

OPERATIONS MANUAL NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND

(Fund Established by the 2017 Session of the North Carolina General Assembly)



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North Carolina Department of Public Instruction

SCHOOL PLANNING SECTION - DISTRICT SCHOOL OPERATIONS DIVISION – NCDPI

**OPERATIONS MANUAL
NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND**

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NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND

PURPOSE

This manual contains guidelines and regulations relevant to the Needs-Based Public School Capital Fund (NBPSCF), provided to assist counties and Local Education Administrations (LEAs) with the performance of the following tasks:

- (1) Applying for grant-based funds for new public school capital projects as defined in **Chapter 115C** of the North Carolina General Statutes, **Article 38B**.
- (2) Drawing down awarded funds (fund disbursement).
- (3) Reporting how awarded funds are used (Annual and Final Reports).

Since counties and the LEAs within the counties must work together in dealing with all aspects of the NBPSCF, the terms “county,” “LEA” and “county/LEA” are used interchangeably in this manual.

BACKGROUND

Article IX, Section 2(1) of the North Carolina State Constitution provides that the State is responsible for public schools. *Article IX, Section 2(2)* delegates the financial responsibility for public school buildings and grounds to the County.

G.S. 115C-408(b) reads as follows:

“To insure a quality education for every child in North Carolina, and to assure that the necessary resources are provided, it is the policy of the State of North Carolina to provide from State revenue sources the instruction expenses for current operations of the public school system as defined in the standard course of study.”

“It is the policy of the State of North Carolina that the facilities requirements for a public education system will be met by county governments.”

In order to assist county governments in meeting their public school building capital and equipment needs, the North Carolina General Assembly passed legislation in 1987 (the *School Facilities Finance Act*) that established the Public School Building Capital Fund (PSBCF). The initial source of revenue for the PSBCF was the Corporate Income Tax. In 2006, the General Assembly established the North Carolina Education Lottery (Lottery) as the revenue source for the PSBCF. The amount of Lottery revenue allotted to the PSBCF varied each fiscal year until FY 2010-11, when the General Assembly began appropriating a lump sum of Lottery revenue to the PSBCF and established that the revenue was to be distributed to LEAs based upon their

Average Daily Membership (ADM). Since FY 2015-16, the appropriated lump sum of Lottery revenue has been set at \$100 million.

Additional information about the PSBCF can be found in the *PROCEDURES MANUAL – PUBLIC SCHOOL BUILDING CAPITAL FUND*, a copy of which is posted in the School Planning section of the NC Department of Public Instruction website:

<https://files.nc.gov/dpi/documents/schoolplanning/psbcf-procedures-manual.pdf>

The PSBCF was the only recurring State funding for the facility needs of the public education system of North Carolina from its inception until 2017. During this period of time the process of distributing PSBCF Lottery revenue to LEAs per ADM typically provided over 50 percent of the annually appropriated revenue to less than 15 percent of LEAs. In 2017, realizing the need to make more Lottery revenue available to the LEAs that were receiving a low percentage of that revenue, the General Assembly stated its intent to increase the amount of Lottery revenue dedicated to assist local governments in meeting critical school capital needs to forty percent (40%) of net Lottery revenue collected by no later than FY 2028-29. Through **S.L. 2017-57, Section 5.3(d)**, the General Assembly established the Needs-Based Public School Capital Fund, an interest-bearing, non-reverting special Fund that provides grant-based funding to eligible counties. Original legislation regarding the NBPSCF was subsequently modified by **S.L. 2017-212, Section 1.1** and **S.L. 2018-5, Section 5**. Further refinement of the NBPSCF was made by the 2021 session of the General Assembly by amending **Chapter 115C** of the NC General Statutes. Within that legislation, new General Statutes modified a number of the provisions contained in the original Session Laws and repealed various Sections of those Session Laws. As a result, grant award amounts were increased and a greater number of counties became eligible for Needs-Based grants (see **NEEDS-BASED GRANTS** for additional information).

The total amount of Lottery revenue allotted to the NBPSCF is set by the General Assembly each fiscal year based upon annual Lottery revenue collections. For FY 2017-18, the initial year of grant funding through the NBPSCF, a total of \$30 million was allotted. For FY 2018-19, that amount was increased to over \$140 million with an infusion of “surplus” revenue by the NC Education Lottery. In subsequent fiscal years Lottery revenue allotted by legislation has varied from \$75 million to over \$150 million, and there has been an additional infusion of “surplus” Lottery revenue.

The State Treasurer is the custodian of the NBPSCF and is charged with investing its assets in accordance with provisions of **G.S. 147-69.2** and **G.S. 147-69.3**. It is the responsibility of the NC Department of Public Instruction (DPI) to award grants from the NBPSCF based upon an established set of priorities (see **NEEDS-BASED GRANTS**). Administration of the NBPSCF is the responsibility of the School Planning Section of DPI.

NEEDS-BASED GRANTS

Eligibility

From FY 2017-18 through FY 2020-21, Needs-Based grants were, in accordance with legislation in effect at the time, only awarded to counties designated as Development Tier One or Tier Two Areas. Grants were not awarded to any county that had received an aggregate amount exceeding Eight Million Seven Hundred Fifty Thousand Dollars (\$8,750,000) in Lottery funds from the Public School Building Capital Fund from FY 2012-13 to FY 2016-17, inclusive. The 2021 session of the General Assembly modified eligibility requirements in the 2021-2023 State Budget, **S.L. 2021-180**. In that piece of legislation, Chapter 115C of the General Statutes was amended with the addition of a new Article, **“Article 38B – Needs-Based Public School Capital Fund.”** **G.S. 115C-546.11.(a)** of that Article states, *“An eligible county is a county with an adjusted market value of taxable real property of less than forty billion dollars (\$40,000,000,000). The adjusted market value of taxable property in a county is equal to the county’s assessed taxable real property value, using the latest available data published by the Department of Revenue, divided by the county’s sales assessment ratio determined under G.S. 105-289(h).”*

Per **Section 4.4.(b)** of **S.L. 2021-180**, any county previously awarded grant funds from the NBPSCF that has not started construction of the funded project can apply to DPI to increase the amount of their grant award if the maximum grant award per **G.S. 115C-546.11.(c)** or matching requirements per **G.S. 115C-546.11.(a)** are more beneficial to the county. Notwithstanding **G.S. 115C-546.10**, DPI is to prioritize applications submitted pursuant to **Section 4.4.(b)**.

If an eligible county has multiple school systems (LEAs), typically distinguished as being “City” or “County” systems, each LEA is eligible to receive a Needs-Based grant. Applications for the grants can be, but do not necessarily have to be, submitted in the same fiscal year.

Application Process

Applications for grants through the NBPSCF are processed by DPI once a year. Grant applications must be signed by the Chairs of the local Board of Education (LEA) and the County Commissioners (County). The application deadline is typically between August 31 and September 15, and grant awards are usually announced in early to mid-October. Delays in legislative action regarding the NBPSCF can delay the established application submission and review process.

Whether the project for which NBPSCF grant funds are being sought involves a single building or multiple buildings on a single campus, only one application is to be submitted for that school campus. If grant funds are being sought for projects on more than one school campus, then a separate application is to be submitted for each campus.

If “City” and “County” LEAs within a county have projects for which grant funds are being sought, then each LEA must submit its own application.

