



Established 1771

CHATHAM COUNTY COMMISSIONERS

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COUNTY MANAGER

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Resolution of the Chatham County Board of Commissioners

Requesting the North Carolina General Assembly to Modify the Allowed Allocations for the Needs Based Public School Capital Fund Dollars to Allow Tier 3 Counties to Participate at a "\$1 of needs-based Public School Capital Lottery Funds for Every \$1 of County Funds" up to \$10 Million if Certain Criteria are Satisfied

Whereas, North Carolina has an education lottery; and

Whereas, the original legislation stated that 35% of net revenue from the North Carolina State Lottery Fund be transferred periodically to the Education Lottery Fund to be used for Class Size Reduction, Public School Building Capital, and college scholarships; and

Whereas, the legislation further stated 40% of Education Lottery Fund dollars will be allocated to the Public School Building Capital Fund; and

Whereas, since the Lottery's inception, there has been legislative changes and lottery dollars have been redirected. Currently, it is estimated that roughly 30% of lottery revenue is allocated to educational spending; and

Whereas, recent State budgets have appropriated \$100,000,000 of lottery funds for public school building capital well short of 40% (16.9% of net lottery revenue collected in FY 2016-2017); and

Whereas, the 2018 State Budget Appropriations Act states it is the intent of the General Assembly to increase lottery funding allocations for school capital from 16.9% to 40% no later than FY 2028-2029; and

Whereas, the 2018 State Budget Appropriations Act SL 2018-5 allocates \$100,000,000 to the Public School Building Capital Fund for FY 2017-2018 and FY 2018-2019; and

Whereas, the 2018 State Budget Appropriations Act also allocates to a Needs Based Public School Capital Fund \$30,000,000 for FY 2017-2018 and \$117,320,354 for FY 2018-2019. However, the expanded allocation to the Needs-based Public School Capital Fund is restricted for allocation to tier 1 and tier 2 counties only, eliminating Chatham County a tier 3 county from receiving any of these funds; and

Whereas, Chatham County is defined by the state as a Tier 3 county with a number of areas and communities that struggle economically in measures of jobs, wages, poverty, economic development, unemployment, etc.; and

Whereas, Chatham County is among the fastest growing counties in the state and currently is building a new high school and elementary school at a cost of \$100 million, plus other school capital needs of \$17 million; and

Whereas, the state's Tier 3 status formula includes population growth, but the areas in our county growing the fastest are shut out of this state funding source; and

Whereas, Chatham County's students and residents pay a heavy price for the use of a tier system which ignores the communities in great need, which have the misfortune of being located within higher income communities.

Whereas, the North Carolina General Assembly has received at least two reports recommending elimination of or significant modifications of the existing tier system because of major concerns with the system, its application, and its negative impact or lack of consideration for other local economic variables that effect various communities.

NOW THEREFORE LET IT BE RESOLVED the Chatham County Board of Commissioners requests the North Carolina General Assembly to modify the allowed allocations for the Needs Based Public School Capital Fund dollars to allow for tier 3 counties to participate at a "\$1 of needs-based public school capital lottery funds for every \$1 of County funds" up to \$10 Million if the following criteria are satisfied:

- County Population below 125,000
- Counties that have voter approved public school GO bonds in excess of \$100,000,000, half of which is yet to be issued as of 7/1/2018

Adopted, this the ____ day of _____.

Diana Hales, Chair
Chatham County Board of Commissioners

ATTEST:

Lindsay K. Ray, NCCCC, Clerk to the Board
Chatham County Board of Commissioners