, or equipment which is not an integral part of the building, such as telephone systems, student desks and mini/micro-computers, is not allowable. However, mini/micro-computers are allowable for funding through the School Technology Trust Fund if the items are included in the local school technology plan for the local school administrative unit.

E. Timing of Allowable Expenditures

1. Expenditures between July 1, 1986 - July 1, 1987
 - a. Local expenditures between July 1, 1986, and July 1, 1987, on allowable items on a project not completed prior to July 1, 1987, qualified as match for that project, even if the result was an overmatch of state dollars on that project.

Example with overmatch occurring:

	7-1-86 to 6-30-87	7-1-87 to x-x-8x	Total Project
Local Expenditures	\$2 million		
ADM Funds		\$2 million	
Total Project			\$4 million

Example with no overmatch occurring:

	7-1-86 to 6-30-87	7-1-87 to x-x-8x	Total Project
Local Expenditures	\$1 million		
ADM Funds		\$3 million	
Total Project			\$4 million

- b. All project expenditures between July 1, 1986 and July 1, 1987 count as local expenditures - state funds could not be used to reimburse local expenditures made prior to July 1, 1987.
2. Expenditures after July 1, 1987
 - a. Expenditures of state funds must be used only on invoices paid after July 1, 1987 on projects not completed prior to July 1, 1987.
 - b. Local funds may be used to pay invoices throughout the life of an approved project, with state funds being used to reimburse local funds for the local expenditures made after July 1, 1987 on allowable items on the approved project.

V. Matching Requirements

A. Amount of Required Match

1. Local/State Ratio

- a. Monies in the Fund shall be matched on the basis of one dollar of local funds for every three dollars of state funds, except for school technology projects.
- b. Local match must be identified and designated for the requested project prior to submission of the application for state funds. See section V, B, 1, a, page 5 for examples.
- c. Local funds need not be expended before the state funds.
- d. The ratios of state/local funds do not need to be maintained with each payment of invoices during the project, but the ratio of at least one dollar local expenditure for every three dollars state expenditure must be reached by the conclusion of the project.
- e. No local match is required for projects approved for school technology with the monies being transferred to the School Technology Trust Fund.

2. Overmatch

Projects are matched on a project-by-project basis. Overmatch on one project cannot be used as match on another project since local and state expenditures must be on the same project.

B. Allowable Match

1. County Funds

- a. The respective 1/2 percent sales taxes of 1983 and 1986, local bond proceeds, donations, and general county revenues are allowable as match.
- b. Local expenditures qualify as allowable match only when expended on the same categories as those allowable for state funds.
- c. Projects are matched on a project-by-project basis. Matching expenditures must be on the same project as the state funds.
- d. Expenditures, including the purchase of land, between July 1, 1986 - July 1, 1987, for a project not completed prior to July 1, 1987, qualify as allowable match and can be used as match only for an approved project on the same site, see IV, E, 1, a, page 4.

2. Donations/Grants

- a. Donations, such as land, must be on or after July 1, 1986, to qualify as allowable and can be used as match only on the same site as the approved project. The project cannot have been completed prior to July 1, 1987.

V. Matching Requirements (continued)

- b. To qualify as allowable match, donations must be of the same types as are allowed for state and local expenditures.

C. Non-Allowable Match

1. Source of Funds

Funds from the Critical School Facility Needs Fund and the Public School Building Bond Act of 1996 are not allowable match for monies from the Public School Building Capital Fund.

2. Timing of Expenditures

Funds expended or donations received prior to July 1, 1986, are not allowable match.

3. Types of Expenditures

Local expenditures and/or donations cannot be used for moveable equipment, such as student desks, mini/micro-computers, nor on centralized administration, maintenance, or other facilities.

VI. Application Process

A. Completion of the Application Form (Exhibit 1)

1. One Project per Application

Each project must be submitted on a separate application form.

2. Brief, Descriptive Phrases

Submit the requested information in brief, descriptive phrases. Complete sentences are not required. The application information will be entered into a computer for the purpose of responding to questions of the "What type of projects have received how much money" nature.

3. Information to Complete the Application

Contact Person: County official dealing with the Department of Public Instruction.

Title: Of the county contact person.

Address: Of the county contact person.

VI. Application Process (continued)

Phone: Of the county contact person.