A copy of the NBPSCF Grant Application form for the current fiscal year is posted for an applicable period of time in the School Planning section of the DPI website. Outside of that time period a sample copy of the form may be posted.

<https://www.dpi.nc.gov/districts-schools/district-operations/school-planning/capital-funding#nbpscf-%E2%80%94needs-based-public-school-capital-fund>.

Prioritization of Grant Awards

Prior to FY 2021-22, Needs-Based grants were awarded to county applicants in accordance with priorities established by ***S.L. 2017-57, Section 5.3.(d)***, as modified by ***S.L. 2018-5***. Priorities were modified by ***S.L. 2021-180, Article 38B, G.S. 115C-546-10***. That General Statute establishes that “*The Department of Public Instruction shall award grants from the Fund...in accordance with the following priorities:*

- (1) Counties designated as development tier one areas.*
- (2) Counties with greater need and less ability to generate sales tax and property tax revenue.*
- (3) Counties with a high debt-to-tax revenue ratio.*
- (4) The extent to which a project will address critical deficiencies in adequately serving the current and future student population.*
- (5) Projects with new construction or complete renovation of existing facilities.*
- (6) Projects that will consolidate two or more schools into one new facility.*
- (7) Counties that have not received a grant under this Article in the previous three years.”*

As stated previously, priority is to be given to applications submitted pursuant to ***S.L. 2021-180, Section 4.4.(b)***.

Though not specifically addressed by legislation, conditions like the following may be considered in the selection of award recipients, especially if there is a need to differentiate between two or more similarly qualified applicants:

- (1) The readiness of a school building project for construction. A shovel-ready project would have priority over a project that is in the planning or design phase.
- (2) The number of students that will directly benefit from the new school building project (i.e., percentage of county or LEA ADM that would be served by a proposed school building project). The higher the percentage of ADM that would be served, the higher the priority.

Maximum Award Amounts

Original grant award limits were established by **S.L. 2017-57, Section 5.3.(e)**, as modified by **S.L. 2017-212** and **S.L. 2018-5**. The maximum award for a county designated as a Development Tier One Area was Fifteen Million Dollars (\$15,000,000) and the maximum award for a county designated as a Development Tier Two Area was Ten Million Dollars (\$10,000,000). Maximum award amounts were changed by **G.S. 115C-546.11.(c)**, which established them as follows:

- (1) Up to thirty million dollars (\$30,000,000) for an elementary school.
- (2) Up to forty million dollars (\$40,000,000) for a middle school or a combination of an elementary and middle school.
- (3) Up to fifty million dollars (\$50,000,000) for a high school.

Per **G.S. 115C-546.11.(d)**, *“The Department of Public Instruction shall review projected school enrollment to evaluate the reasonableness of a project’s scope and size.”* DPI interprets this to mean that the amount of Needs-Based grant funds awarded for a school project does not have to be the maximum amount allowed, nor the amount requested, if the scope and size of the project are not compatible with the projected school enrollment.

If multiple applications for grant awards are submitted by an LEA, as is required if funds are being sought for projects on multiple campuses, then the maximum amount awarded to the applicant will be limited in accordance with maximum award amounts established by **G.S. 115C-546.11.(c)**. In other words, one maximum limit per LEA.

Matching Requirements

Grant funds awarded under **2017-57, Section 5.3.(e)**, as modified by **S.L. 2017-212** and **S.L. 2018-5**, were subject to a matching requirement from the recipient county as follows:

- (1) For a county designated as a Development Tier One Area, a matching requirement of \$1.00 in local funds for every \$3.00 in grant funds (1 to 3 match).
- (2) For a county designated as a Development Tier Two Area, a matching requirement of \$1.00 in local funds for every \$1.00 in grant funds (1 to 1 match).

In 2021, matching requirements were modified by **G.S. 115C-546.11.(a)**. Per that General Statute, the local match requirement is calculated as follows:

<u>Adjusted Market Value of Taxable Real Property</u>		<u>Percentage Match</u>
<u>Over</u>	<u>Up to</u>	
\$0	\$2 billion	0%
\$2 billion	\$10 billion	5%
\$10 billion	\$20 billion	15%
\$20 billion	\$30 billion	25%
\$30 billion	\$40 billion	35%

The Department of Public Instruction is required to publish the amount of matching funds required for counties that may be awarded a Needs-Based grant each year prior to opening the grant application period for that year. The local match requirement applied to a project is based on the match requirement effective at the time of the grant award. In other words, once established, the matching requirement will not change for a project even if a change in the county's adjusted market value of taxable real property would result in a different calculated percentage match. If a county/LEA is awarded a Needs-Based grant in one fiscal year, with required match of 1 to 3 (Tier One counties) or 1 to 1 (Tier Two counties), and is then awarded additional funds for that grant during a subsequent fiscal year, then their required match can be changed to the percentage match as long as the percentage match is more beneficial to them.

Local matching funds must be derived from county funds, other non-State/non-Federal funds, or a combination of these funds. They must be expended proportionally to grant fund expenditures as the project for which grant funds were awarded progresses.

Grant Agreement

Per **G.S. 115C-546.12**, each county that is awarded a grant fund must enter into an agreement with DPI detailing the use of grant funds. The agreement must include all of the following provisions:

- (1) A requirement that the grantee seek planning assistance and plan review from the School Planning Section of the Department of Public Instruction.
- (2) A progress payment provision governing disbursements to the county for the duration of the school construction project based upon the construction progress and documentation satisfactory to the Department that the matching requirement in **G.S. 115C-546.11** has been met.
- (3) A provision requiring periodic reports to the Department of Public Instruction on the use of disbursed grant funds and the progress of the school construction project.
- (4) A requirement that matching funds paid by the county pursuant to **G.S. 115C-546.11** must be derived from non-State and non-Federal funds.

Not specifically included in NBPSCF legislation is an additional agreement provision requiring the grant recipient to certify that the project site for which grant funds were awarded is owned in fee simple by the local Board of Education in accordance with **G.S. 115C-521**.

Information regarding project planning assistance and plan review is provided in **Appendix 1** of this manual. A sample copy of the *Form of Agreement* is provided in **Appendix 2**.

Other Provisions

Per **S.L. 2017-57, Section 5.3(e)**, as modified by **S.L. 2017-212** and **S.L. 2018-5**, no county could receive grant funds more than once every five (5) years. Per **S.L. 2017-57, Section 5.3(f)**, a

county/LEA that received a grant fund award from the NBPSCF was ineligible to receive distributions from the PSBCF (i.e., regular Lottery revenue) for a period of five (5) years. **Section 4.4.(d) of S.L. 2021-180** repealed these provisions. As a result, there is no required waiting period for a county/LEA to apply for an additional Needs-Based grant after receiving one (application priority may be affected – see above), or to apply for an increase in the amount of a previously awarded grant. Additionally, a county/LEA does not forfeit its Lottery revenue from the PSBCF if awarded a grant.

EXPENDITURE GUIDELINES

Grant funds awarded under **S.L. 2017-57, Section 5.3.(e)**, as modified by **S.L. 2017-212** and **S.L. 2018-5**, were to be used only for the construction of new public school buildings. With the enactment of **G.S. 115C-546.11.(b)**, grant funds may be used for construction of new public school buildings as well as additions, repairs and renovations to existing public school buildings.

