

PROPOSED \$100 MILLION ISSUE EXPLAINED

State To Vote On School Bonds

Following, in question and answer form, is full information about the \$100 million proposed state school bond issue on which voters throughout North Carolina will indicate a "For" or "Against" vote on November 3 when they go to the polls to vote in county, state and national elections. The bond issue has been widely endorsed by educational leaders, including *The Pilot*.

Question: Is there a need for a \$100,000,000 school construction bond issue in North Carolina at this time?

Answer: A—The public school enrollment in North Carolina continues to increase at from 20,000 to 25,000 pupils per year.

B—The population of the State continues to shift from the rural areas to the urban areas. In the urban areas the need is to provide additional classrooms for the increased enrollment, and to replace and renovate the obsolete facilities. In the rural areas the need is for new construction or renovations to consolidate schools too small for efficient and effective operation and to replace obsolete facilities.

C—For the State as a whole the needs exceed the ability of the local county government, with limited tax resources and statutory bonding limits, to provide the facilities needed.

D—From 1930 to 1949 only a limited number of class rooms was built. Since 1948-49 school year approximately 20,000 instructional spaces have been

built. An analysis of the total school facility situation shows that almost half of the classrooms currently in use were built 35 to 45 years ago and are educationally and mechanically obsolete.

E—Most of our school systems through the years have had less than adequate funds for maintenance of plants. In spite of increasing effort, it is now estimated that counties will have to spend between \$400 and \$500 million during the next five or six years, to meet building needs. If this is to be financed from property taxes, it will mean doubling existing tax rates for school capital outlay or for debt service. This seems an impossible task from property taxes, and hence State assistance is necessary if we are to have adequate school facilities throughout the State in years to come.

Question: Is there any precedent for State assistance for school construction?

Answer: On two occasions, the General Assembly, with the approval of the voters, have provided State assistance for school construction. In 1949, \$50 million in State funds was allocated to the counties to assist in the construction of school buildings. Half of this amount came from the Post-War Reserve Fund, and the other half came from a bond issue. In 1953, an additional \$50 million was provided from a bond issue approved by the people.

Question: When passed, how will the bond proceeds be allocated and what will be my local school administrative units share?

Answer: Section 2 of the Act states that allocations will be made "on the basis of the per capita average daily membership within each school administrative unit for the school year 1961-62."

Question: What will be Moore County's share of the Bond Issue?

Answer

County Schools	\$613,683.57
Pinehurst	74,928.63
Southern Pines	144,990.18

Question: Are there school building needs in each county?

Answer: No county in the State is without major school needs. Increasing enrollments, approaching obsolescence of some existing school plants, and needed school consolidations in some areas all intensify the need for additional school facilities. In spite of continuing financial efforts, there remains a serious shortage of school plant facilities, and half of the counties have already reached or are approaching the legal limits of their capacity to borrow money to build schools. The bond issue will help these counties.

Question: What are the building needs in Moore County?

Answer: 1. Complete high school consolidation program.
2. Renovate existing buildings.
3. Build additional buildings on existing school sites.

Question: Is a State Bond Issue for school construction a device to tax people in large counties to build schools in small counties?

Answer: No. It is true that the State Bonds would be repaid from State taxes, which come primarily from sales and income taxation. While some of these taxes are collected at a greater rate from the larger counties, this results from the fact that people in smaller counties buy things produced in larger counties and make purchases in the larger counties. People in the larger counties often make their profit over a wide geographic area, and merchants sell over a wide geographic area. But it is not they who are paying taxes; it is the people who in the last analysis make the final purchase. Thus, the school bonds will be repaid from taxes levied in the same fair way that school current expenses are financed. Finally, there is a benefit to people in

larger counties to have good schools in smaller counties, because the graduates of the smaller schools will often end up as workers and inhabitants of the larger, growing counties.

Question: For what purposes may the local school administrative units use their respective share of the bond proceeds?

Answer: The proceeds may be used "for the construction, reconstruction, enlargement, improvement and renovation of public school facilities, and for the purchase of such equipment as shall be essential to the efficient operation of the facilities." If the State Board of Education determines that all or part of an administrative unit's share of the bond proceeds is not needed for

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Statement of Condition

AT CLOSE OF BUSINESS
OCTOBER 1, 1964

ASSETS	
Cash and due from banks	\$1,010,099.51
U. S. Government Obligations	1,286,170.23
Obligations of States and Municipal Subdivisions	888,064.84
Other Bonds and Stocks	713,153.42
Loans and Discounts	5,199,342.89
Banking House and Furniture and Fixtures	204,830.98
Other Assets	45,975.42
Total Assets	\$9,347,637.29
LIABILITIES	
Common Stock	\$133,555.00
Surplus	550,000.00
Undivided Profits	187,888.59
Total Capital Accounts	\$ 871,443.59
Deposits	8,280,529.55
Other Liabilities	195,664.15
Total Capital Accounts and Liabilities	\$9,347,637.29

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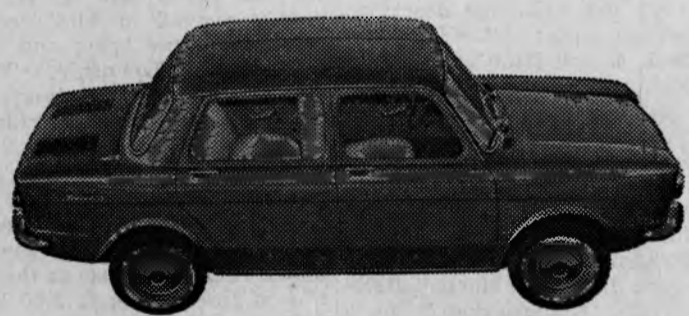
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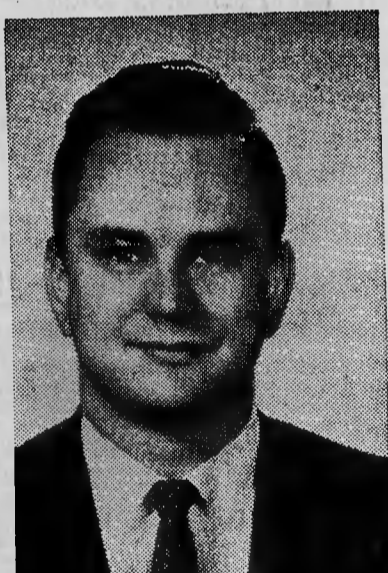
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