A proactive, fiscally conservative plan to invest in North Carolina’s future.

HB 943 – Connect NC Bond Act of 2015
Note: Connect NC – Base from H940, Governor’s Budget; PAYGO amount equivalent to 6 years of savings from stopping the HF transfer to GF (6 x $216 M)
Infrastructure

$2.00B Bond
6 Year Plan
20 Year Bond

Transportation

$2.64B Cash
6 Year Pay-Go Plan
$440M On-going each year
Present Value Cost of Connect NC Scenarios

Scenario 1 - $2.84 B issued now
Scenario 2 - $1.42 B issued now, $1.42 B issued in 6 years
Scenario 3 - $2.84 B issued in 6 years
Debt Service as a Percentage of General Fund Revenue

- **4.75% Recommended Limit**
- **4% Suggested Limit**

Prepared by Fiscal Research using data from the Dept. of State Treasurer

- **Existing Debt**
- **With New Issuance at 5.75%**
- **With New Issuance at 3.5%**
15 Years Since Last Bond Referendum

North Carolina Total Population & Voter-Approved Debt
Millions of Persons, 1993-2015

- $740m UNC, CCs, CW, & SPI
- $1.8B Schools
- $950m Hwys
- $1.0B CW & NG
- $3.1B UNC & CCs

Years Debt Approved by Voters

1993: $740m
1995: $1.8B
1997: $950m
1999: $1.0B
2001: $3.1B

2015: 10.1m
“We maintain our call for the first fed funds rate hike in September of this year.”
Wells Fargo Securities, May 27, 2015

Each 0.25% increase in interest rates costs $7.5 million in the first year alone
Affordability

Total State Tax-Supported Debt: Recent History & Projections
Billions of Current-Year Dollars, by Fiscal Year, 2010-2021

Note: Based on data from the 2015 DAAC Study by the NC Department of State Treasurer and HB 943 estimates from the NC Fiscal Research Division. Debt amounts include General Obligation debt and Special Indebtedness, but do not include capital leases and debt issued by NC Turnpike Authority. Projections assume four debt issuances over the next four fiscal years.
Project List

Extends the life of the State’s useful assets.

Financing aligns with the asset lifespan.

Focuses on areas that will boost State’s economic activity.

Partners with university and industry to prioritize projects.
### Education: UNC System

<table>
<thead>
<tr>
<th>Institution</th>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU</td>
<td>New Health Sciences Building</td>
<td>$70,000,000</td>
</tr>
<tr>
<td>NCSU</td>
<td>Engineering Building</td>
<td>$75,000,000</td>
</tr>
<tr>
<td>UNCC</td>
<td>New Sciences Building</td>
<td>$90,000,000</td>
</tr>
<tr>
<td>UNCW</td>
<td>Allied Health and Human Sciences/Nursing Building</td>
<td>$66,000,000</td>
</tr>
<tr>
<td>ECU</td>
<td>Life Sciences and Biotechnology Building</td>
<td>$90,000,000</td>
</tr>
<tr>
<td>UNCCH</td>
<td>Medical Education Building Replacement</td>
<td>$68,000,000</td>
</tr>
<tr>
<td>NCAT</td>
<td>Engineering Building</td>
<td>$90,000,000</td>
</tr>
<tr>
<td>WCU</td>
<td>Sciences/STEM Building</td>
<td>$110,000,000</td>
</tr>
<tr>
<td>WSSU</td>
<td>Sciences Building</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>UNCG</td>
<td>Nursing and Instructional Building</td>
<td>$105,000,000</td>
</tr>
<tr>
<td>NCSSM</td>
<td>North Carolina School of Technology and Engineering</td>
<td>$58,000,000</td>
</tr>
<tr>
<td>UNCP</td>
<td>New School of Business</td>
<td>$23,000,000</td>
</tr>
<tr>
<td>FSU</td>
<td>Lyons Science Building Comprehensive Renovation</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>NCCU</td>
<td>New Business School</td>
<td>$30,000,000</td>
</tr>
<tr>
<td></td>
<td>Repair and Renovations - UNC-Wide</td>
<td>$45,000,000</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td></td>
<td>$980,000,000</td>
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</table>
# Education:
Community Colleges

<table>
<thead>
<tr>
<th>Community Colleges</th>
<th>Statewide</th>
<th>$ 350,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Schools</td>
<td>New Schools</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>Additions</td>
<td></td>
</tr>
<tr>
<td>Renovations</td>
<td>Renovations</td>
<td></td>
</tr>
<tr>
<td>(Match 1:1, 1:2 Tier 2, 1:3 Tier 3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(No K-12Funds)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Project List

### Agriculture
- Plant Sciences Building Ag / NCSU Partnership: $85,000,000
- Department of Agricultural Lab Facility: $94,000,000

### Public Safety
- Samarcand Training Academy: $8,500,000

### National Guard
- McLeansville Regional Readiness Center, Guilford County: $70,000,000
- Morganton – Readiness Center, Burke County
- North Wilkesboro – Readiness Center, Wilkes County
# Parks and Natural Resources

<table>
<thead>
<tr>
<th>Project</th>
<th>Details</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Carolina Zoo</td>
<td>Africa Plains Safari</td>
<td>$25,000,000</td>
</tr>
<tr>
<td></td>
<td>Australasia Exhibit Complex Replace African Pavilion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Australasia Exhibit Complex</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Matching Local Parks Grant Fund for Children and Veterans with Disabilities</td>
<td>$3,000,000</td>
</tr>
<tr>
<td></td>
<td>State Parks</td>
<td>$75,000,000</td>
</tr>
</tbody>
</table>

# Water and Sewer

<table>
<thead>
<tr>
<th>Program</th>
<th>Type</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water &amp; Sewer Loan Program</td>
<td>Statewide</td>
<td>$209,500,000</td>
</tr>
<tr>
<td>Water &amp; Sewer Grant Program</td>
<td>Statewide</td>
<td>$100,000,000</td>
</tr>
</tbody>
</table>
### Transportation

(CASH – Not Financed with Bond)

<table>
<thead>
<tr>
<th>Description</th>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New, Bridges, Maintenance, Resurfacing, Repairs,</td>
<td>Statewide</td>
<td>$2,640,000,000</td>
</tr>
<tr>
<td>Ports Funding ($440M x 6 years)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PORTS
• $70 million additional spending on Morehead and Wilmington ports

BRIDGES
• 58% increase in repair and construction
• $242 million in 2016-17

RESURFACING
• 22% increase
• $498 million

OTHER ROAD MAINTENANCE
• $68 million

SPECIFIED STATE CONSTRUCTION
• $23 million in projects

OTHER REPAIR AND RENOVATIONS
• $150 million
A Real Solution for a Real Result

Connecting North Carolina to the Future