The definition of public school buildings per **G.S. 115C-546.2(b)** includes the following provision: “...only includes facilities for individual schools that are used for instructional and related purposes and *does not include centralized administration, maintenance, or other facilities.*”

Neither grant funds nor the required local matching funds can be used for any of the following expenditures:

- (1) Mobile or modular classroom purchase or installation.
- (2) Real property acquisition.
- (3) Acquisition of Leadership in Energy and Environmental Design (LEED) certification.

DPI interprets the provisions of the referenced statutes as allowing the use of grant funds to pay for many elements associated with the construction and occupation of a new school building, an addition to an existing building, or the total renovation of an existing building. Such elements would include furnishings and equipment that is an integral part of a building. Grant funds may also be used to pay for architectural and engineering fees directly associated with the planning and design of the new public school building, addition, renovation and/or repair, as well as fees for land surveys, subsurface investigations, wetlands determination, and similar investigative services required for design preparation.

Per **G.S. 115C-546.13.(a)**, notwithstanding any provisions of **Article 38B** to the contrary, a county may utilize grant funds for a lease agreement if all the following criteria are met:

- (1) Ownership of the subject property on which the leased school is constructed shall be retained by the county.
- (2) The lease agreement shall include a repairs and maintenance provision that requires the landlord to bear the entire expense of all repairs, maintenance,

alterations, or improvement to the basic structure, fixtures, appurtenances and grounds of the subject property for the term of the lease.

- (3) The lease agreement shall be for a term of at least 15 years and no more than 25 years.
- (4) In lieu of progress payment requirement provided in **G.S. 115C-546.11.(b)**, a county that has entered into a lease agreement shall provide a copy of the lease agreement to the Department of Public Instruction and shall be periodically reimbursed upon submission of documentation satisfactory to the Department that the matching requirement of this section has been met.

Per **115C-546.13.(b)**, the term “lease agreement” includes any ancillary agreements or predevelopment agreements entered into in anticipation of or in accordance with a lease. A lease agreement entered into pursuant to this subsection is subject to the requirements of **Article 8 of Chapter 159** of the General Statutes. In determining whether the lease agreement is necessary or expedient pursuant to **G.S. 159-151(a)(1)** and **G.S. 159-151(b)(1)**, the Local Government Commission may consider any other relevant construction and financing methods available to the county.

GRANT FUND DISTRIBUTION

Grant funds are placed into NBPSCF accounts that are created by DPI for each county/LEA to which funds have been awarded. Since Lottery revenue is distributed by the State on a quarterly basis, grant funds are typically distributed to the NBPSCF accounts (hereinafter referred to as cash balance or unallocated balance) in four installments. It is usually four to six weeks after the end of a fiscal quarter before DPI receives a report that provides the amount of Lottery revenue allotted to the NBPSCF for that quarter. Once that report has been received, distribution of revenue among the award recipients can be calculated. As a result, the first installment of grant funds into unallocated balances (from first quarter Lottery revenue) is usually made in mid-November. Three subsequent installments are made, generally on a once-every-three-months basis. The total amount of Lottery revenue distributed to each award recipient will equal the full amount the recipient was awarded by the end of the fiscal year of the award or shortly thereafter, depending on when the State makes fourth quarter Lottery revenue available for distribution.

GRANT FUND DISBURSEMENT

Per **G.S. 115C-546.11.(b)**, grant funds are to be disbursed from a grantee’s unallocated balance in a series of payments based upon the progress of the project for which funds have been allocated. To obtain a payment, the grantee (county/LEA) must submit a request for payment (*Distribution Request* form) to DPI, along with documentation of the expenditures for which the payment is requested and evidence that the matching requirement has been met. A copy of the *Distribution Request* form is provided in **Appendix 2**. A county that has entered into a lease

agreement is to be periodically reimbursed per **G.S. 115C-546.13.(a)** (see also **EXPENDITURE GUIDELINES**).

The School Planning Section of DPI reviews payment (i.e., funding allocation) requests from counties/LEAs on a monthly basis. The requests must comply with the Expenditure Guidelines established for the NBPSCF (see **EXPENDITURE GUIDELINES**). DPI transfers funds from NBPSCF unallocated balances into county disbursing accounts in the State Treasurer's Office at the end of the month during which allocations to counties/LEAs have been approved. The disbursing accounts are the same accounts established by the State Treasurer's Office to process funding activity generated through the PSBCF. DPI is able to distinguish between PSBCF and NBPSCF funds allocated to a county's disbursing account.

After funds have been transferred to a county's disbursing account, they are available for immediate expenditure. The appropriate county finance officer will write warrants (i.e., checks) against the account to a terminal payee to pay expenses for the school building project for which grant funds were awarded. The payee may be the LEA if the LEA is seeking reimbursement for project expenditures. Specifications for the warrants are typically provided to the county finance officer by the State Treasurer's Office. The county finance officer may not make warrants to pay expenses for any project other than the one funded and must not transfer funds from the disbursing account into any other account.

As of the publication date of this manual, there is no provision limiting the amount of time over which awarded grant funds can or must be used. Grant recipients are encouraged by DPI to use their funds in a timely and efficient manner, and not "bank" them for an extended period of time. There is no advantage to holding the funds since award recipients do not receive revenue from interest earned on unallocated or undisbursed funds (see **INTEREST INCOME – UNALLOCATED BALANCES AND DISBURSING ACCOUNTS**).

The State Treasurer's Office publishes on its website statements for each county that show disbursing account activities such as deposits, cleared warrants and balances. The NC Administrative Code (**20 NCAC 1C.0402**) requires all agencies for which a disbursing account has been established to reconcile their disbursing account activity with those statements on a monthly basis. The county finance officer is responsible for performing this reconciliation by completing the electronic Statement of Verification Process on the Core Banking System (CB\$) website. Additional information regarding this process is provided in the **Reports to State Treasurer** section of **Appendix 1**.

INTEREST INCOME – UNALLOCATED BALANCES AND DISBURSING ACCOUNTS

Since the NBPSCF is an interest-bearing special fund, unallocated NBPSCF revenue (cash balance) earns interest monthly at the "standard" State interest rate. This interest rate typically varies from month to month. Funds that were transferred from an LEA's unallocated

balance into its county's disbursing account but have not been spent also earn monthly interest.

Per legislation regarding the NBPSCF current as of the publication date of this manual, interest earned on cash balances and unspent grant funds in disbursing accounts is not distributed to grant recipients. Consequently, the maximum amount of grant funds that can be expended on a school building project is the actual amount of the awarded grant. Earned interest revenue remains with DPI and can be made available as a revenue source for future NBPSCF grants.

UNALLOCATED AND UNSPENT FUNDS

Upon completion of an NBPSCF grant-awarded school building project, final payments should exhaust all funds awarded for that project. In other words, the total amount of grant funds allocated and spent should equal the amount granted. The LEA's NBPSCF unallocated balance should be zero, and there should be no unspent grant funds in the county's disbursing account. In the unlikely event that not all grant funds are spent, funds remaining in the county's disbursing account must be reverted by DPI to the LEA's NBPSCF unallocated balance. Current as of the publication date of this manual, there is no legislation regarding the use of left-over (i.e., unallocated) grant funds once an NBPSCF grant-awarded project has been completed. Since a grant is awarded for a specific school building project, the grant recipient cannot allocate left-over grant funds for expenditure on other school building or facility projects. Those funds will be reverted to DPI and can be made available as a revenue source for future NBPSCF grants.

