

Senators Announce \$2 Billion School Construction And Maintenance Funding Plan

By Administrator
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Senators Joyce Krawiec (R-Forsyth), Harry Brown (R-Onslow), and Kathy Harrington (R-Gaston) today announced a \$2.03 billion funding plan for school construction and maintenance over the next nine years. The proposal, called the Building N.C.'s Future Act, would provide dedicated resources from the State Capital and Infrastructure Fund (SCIF) to meet the growing need for construction of new schools and maintenance of existing schools.

The legislature created the SCIF in 2017 to finance interest payments on existing bonds and to fund capital improvements to state-owned buildings (i.e., state agencies and UNC). Under current law, the SCIF has approximately \$237 million available this year, but the annual availability is projected to grow significantly in the coming years as the state pays down its debt. By 2028, the SCIF will have close to \$1 billion available each year.

The Building N.C.'s Future Act will allocate an additional 0.5% to the SCIF from the General Fund tax revenue each year, and dedicate one-third of the SCIF to K-12 schools capital. The remaining 2/3 of the SCIF will be divided equally between the UNC system/community colleges and state agencies.

This change will result in \$2.03 billion in dedicated funding for K-12 schools capital over the next nine years, with zero interest payments.

By comparison, a \$1.9 billion school bond would dedicate \$1.9 billion to K-12 schools capital over 10 years but cost \$3.1 billion over 30 years because of interest payments, according to the non-partisan Fiscal Research Division based on the latest recommendations from the Debt Affordability Advisory Committee.

Senator Harry Brown (R-Onslow), a bill sponsor, said, "The Building N.C.'s Future Act provides more money faster and at a lower cost than any alternatives."

Senator Kathy Harrington (R-Gaston), another bill sponsor, said, "It's not often that we can unveil a plan that provides more investments in schools at a lower cost than the alternative, but we've put a lot of thought into this idea and we think it's the best option."

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Senator Joyce Krawiec (R-Forsyth), the third bill sponsor, said, "We look forward to working with our colleagues in the House and the executive branch to make this proposal a reality."

The bill also allows districts to use capital funding to come into compliance with the decreasing teacher-student ratio for K-3 classes. The data shows that smaller class sizes help students learn better, which is why legislators have decreased the maximum teacher-student ratio over the past several years.

Bottom Line: This bill provides more funding to K-12 schools faster and at a lower cost.