Project Title: Short descriptive title, i.e. "Construction of 7-classroom addition to Apex Elementary School."

Location: Town, rural address, etc.

Type of Facility: High school, middle/junior school, elementary, K-12, gymnasium, etc.

Short Description of Construction Project:

Land - Give the location, size, etc.

Construction - Brief description of building including the number of students to be served, whether it replaces an existing building(s), is the result of consolidation of schools, etc. Include integral equipment as part of the construction and do not itemize as a separate item.

Renovation/Enlargement/Repair - Brief description of building and work to be done, such as the number of classrooms added, replacing HVAC, windows, doors, re-roof (on re-roofing jobs, indicate whether it is a flat or peaked roof), age of building, etc. Again include integral equipment as part of the line item and do not itemize as a separate item.

Estimated Costs:

Purchase of Land - Include donated land being used as match.

Planning - Also includes design fees. See IV, C, page 3.

Construction, Renovation, Enlargement, Repair - Include the cost of the integral equipment necessary for the project. Do not itemize.

State Funds Column - Dollars in the state column cannot exceed 75% of the total cost of the project.

Each item does not have to be split as to state/local expenditures. All the match may be in one item, or all the state expenditures may be in one item, but the total of the state column cannot exceed 75% of the total project cost.

Local Funds Column - Dollars in the local column may exceed 25% of the total cost of the project. Projects may be overmatched if desired.

Bid Dates/Vendor: Date bids were received/Name of general contractor.

VI. Application Process (continued)

Contracts Signed/Dates: Planning/design contracts with date; general contractor with date.

If the application is requesting authorization for more funds than are available in the county's ADM account, the contract with the general contractor must have been signed prior to submission of the application, using the county's financial backing as authority to sign the contract.

Match (source): 1/2 percent sales tax (1983 and/or 1986), local bond proceeds, general revenues, donations.

\$_____ : Amount of match expended to date.

Expended for: Give date and short description.

Reporting Requirements: Note that a final report is required.

Amount Requested: The amount of state funds requested, which is the same amount as the total of the State Column in the Estimated Costs section.

Signatures: The Chairs of both the county commissioners and the board of education must sign the application.

4. Attachment to the Application (Exhibit 3)

A copy of the completed "State Board's Certification" which certifies that the final plans have been reviewed for the particular project must be attached to the project. This completed form is provided to school systems by School Planning, Division of School Support in the Department of Public Instruction.

B. Submission of Completed Application

Submit the original application to:

NC Department of Public Instruction
School Planning
6319 Mail Service Center
Raleigh, NC 27699-6319

If using a service other than the US mail, the delivery address is:

NC Department of Public Instruction
School Planning, Room 7066
301 N. Wilmington Street
Raleigh, NC 27601-2825

Submission of duplicate copies is not required. Each school system and county should keep a file copy at the time of submission. This copy should be replaced with the approved application when received.

VII. Disbursing Accounts

A. Establishing County Disbursing Accounts

The State Treasurer's Office has established a disbursing account for each county.

B. Transfer of Funds into County Disbursing Accounts

1. Funds will be transferred from the ADM account in the Department of Public Instruction to the county disbursing account in the State Treasurer's Office at the end of the month in which the Department of Public Instruction approves the project for funding.
2. If the county's ADM account has a balance equal to or greater than the capital project, the full amount of the capital project will be transferred at one time.
3. If the county's ADM account has a balance of less than the amount of the project, but the construction contracts have been signed using the county's financial backing as authority to sign the contracts, the balance in the county ADM account will be transferred to the county disbursing account monthly until reaching the amount of the project.

C. Interest Earned on County Disbursing Accounts

Funds transferred to the county disbursing account earn interest at the same rate as earned in the county ADM account. Interest earned on disbursing account balances is deposited into the appropriate county's ADM account monthly.

D. Drawdown of Funds

1. The State Treasurer's Office will send the specifications for warrants (checks) to each county finance officer, who will then order warrants from a printer of the county's choice.
2. After funds have been transferred to the disbursing account, the county finance officer will write warrants (checks) against the account to a terminal payee to pay expenses for the capital project.
3. The State Treasurer's Office will send monthly statements to the county finance officer showing disbursing account activity, plus the month's cleared warrants.
4. The county finance officer will reconcile the monthly statement and return the reconciliation page to the State Treasurer's Office within 15 calendar days of receipt of the statement if adjustments are needed.