ACCOUNT STATEMENTS

The School Planning Section of DPI publishes monthly reports that show revenue distributions to the LEAs' unallocated balances and project allocations (fund disbursements) made to the LEAs. These reports are posted on the School Planning web page (referenced above). Information about accessing those reports is provided in the **School Planning Website Information** section of **Appendix 1**.

REPORTING REQUIREMENTS

Grant Recipient

Per ***G.S. 115C-546.14.(a)***, on or before April 1 of each year after receiving a grant award, the recipient must submit to the Department of Public Instruction an "Annual Report" for the preceding year that describes the progress of the project for which their grant was awarded. Additionally, the grant recipient must submit a "Final Report" to the Department of Public Instruction within three months of the completion of the project. A project is considered by DPI

to be “complete” upon final payment of all project expenses using the grant funds allocated to the county’s disbursing account. Copies of the *Annual Report* form and the *Final Report* form are provided in **Appendix 2**.

The County and the LEA bear joint responsibility for submitting the Annual and Final Reports. Signatures of the chairpersons of both the Board of County Commissioners and the local Board of Education are required on each report. As such, the two Boards should work together to prepare the reports.

As noted above, county finance officers are responsible for monthly reconciliation of disbursing account activity. This process is described in the **Reports to State Treasurer** section of **Appendix 1**.

Department of Public Instruction

Per G.S. 115C-546.14.(b), on or before May of each year, DPI is to submit a report to the chairs of the Senate Appropriations Committee on Education/Higher Education, the chairs of the House Appropriations Committee on Education, and the Fiscal Research Division. The report is to include no less than the following information for the fiscal year:

- (1) Number and description of projects awarded.
- (2) Total cost of each project and amount supported by the NBPSCF.
- (3) Projections for local school administrative unit capital needs for the next 30 years based upon present conditions and estimated demographic changes.
- (4) Any legislative recommendations for improving the Needs-Based Public School Capital Fund program.

APPENDIX 1

Project Planning and DPI Plan (Design) Review

A county/LEA that receives grant funds from the Needs-Based Public School Capital Fund must seek planning assistance for and plan review of their school building project. These services are provided by the School Planning Section of DPI.

A primary planning/design tool used by School Planning is the State Board of Education's *Public Schools of North Carolina Facilities Guidelines*, which provides recommendations for school building elements and spaces. A copy of this publication can be found on the School Planning web page (referenced in the **Operations Manual**). Instructions for accessing this publication are provided in the **School Planning Website Information** section of **Appendix 1**. Other planning/design tools used by School Planning include computer programs that calculate needed spaces within school facilities and the sizes of those spaces (based upon anticipated capacity), and accumulated construction cost data.

Plan (design) review by School Planning helps to ensure that proposed school facilities properly accommodate and facilitate educational programs. Comments made as part of a School Planning review will typically stress safety, longevity, durability, flexibility, economy, and efficiency of building construction systems. Design review and comments will take into consideration local program flexibility while providing accountability with respect to the *North Carolina Public Schools Facilities Guidelines*.

Plan review is typically conducted as each primary design phase of a project is completed – Schematic Design (SD) Phase, Design Development (DD) Phase, and Construction Document (CD) Phase. Drawings and specifications submitted for CD Phase review should be no less than 95% complete.

When submitting project documents for review, designers are to use the transmittal forms provided by DPI School Planning Section, available on its web page at the following link:

<https://www.dpi.nc.gov/districts-schools/district-operations/school-planning/design-review#submittal-forms>

Reports to State Treasurer

The office of the State Treasurer requires the county finance officers to reconcile their disbursing account activity each month and to report agreement via a 'check box' on the Core Banking System (CB\$) website. The state treasurer does not mail printed statements to the counties; reconciliation and review are accomplished by this electronic process instead.

To access the State Treasurer website, open an internet browser and go to <https://www.nctreasurer.com>. Select Financial Operation Division from among the titles below the heading "Divisions."

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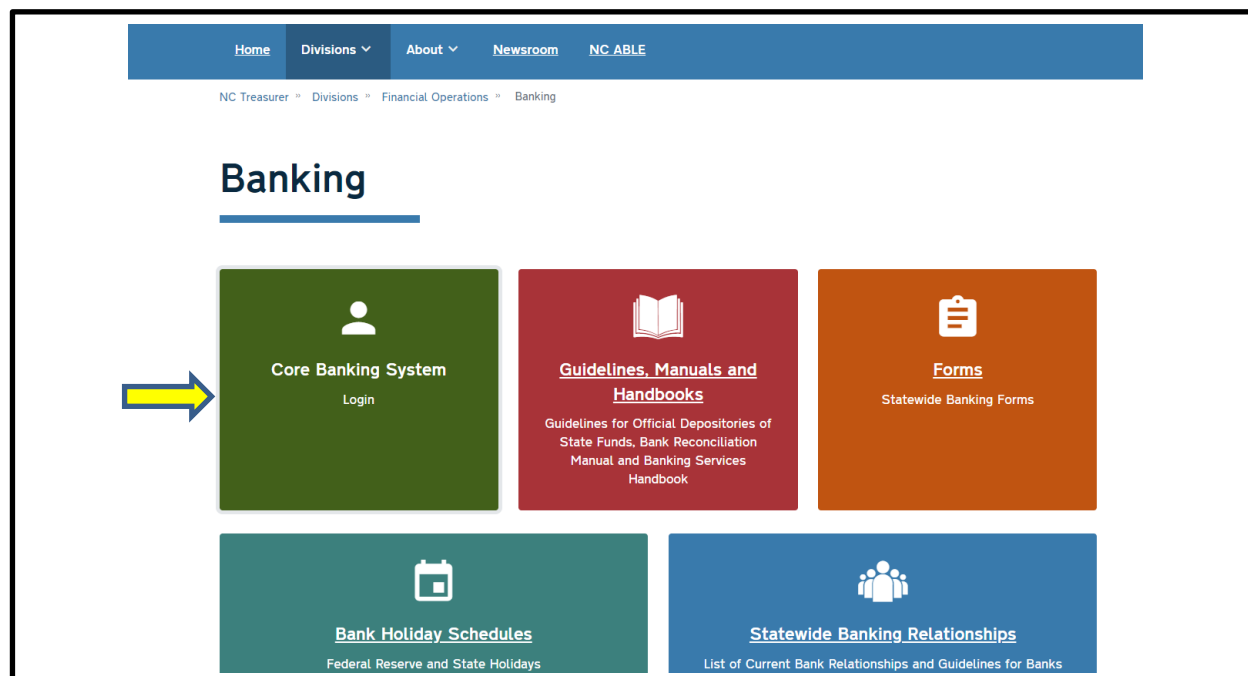
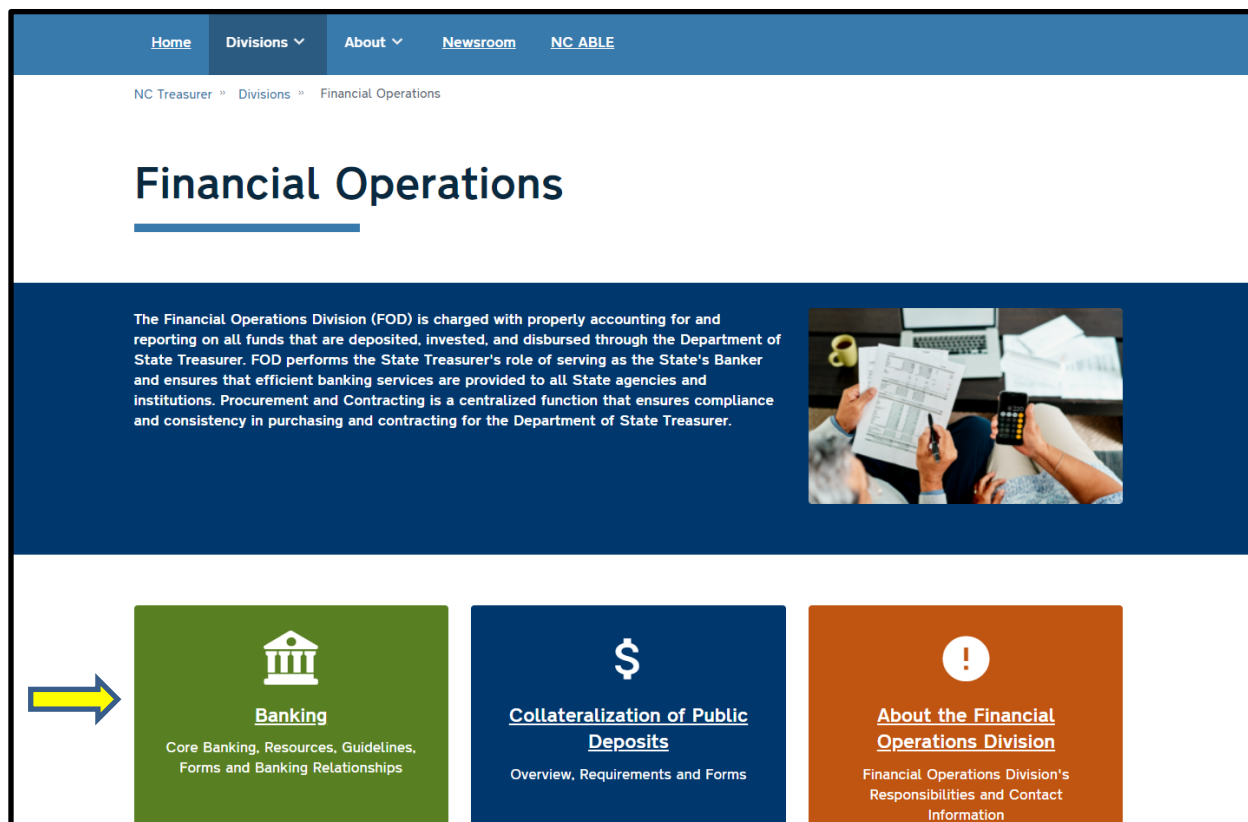
NC Department of State Treasurer
Happy Mother's Day to mothers, stepmothers, grandmothers, and everyone who are role models to the children in their lives. Thank you for the countless ways you lead learning with love and support. We hope you have a wonderful day! 🌸

