

HJR 21 -- Public School Infrastructure Bonds

Co-Sponsors: Fraser, Boykins, Villa, Walton, Hubbard

This proposed constitutional amendment gives the General Assembly the authority to issue bonds not to exceed an aggregate of \$2 billion for public school technology and infrastructure upgrades and repairs, remodeling, and additions to school buildings, as well as additional school buildings where necessary. The bond sale proceeds will be deposited in the Public School Infrastructure Fund, which the joint resolution creates, from which school districts may draw on a matching basis to be determined by the State Board of Education. The joint resolution also creates a bond interest and sinking fund. An income tax surcharge of 0.5% will be added to the state income tax as long as any infrastructure bonds are outstanding. The tax rate may be lowered, but not below the level necessary to pay the principal and interest on bonds for the current fiscal year and not below the level needed to fund the School District Equalization Fund and the Teacher and Student Achievement Fund, both of which are created by the joint resolution. These two funds must be funded at a level not less than the level of contributions to the funds in the previous fiscal year in which state revenues did not exceed the revenue limit set in Article X, Section 18, of the constitution by 1% or more. In the event revenues do exceed the limit by 1% or more, the excess revenues will go first toward retiring serviceable debt attributable to the infrastructure bonds in the current fiscal year, toward retiring future debt, and then for distribution on a pro rata basis pursuant to Article X, Section 18. Appropriations to these funds will be made without legislative action, and moneys received from the equalization and achievement funds are not to be deducted from a school district's state aid.

After meeting the sinking fund and interest requirements, any tax surcharge revenues will be distributed equally between the equalization fund, which will be distributed to school districts on a per pupil basis, and the achievement fund, which will be used equally for grants to promote teacher recruitment, retention, and training, and for grants to enhance student achievement. If income tax surcharge revenues or excess state revenues are not sufficient to pay principal and interest on maturing bonds in the next fiscal year, a property tax will be levied, for which the Commissioner of Administration will determine the rate.