VII. Disbursing Accounts (Continued)

E. Unexpended Balance in County Disbursing Accounts

Upon completion of a capital project, if any funds are left in the disbursing account, a request must be sent to the Department of Public Instruction for the release of these funds and a request to transfer the funds back to the ADM account for reallocation to additional projects.

VIII. Reporting Requirements

A. Final Report

1. The final report should be clearly marked "Final."
2. If the county has an unexpended balance in the project disbursing account, a request should be included to close out the account and the balance redeposited into the county ADM account for reallocation to other projects.
3. Final reports are due within 60 days of completion of the project.

IX. Retirement of Debt

A. Legislation

G.S. 115C-546.2(b) ...If a county ..."does not need all or part of the funds allocated to it" for public school capital outlay projects, "the unneeded funds allocated to that county may be used to retire any indebtedness incurred by the county for public school facilities."

B. Application to use Public School Building Capital Fund to Retire Debt

1. Complete the application the same as for a new or on-going project.
 - a. The application must be for one specific project.
 - b. The funds can be used only to retire debt expended on items which are allowable under the rules for an on-going or new project - see IV, A-D, pages 3-4.
 - c. The match for the funds must also be expended on the allowable items in IV, A-D, pages 3-4.
2. Attachments to the Application
 - a. Attach a statement attesting that the county does not need all (or part) of the Public School Building Capital Funds for public school capital outlay projects, with an explanation of how these capital needs have been met.
 - b. The amortization schedule for the bond issue must be attached to show the outstanding debt.
 - c. A statement must be attached explaining the original source of funds to be used to repay the debt, such as the 1/2 percent sales tax.

SAMPLE

Exhibit 1

Revised 6/30/97

APPLICATION Approved: _____
PUBLIC SCHOOL BUILDING CAPITAL FUND Date: _____
County _____ Contact Person: County Official
Address: Of County Contact Person Title: Of County Contact Person
School Admin. Unit: _____ Phone: () Of County Contact Person
Project Title: Construction of 7-room classroom addition to Apex Elementary
Location: Town, rural address, etc.
Type of Facility: High School, junior/middle, or elementary: K-12

G.S. 115C-546.2(b) "Counties shall use monies in the Fund for capital outlay projects including the planning, construction, reconstruction, enlargement, improvement, repair, or renovation of public school buildings and for the purchase of land for public school buildings; for equipment to implement a local school technology plan that is approved pursuant to G.S. 115C-102.6C; or for both. Monies used to implement a local school technology plan shall be transferred to the State School Technology Fund and allocated by that Fund to the local school administrative unit for equipment. **As used in this section, 'public school buildings' only includes facilities for individual schools that are used for instructional and related purposes and does not include centralized administration, maintenance, or other facilities.**"

Short Description of Construction Project: EX. 1: Renovation of elem. school built in 1958 -- serves 565 students -- includes replacing HVAC, roof, etc. EX. 2: construct single story 10-room 12,000+ sq. ft. classroom addition for increased enrollment presently meeting in portable classrooms; modifications to library to meet BEP

Estimated Costs:	State	Local	Total
Purchase of Land	\$ _____	\$ _____	\$ _____
Planning	\$ _____	\$ 56,000.00	\$ 56,000.00
Construction	\$ _____	\$ _____	\$ _____
Renovation	\$ _____	\$ _____	\$ _____
Enlargement	\$ 594,354.75	\$ 145,118.25	\$ 736,473.00
Repair	\$ _____	\$ _____	\$ _____
School Technology	\$ _____	\$ N/A	\$ _____
Total	\$ 594,354.75	\$ 198,118.25	\$ 792,473.00

Bid Dates/Vendors: October 8, 1987 -- ABC Construction, Inc. (general contractor only)
Contracts signed/Dates: ABC Construction -- October 30, 1987
Estimated date of beginning of construction: November 10, 1987
Estimated date of completion : August 1, 1988

Match: The matching funds of one dollar of local funds for every three dollars of state funds are from (source): 1/2¢ sales tax (83 &/or 86); bond sales, general rev.