Happy Mother's Day

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NORTH CAROLINA

Access the Log-in page for the Core Banking System by clicking on the [Banking](#) and [Core Banking System](#) icons that appear in the subsequent windows that open. Log-in to the Core Banking System using the individual ID and password provided by the Financial Services Department of DPI or by the State Treasurer's Office.





The login page features the North Carolina Department of State Treasurer's logo and seal on the left. The seal includes the text "NORTH CAROLINA DEPARTMENT OF THE TREASURER" and "EST. 1776". To the right, the text reads "NORTH CAROLINA DEPARTMENT OF STATE TREASURER" and "DALE R. FOJWELL, CPA" with a signature. Below this is the slogan "INTEGRITY. ABILITY. PASSION.".

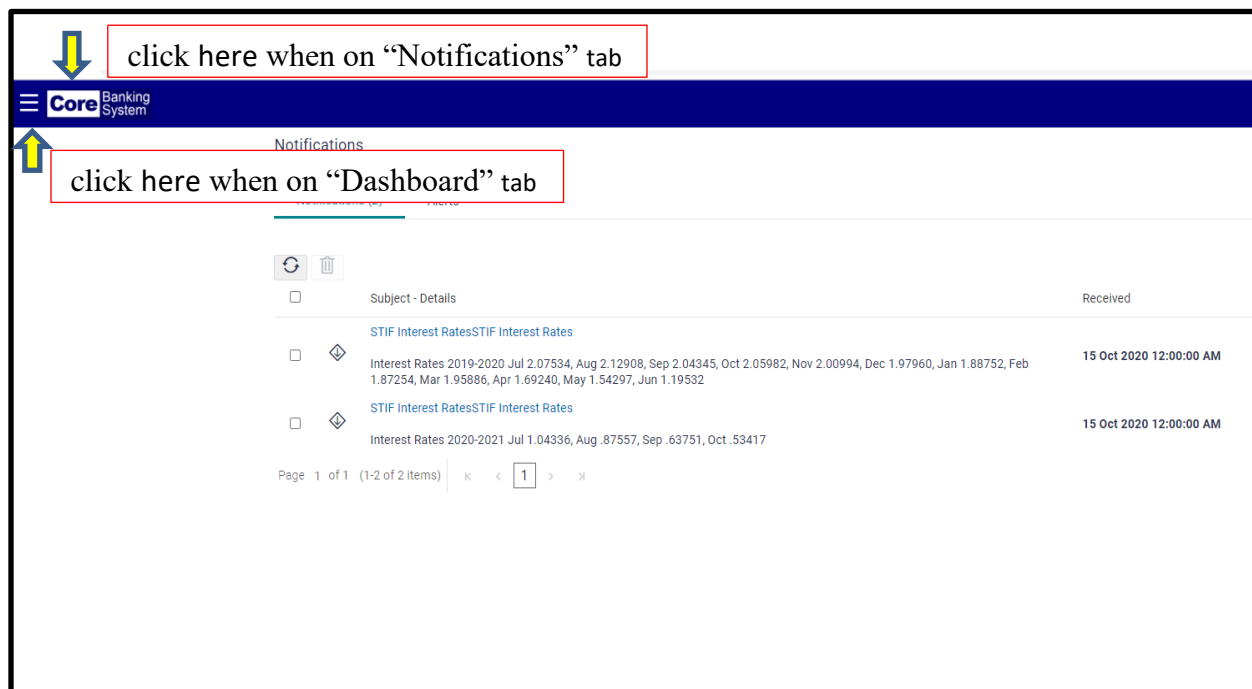
Login

Username

Password

Login

Upon log-in the tab that opens should be the “Notifications” tab (pictured below). The screen may contain important information such as interest rates, holidays, or site maintenance. Next, access the CB\$ Dashboard by clicking on the “Core Banking System” logo at the top left corner of the screen. The tab that opens should be the “Dashboard” tab (not pictured). To get to the Functions Menu, click on the three bars at the top left corner of the Dashboard screen, just to the left of the “Core Banking System” logo.



The screenshot shows the "Notifications" tab in the Core Banking System. A red box highlights the "Notifications" tab in the top navigation bar, with an arrow pointing to it and the text "click here when on 'Notifications' tab". Another red box highlights the "Core Banking System" logo in the top left corner, with an arrow pointing to it and the text "click here when on 'Dashboard' tab".

