Needs-Based Public School Capital Fund (NBPSCF) grant awards are subject to forfeiture under agreement provisions identified in GS 115C-546.12. North Carolina SL 2023-134, Section 4.3.(d) requires DPI to publish guidelines detailing the evaluation criteria governing forfeiture of NBPSCF grant awards, as follows:

1) The extraordinary circumstances justifying an extension for the initiation of project construction.
   - A change in the design team and/or construction management team necessitated by contract default and subsequent termination.
   - A sudden, unexpected, and extreme change in prevailing economic conditions.
   - A sudden, unexpected, and extreme change in county demographics or district ADM.
   - Actual construction bids are significantly higher than project budget estimates, requiring re-design, and re-bidding of the project.
   - Subsurface investigation reveals site soil conditions that are unsuitable for shallow foundations, or are susceptible to liquefaction during a seismic event, necessitating the installation of an extended foundation system or soil remediation.

2) The criteria to determine if the project scope has changed significantly.
   - Significant changes (increase or decrease) in the size of the buildings (square footage) and/or campus (acreage) from that identified in the original project scope.
   - Significant changes (increase or decrease) in the number of students, teachers, and staff that will occupy the facility from that identified in the original project scope.
   - Significant changes to important school site features – e.g., site infrastructure, parking lots, athletic facilities, grandstands, outdoor learning spaces, etc. – from those identified in the original project scope.
   - Significant changes to important school building features – e.g., auditoriums, gymnasiums, media centers, CTE classrooms, dining facilities, science classrooms, specialized classrooms, etc. – from those identified in the original project scope.
   - Significant programmatic changes to grade-levels served and curriculum focus, from those identified in the original project scope.

3) The criteria to determine material falsehood in an application.
   - Any of the significant changes identified in item (2) above.
   - Project design documents submitted to DPI School Planning Section for plan review that do not reflect the project parameters described in the NB Grant Application and Agreement Form.
   - Proper documentation to substantiate NB Grant fund distribution requests cannot be produced when requested by DPI.
   - A determination that the source of local matching funds is derived from State or Federal funding.
   - Reduction in the availability or the amount of local matching funds identified on the grant application.
   - Submitting a signed grant agreement that differs significantly from the grant application.

4) The timeline for repayment of forfeited grant awards.
   - Upon determination that a NB Grant recipient has forfeited their grant award, any disbursed grant funds (i.e., allocated funds transferred into a county disbursing account), whether spent or unspent, must be returned to DPI within 90 calendar days of receiving official notice of grant forfeiture.

5) The extraordinary circumstances justifying a deduction of reasonable expenses incurred by a grant recipient from disbursed funds repayment due to forfeiture or declining a grant award.
   - Any of the extraordinary circumstances identified in item (1) above may be considered by DPI for deduction of reasonable expenses in the event of grant forfeiture, provided that such expenses were actually incurred prior to forfeiture, as evidenced by supporting documentation satisfactory to DPI.