\$xx,xxx.xx of the matching funds have been expended for/date/description:

- 1) purchase (or donation) of land - 8-1-86 - location, size, etc. - \$xxx,xxx
- 2) planning - 10-1-87 - architect fees; asbestos inspection fee; et. - \$xx,xxx
- 3) construction - 11-15-87 - general contractor - \$xx,xxx

Reporting requirements: We, the undersigned, agree to submit a statement of state/local amounts expended for this project within 60 days of completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project and request release of \$ 594,354.75 from the Public School Building Capital Fund. We certify that the project herein described is within the parameters of 115C-546.2(b) and that all of the match is available and designated as match of this project.

(Signature - Chair, County Commissioners)

(Date)

(Signature - Chair, Board of Education)

(Date)

APPLICATION
PUBLIC SCHOOL BUILDING CAPITAL FUND

Approved: _____
Date: _____

County: _____
Address: _____
School Admin. Unit: _____
Project Title: _____
Location: _____
Type of Facility: _____

Contact Person: _____
Title: _____
Phone: () _____

G.S. 115C-546.2(b) "Counties shall use monies in the Fund for capital outlay projects including the planning, construction, reconstruction, enlargement, improvement, repair, or renovation of public school buildings and for the purchase of land for public school buildings; for equipment to implement a local school technology plan that is approved pursuant to G.S. 115C-102.6C; or for both. Monies used to implement a local school technology plan shall be transferred to the State School Technology Fund and allocated by that Fund to the local school administrative unit for equipment. As used in this section, 'public school buildings' only includes facilities for individual schools that are used for instructional and related purposes and does not include centralized administration, maintenance, or other facilities."

Short Description of Construction Project: _____

Estimated Costs:	State	Local	Total
Purchase of Land	\$ _____	\$ _____	\$ _____
Planning	\$ _____	\$ _____	\$ _____
Construction	\$ _____	\$ _____	\$ _____
Renovation	\$ _____	\$ _____	\$ _____
Enlargement	\$ _____	\$ _____	\$ _____
Repair	\$ _____	\$ _____	\$ _____
School Technology	\$ _____	\$ N/A	\$ _____
Total	\$ _____	\$ _____	\$ _____

Bid Dates/Vendors: _____
Contracts signed/Dates: _____
Estimated date of beginning of construction: _____
Estimated date of completion: _____

Match: The matching funds of one dollar of local funds for every three dollars of state funds are from (source): _____
\$ _____ of the matching funds have been expended for/date/description: _____

Reporting requirements: We, the undersigned, agree to submit a statement of state/local amounts expended for this project within 60 days of completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project and request release of \$ _____ from the Public School Building Capital Fund. We certify that the project herein described is within the parameters of 115C-546.2(b) and that all of the match is available and designated as match of this project.

(Signature - Chair, County Commissioners) (Date)

(Signature - Chair, Board of Education) (Date)

Public Schools of North Carolina

Certificate of Review

G. S. 115C-521(c)

Board of Education Charlotte-Mecklenburg Schools

Superintendent: Dr James L. Pughsley

DSP No: 600-2531

Project: Pinewood Elementary
new school/exist. site - 3160
Prototype reuse

Architect/Engineer Cort Architectural Group PA

Date: 8/21/2003

This is to certify that final plans for the Pinewood Elementary - new school/exist. site project were received on 8/6/2003 and reviewed by representatives of the State Board of Education in accordance with G.S. 115C-521(c). Review comments based upon the State Board's facilities guidelines were submitted to the Charlotte-Mecklenburg Schools for consideration. The purposes of this review are to provide a functional learning environment, ensure safety and economy, and protect the health and welfare of the public. Satisfactory response was received and review has been completed.

It is the responsibility of the Local Board of Education to obtain approval of construction documents and required permits for the subject project(s) from other designated state and local agencies.

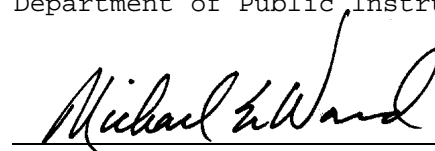
This certificate is effective for one year from the date above. If construction is not begun within that time, a subsequent review must be obtained.

by:

State Board of Education

Department of Public Instruction


Chairman


State Superintendent

Public School Building Capital Fund

§ 115C-546.1. Creation of Fund; administration.

(a) There is created the Public School Building Capital Fund. The Fund shall be used to assist county governments in meeting their public school building capital needs and their equipment needs under their local school technology plans.