Notifications

Subject - Details	Received
<p>STIF Interest Rates</p> <p>Interest Rates 2019-2020 Jul 2.07534, Aug 2.12908, Sep 2.04345, Oct 2.05982, Nov 2.00994, Dec 1.97960, Jan 1.88752, Feb 1.87254, Mar 1.95886, Apr 1.69240, May 1.54297, Jun 1.19532</p>	15 Oct 2020 12:00:00 AM
<p>STIF Interest Rates</p> <p>Interest Rates 2020-2021 Jul 1.04336, Aug .87557, Sep .63751, Oct .53417</p>	15 Oct 2020 12:00:00 AM

Page 1 of 1 (1-2 of 2 items) < 1 >

A menu will open in the left margin of the screen (not pictured). Click on “Accounts,” then click on “Statement Verification.” Doing so will open a new tab entitled “Statement Verification.” Using the pull-down menu “Select Account,” select/enter the applicable disbursing account. Using the pull-down menu “Financial Year,” select/enter the applicable Financial Year. Click on “Submit” to open the ‘check box.’

The screenshot shows the 'Statement Verification' page in the Core Banking System. The page has a blue header with the 'Core Banking System' logo. Below the header, there is a section titled 'Statement Verification' in a rounded rectangle. Inside this section, there are three fields: 'Select Account' with the value '0002909 - DSB:BRUNSWICK CO P...', 'Financial Year' with the value 'Select Financial Year', and a 'Submit' button. Three yellow arrows point to each of these elements.

Click on the box under the heading “Reconciled” that corresponds with the applicable Month for which account reconciliation is being performed.

The screenshot shows the 'Statement Verification' page in the Core Banking System. The page has a blue header with the 'Core Banking System' logo. Below the header, there is a section titled 'Statement Verification' in a rounded rectangle. Inside this section, there are three fields: 'Select Account' with the value '0029110 - DPH-Public School Build...', 'Financial Year' with the value 'Current Year -2020-2021', and a table with columns 'Month' and 'Reconciled'. A yellow arrow points to the 'Reconciled' column header.

Month	Reconciled
July	<input type="checkbox"/>
August	<input type="checkbox"/>
September	<input type="checkbox"/>
October	<input type="checkbox"/>
November	<input type="checkbox"/>
December	<input type="checkbox"/>
January	<input type="checkbox"/>
February	<input type="checkbox"/>
March	<input type="checkbox"/>
April	<input type="checkbox"/>
May	<input type="checkbox"/>
June	<input type="checkbox"/>

There will typically be no formal notification made to county finance officers by the State Treasurer's Office regarding disbursing account reconciliation. As administrator of the NBPSCF, School Planning will check the CB\$ website periodically to determine if the finance officers of counties to which grant funding has been disbursed have complied with the provisions of **20 NCAC 1C.0402**. Notification of non-compliance will be issued by School Planning as needed.

School Planning Website Information

To access the School Planning section of the NCDPI website, open an internet browser and go to <https://www.dpi.nc.gov/districts-schools/district-operations/school-planning>.

On the Home Page there is a link for the current fiscal year NBPSCF Grant Application. If this link is selected, the application form for the current fiscal year (if posted) can be downloaded from the window that opens. If the current fiscal year application form is not available, then a sample copy of the form will be posted.

For additional capital funding information, select the link for Capital Funding in the right-hand menu. The menu is entitled District Operations.

The screenshot displays the NCDPI website's 'School Planning' page. The header includes the NCDPI logo, a search bar, and navigation links for NC SUPERINTENDENT, STATE BOARD, and NC.GOV. The main navigation bar lists Home, Educators, Students & Families, Districts & Schools, Data & Reports, News, and About DPI. The breadcrumb trail shows Home > Districts & Schools > District Operations > School Planning. The main heading is 'School Planning'. Below it, there are two sections: '2020 Statewide Facility Needs Survey' and '2020-21 Needs-Based Public School Capital Fund'. The first section contains a link to 'DOWNLOAD the 2020 Facility Needs Survey' and text about the Microsoft Access Database. The second section contains a link to 'DOWNLOAD the 2020 NBPSCF Grant Application' and text about the application deadline and contact information. To the right, there is a 'District Operations' sidebar menu with links to Center for Safer Schools, Driver Education, Financial and Business Services, Plant Operations, School Business Systems Modernization, School Connectivity / E-rate, School Insurance Fund, School Nutrition, School Planning, Project Planning, Design Review, School Construction, Capital Funding, Legislative References, External Resources, Residential Campuses, and Prototype Designs. A yellow arrow points to the 'Capital Funding' link in the sidebar, and another yellow arrow points to the 'DOWNLOAD the 2020 NBPSCF Grant Application' link in the main content area.

North Carolina Department of
PUBLIC INSTRUCTION

Search...

NC SUPERINTENDENT STATE BOARD NC.GOV

Home Educators Students & Families Districts & Schools Data & Reports News About DPI

Home Districts & Schools District Operations School Planning

School Planning

2020 Statewide Facility Needs Survey

[DOWNLOAD the 2020 Facility Needs Survey](#)

The 2020 FNS is a Microsoft Access Database. The file size is large - approximately 55mb - and requires MS Access installed on a Windows PC. Individual LEA database passcodes will be sent directly to Superintendents.

Completed surveys are due back on Friday, October 30, 2020.

Questions should be directed to Nathan Maune, AIA, via email: nathan.maune@dpi.nc.gov

2020-21 Needs-Based Public School Capital Fund

[DOWNLOAD the 2020 NBPSCF Grant Application](#)

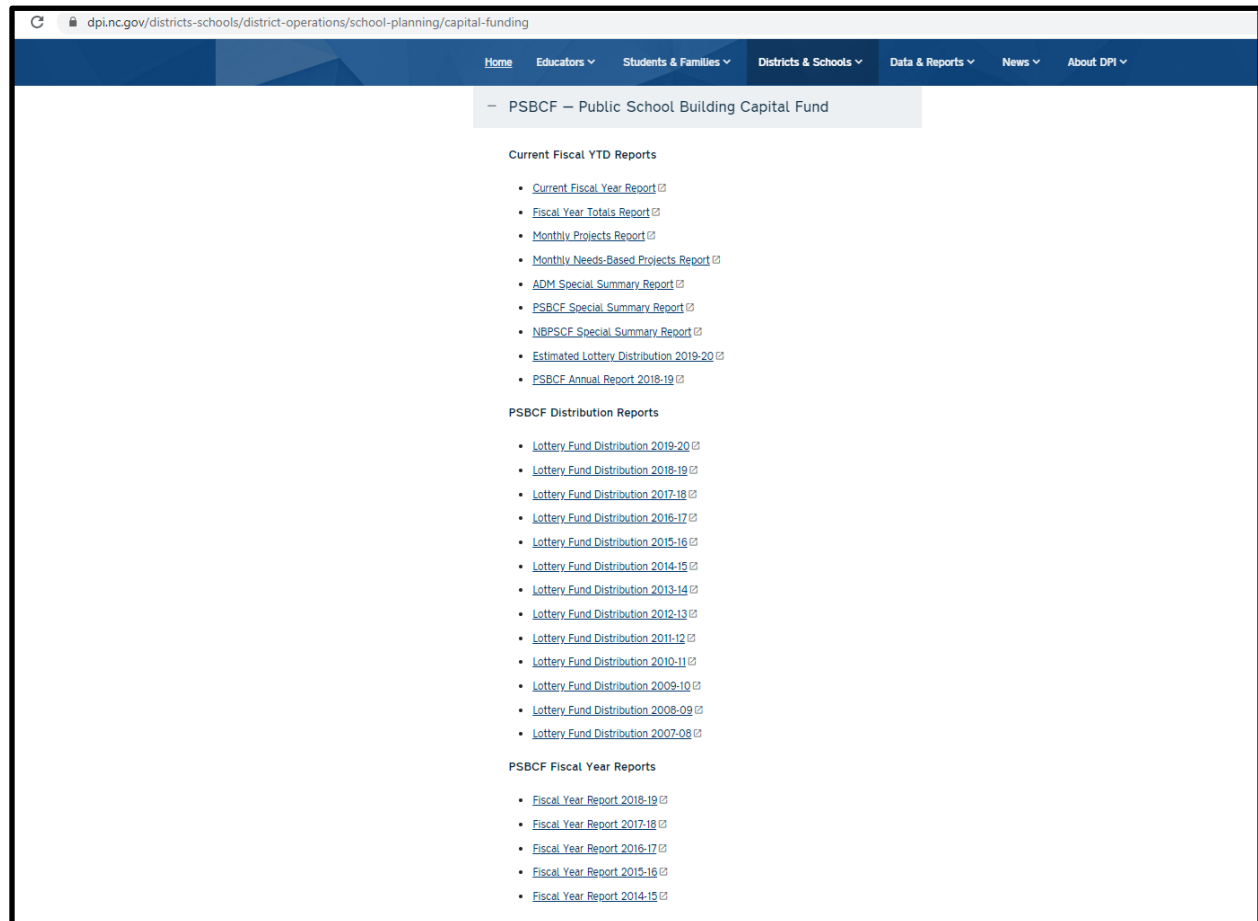
Application Deadline is September 15, 2020.

Questions should be directed to Nathan Maune, AIA, via email: nathan.maune@dpi.nc.gov

District Operations

- [Center for Safer Schools](#)
- [Driver Education](#)
- [Financial and Business Services](#)
- [Plant Operations](#)
- [School Business Systems Modernization](#)
- [School Connectivity / E-rate](#)
- [School Insurance Fund](#)
- [School Nutrition](#)
- School Planning**
- [Project Planning](#)
- [Design Review](#)
- [School Construction](#)
- [Capital Funding](#)
- [Legislative References](#)
- [External Resources](#)
- [Residential Campuses](#)
- [Prototype Designs](#)

The new page that opens will display lists of Capital Funding reports and other documents:



Select the desired report from the list.

The following Capital Funding Reports are posted to the web page on a monthly basis. NBPSCF information is included in most of these reports.

Current Fiscal Year Report
Fiscal Year Totals Report
Monthly Projects Report
Monthly Needs-Based Projects Report
Monthly Repair & Renovation Projects Report
ADM Special Summary Report
PSBCF Special Summary Report
NBPSCF Special Summary Report
PSBRRF Special Summary Report

In the menu for District Operations on the School Planning home page are links for Project Planning, Design Review and School Construction, as well as links for various references and resources. Selecting the link for Project Planning will open a page that has Headings such as “Facility Programming,” “Site Design” and “Building Design.” Clicking on “Building Design” will open a list of links to building design publications, one of which is the *Public Schools of North Carolina Facilities Guidelines* that is referenced in **Appendix 1** section **Project Planning and DPI Plan (Design) Review**.

It should be noted that guidelines for planning and design of public school facilities, as well as requirements and provisions associated with the NBPSCF, are subject to periodic updates, revisions and legislative changes. LEAs and Designers should always check with the School Planning Section of DPI for current editions of all publications and any special information that may be posted on the School Planning home page.

Contact information for personnel responsible for administration of the NBPSCF and related funding activities (current as of the publication date of this manual) is provided the **Contact Information** section of **Appendix 1**.

Contact information

School Planning Section, NCDPI

For information regarding Needs-Based Public School Capital Fund grant eligibility and applications, please contact:

Nathan Maune, AIA
Section Chief
School Planning Section
Phone: (984) 236-2919
nathan.maune@dpi.nc.gov

For information regarding Needs-Based Public School Capital Fund distributions, allocations and disbursements, please contact:

Dennis R. Hilton, PE
Structural Engineer / School Planning Consultant
School Planning Section
Phone: (984) 236-2922
dennis.hilton@dpi.nc.gov

North Carolina Department of State Treasurer

For information regarding county disbursing accounts, signature cards, account balances, etc., please contact:

Amber Straley
Disbursing Account Services Unit Supervisor
Financial Operations Division
Phone: (919) 814-3904
amber.straley@nctreasurer.com
www.nctreasurer.com

Department of Public Instruction

For information regarding access to the Core Banking System, please contact:

Denise Jackson
Systems Accountant
Financial Services Division
Phone: (984) 236-2122
denise.jackson@dpi.nc.gov

APPENDIX 2

Forms

The following pages are ***sample copies*** of the forms associated with the Needs-Based Public School Capital Fund that are referenced in the main body of the **Operations Manual**.

Each form is updated periodically, and posted to the School Planning section of the DPI website as a fillable PDF form. **Please use only the current website forms for all grant processing and reporting.**

Links to current forms can be found at:

<https://www.dpi.nc.gov/districts-schools/district-operations/school-planning/capital-funding#nbpscf-%E2%80%94-needs-based-public-school-capital-fund>

Click on “NBPSCF – Needs-Based Public School Capital Fund” to gain access to those links.

FORM OF AGREEMENT – FY 2021-22

NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND

NORTH CAROLINA EDUCATION LOTTERY

Per North Carolina **GS 115C-546.12**, a county receiving grant funds through the Needs-Based Public School Capital Fund must enter into an agreement with the Department of Public Instruction detailing the use of the grant funds.

County: _____

Address: _____

Contact Person: _____

Title: _____

Phone: _____

Email: _____

LEA: _____

Address: _____

Contact Person: _____

Title: _____

Phone: _____

Email: _____

Construction Project Title: _____

Project Location: _____

Short Description of Construction Project: _____

Estimated Start Date of Construction: _____

Estimated Completion Date: _____

Amount of Grant Funds Awarded: _____

Amount of Local Matching Funds: _____

Source of Local Matching Funds: _____

We, the undersigned, agree to abide by the following provisions in order to receive periodic disbursement of grant funds for the referenced construction project in accordance with **GS 115C-546.12**:

- 1) We will seek planning assistance and plan review from the School Planning Section of the Department of Public Instruction (DPI) for the project in accordance with **GS 115C-521**.
- 2) For each requested grant fund distribution, we will submit a **Distribution Request Form** plus supplementary documentation to describe, at a minimum, the progress of construction, the amount of grant funds expended, and the amount of local matching funds expended. We understand that local matching funds must be expended proportionally along with grant funds as the project progresses.
- 3) Annually, on or before April 1 of each year during the course of the project, we will submit an **Annual Report** detailing the progress of construction, the amount of grant funds expended, and the amount of local matching funds expended. Further, we will submit a **Final Report** within 90 days following completion of the project construction (i.e., after final completion and final payments) to provide a summary of construction and payment activities.
- 4) We certify that the local matching funds are derived from non-State and non-Federal funds.
- 5) We certify that the project site is owned in fee simple by the board in accordance with **GS 115C-521**.