(b) (Effective until October 1, 1997) Each calendar quarter, the Secretary of Revenue shall remit to the State Treasurer for credit to the Public School Building Capital Fund an amount equal to two thirty-firsts (2/31) of the net collections received during the previous quarter by the Department of Revenue under G.S. 105-130.3 minus two million five hundred thousand dollars (\$2,500,000). All funds deposited in the Public School Building Capital Fund shall be invested as provided in G.S. 147-69.2 and G.S. 147-69.3.

(b) (Effective October 1, 1997) Each calendar quarter, the Secretary of Revenue shall remit to the State Treasurer for credit to the Public School Building Capital Fund an amount equal to the applicable fraction provided in the table below of the net collections received during the previous quarter by the Department of Revenue under G.S. 105-130.3 minus two million five hundred thousand dollars (\$2,500,000). All funds deposited in the Public School Building Capital Fund shall be invested as provided in G.S. 147-69.2 and G.S. 147-69.3.

Period	Fraction
10/1/97 to 9/30/98	One-fifteenth (1/15)
10/1/98 to 9/30/99	Two twenty-ninths (2/29)
10/1/99 to 9/30/00	One-fourteenth (1/14)
After 9/30/00	Five sixty-ninths (5/69)

(c) The Fund shall be administered by the *Department of Public Instruction*. (1987, c. 622, s. 12; c. 813, s. 20; 1989 (Reg. Sess., 1990), c. 1066, s. 28(b); 1991, c. 689, s. 260; 1995 (Reg. Sess., 1996), c. 631, s. 15; 1996, 2nd Ex. Sess. c. 13, s. 2.2; 1997-221, s. 26.), **2003, h397**

§ 115C-546.2. Allocations from the Fund; uses; expenditures; reversion to General Fund; matching requirements.

(a) Monies in the Fund shall be allocated to the counties on a per average daily membership basis according to the average daily membership for the budget year as determined and certified by the State Board of Education. Interest earned on funds allocated to each county shall be allocated to that county.

(b) Counties shall use monies in the Fund for capital outlay projects including the planning, construction, reconstruction, enlargement, improvement, repair, or renovation of public school buildings and for the purchase of land for public school buildings; for equipment to implement a local school technology plan that is approved pursuant to G.S. 115C-102.6C; or for both. Monies used to implement a local school technology plan shall be transferred to the State School Technology Fund and allocated by that Fund to the local school administrative unit for equipment.

As used in this section, "public school buildings" only includes facilities for individual schools that are used for instructional and related purposes and does not include centralized administration, maintenance, or other facilities.

In the event a county finds that it does not need all or part of the funds allocated to it for capital outlay projects including the planning, construction, reconstruction, enlargement, improvement, repair, or renovation of public school buildings, for the purchase of land for public school buildings, or for equipment to implement a local school technology plan, the unneeded funds allocated to that county may be used to retire any indebtedness incurred by the county for public school facilities.

In the event a county finds that its public school building needs and its school technology needs can be met in a more timely fashion through the allocation of financial resources previously allocated for purposes other than school building needs or school technology needs and not restricted for use in meeting public school building needs or school technology needs, the county commissioners may, with the concurrence of the affected local Board of Education, use those financial resources to meet school building needs and school technology needs and may allocate the funds it receives under this Article for purposes other than school building needs or school technology needs to the extent that financial resources were redirected from such purposes. The concurrence described herein shall be secured in advance of the allocation of the previously unrestricted financial resources and shall be on a form prescribed by the Local Government Commission.

(c) Monies in the Fund allocated for capital projects shall be matched on the basis of one dollar of local funds for every three dollars of State funds. Monies in the Fund transferred to the State Technology Fund do not require a local match.

Revenue received from local sales and use taxes that is restricted for public school capital outlay purposes pursuant to G.S. 105-502 or G.S. 105-487 may be used to meet the local matching requirement. Funds expended by a county after July 1, 1986, for land acquisition, engineering fees, architectural fees, or other directly related costs for a public school building capital project that was not completed prior to July 1, 1987, may be used to meet the local match requirement. (1987, c. 622, s. 12; c. 813, ss. 18.1, 19.1, 21; 1991 (Reg. Sess., 1992), c. 1030, s. 30; 1997-221, s. 27.)