(Signature – Chair, County Commissioners)

(Date)

(Signature – Chair, Local Board of Education)

(Date)

(Signature – State Superintendent of Public Instruction)

(Date)

**DISTRIBUTION REQUEST
NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND
NORTH CAROLINA EDUCATION LOTTERY**
Date of Request: _____

DPI USE ONLY
Approved:
Date:

County: _____
Address: _____
LEA: _____
Address: _____

Contact Person: _____
Title: _____
Phone: _____
Email: _____

Project Title: _____
Project Address: _____

The Needs-Based Public School Capital Fund is governed by Article 38B of GS 115C-546. The purpose of the NBPSCF is to assist counties with their critical public school building capital needs. Grant funds may be used for construction of new public school buildings, as well as additions, repairs, and renovations to existing public school buildings. Grant funds cannot be used for real property acquisition, or for capital improvements to administrative buildings. Grant funds may be utilized for a lease agreement per GS 115C-546.13. **Do Not use this Distribution Request Form for lease payments.**

Total Project Costs (per signed agreement)		State Grant		Local Match		Total
Planning / Design	\$		+	\$	=	\$
Construction	\$		+	\$	=	\$
Other	\$		+	\$	=	\$
Total	\$		+	\$	=	\$

Design Firm: _____
Date of Design Contract: _____ Bid Date (__ actual __ estimated): _____
General Contractor: _____ Date of Construction Contract: _____
Construction Start Date (__ actual __ estimated): _____ Completion Date (__ actual __ estimated): _____

Local Matching Fund Requirement: __ 1:1 | __ 1:3 ---- or ---- __ 0% | __ 5% | __ 15% | __ 25% | __ 35%

Source(s) of matching funds: _____

Project Costs (as of date): _____		State Grant		Local Match		Total
Planning / Design	\$		+	\$	=	\$
Construction	\$		+	\$	=	\$
Other	\$		+	\$	=	\$
Total	\$		+	\$	=	\$

Grant Funds Requested		All Prior Requests		This Request		Total
Planning / Design	\$		+	\$	=	\$
Construction	\$		+	\$	=	\$
Other	\$		+	\$	=	\$
Total	\$		+	\$	=	\$

Supporting Documentation: At DPI's request, submit documentation to DPI substantiating project expenditures identified here.

Reporting Requirements

We, the undersigned, agree to submit a report describing the progress of this project, including State and Local amounts expended, as follows: 1) with each distribution request; 2) annually on or before April 1 of each year; and 3) within 90 days following completion of the project (final payment). We certify that the project herein described is within the parameters set forth in Article 38B of GS 115C-546, and that all the required local funding is available and designated as a Local Match for this project. We certify that Local Matching Funds are derived from non-State and non-Federal funds and will be expended along with Needs-Based Grant funds as the project progresses.

(Signature - Chair, County Commissioners) _____ (Date) _____

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

ANNUAL REPORT

NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND NORTH CAROLINA EDUCATION LOTTERY

Report Date: _____

Per North Carolina **GS 115C-546.14**, on or before April 1 of each year, a Needs-Based Public School Capital Fund (NBPSCF) grant recipient shall submit to the State Superintendent of Public Instruction an annual report for the preceding year that describes progress of the project for which the grant was received.

County: _____ LEA: _____
Address: _____ Address: _____

Construction Project Title: _____
Project Location: _____
Short Description of Construction Project: _____

Project Delivery Method (check one): ☐ Design-Bid-Build ☐ Design-Build ☐ CM at Risk

If Project Delivery Method is Design-Bid-Build, then complete the following:

Name of Design Firm: _____
Date of Design Contract: _____
Bid Date (check one: ☐ actual ☐ estimated): _____
General Contractor: _____
Date of Construction Contract: _____
Construction Start Date (check one: ☐ actual ☐ estimated): _____
Estimated Construction Completion Date: _____

If Project Delivery Method is Design-Build or Construction-Manager-at-Risk, then complete the following:

Construction Co. or CM Co.: _____
Date of Contract: _____
Construction Start Date (check one: ☐ actual ☐ estimated): _____
Estimated Construction Completion Date: _____

Project Expenditures

Total Grant Amount: _____
Amount of Grant Funds Allocated to Disbursing Account to Date: _____
Date/Amount of First Grant Allocation (Disbursement): _____ / _____
Date/Amount of Most Recent Grant Allocation (Disbursement): _____ / _____
Amount of Grant Funds Expended to Date: _____ Percent of Total Award: _____ %
Total Local Match (if any): _____ Required Local Match (if any): _____
Amount of Local Match Funds Expended to Date: _____ Percent of Total Match: _____ %

Project Status (check one item in the applicable project phase that best describes the current project status):

Design Phase: ☐ Schematic Design (SD) ☐ Design Development (DD) ☐ Construction Document (CD)
Bid Phase: ☐ Bidding ☐ Construction Contract Negotiations
Construction Phase: ☐ up to 25% complete ☐ over 25% to 50% complete ☐ over 50% to 75% complete
☐ over 75% to 95% complete ☐ Final Punch List ☐ Substantial Completion

Additional Remarks : _____

(Signature – Chair, County Commissioners)
Date: _____
Phone: _____
Email: _____

(Signature – Chair, Local Board of Education)
Date: _____
Phone: _____
Email: _____

FINAL REPORT

Report Date: _____

NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND NORTH CAROLINA EDUCATION LOTTERY

Per North Carolina **GS 115C-546.14**, a Needs-Based Public School Capital Fund (NBPSCF) grant recipient shall submit to the State Superintendent of Public Instruction a final report within 90 days of the completion of the project for which the grant was received. The report is to provide a summary of construction and payment activities for the project.

County: _____ LEA: _____
Address: _____ Address: _____

Construction Project Title: _____
Project Location: _____
Short Description of Construction Project: _____

Project Delivery Method (check one): ☐ Design-Bid-Build ☐ Design-Build ☐ CM at Risk

If Project Delivery Method was Design-Bid-Build, then complete the following:

Name of Design Firm: _____
Date of Design Contract: _____
General Contractor: _____
Date of Construction Contract: _____

If Project Delivery Method was Design-Build or Construction-Manager-at-Risk, then complete the following:

Construction Co. or CM Co.: _____
Date of Contract: _____

Construction Schedule

Construction Start Date: _____
Date of Substantial Completion: _____
Date of Final Payment: _____

Project Expenditures

Total Grant Amount: _____
Amount of Grant Funds Allocated to Disbursing Account (A): _____
Date/Amount of First Grant Allocation (Disbursement): _____ / _____
Date/Amount of Final Grant Allocation (Disbursement): _____ / _____
Amount of Grant Funds Expended (B): _____ Difference (A minus B): _____
Total Local Match (if any): _____ Required Local Match (if any): _____
Amount of Local Match Funds Expended: _____

NOTE: If the amount of Grant Funds Expended is less than the amount of Grant Funds Allocated to the Disbursing Account, then the difference will be transferred back into the LEA's NBPSCF Account (Unallocated Balance) by DPI, and then transferred (returned) to the NBPSCF program balance for future grant awards.

We, the undersigned, do hereby certify that the project named above, funded from the Needs-Based Public School Capital Fund (NBPSCF), has been completed, that all necessary payments have been made, and that the local matching fund expenditure requirement has been met.

(Signature – Chair, County Commissioners)
Date: _____
Phone: _____
Email: _____

(Signature – Chair, Local Board of Education)
Date: _____
Phone: _____
Email: _____