

Minutes of the March 6, 2008 Meeting
of the Board of Governors' Committee on Budget and Finance

The Committee on Budget and Finance met in the General Assembly Hall Lobby of the John Friedrick Educational Technology Complex at the North Carolina School of Science and Mathematics, in Durham, North Carolina, on Thursday, March 6, 2008, at 3:00 p.m.

Committee members in attendance were Mr. Bradley T. Adcock, Mr. Brent D. Barringer, Ms. Peaches G. Blank, Mr. G. Leroy Lail, Mr. Ronald C. Leatherwood, Mr. William G. Smith, Mr. J. Craig Souza, and Mr. David W. Young. Necessarily absent was Governor James E. Holshouser, Jr. Other Board of Governors' members attending the meeting were Chair Jim W. Phillips, Jr., R. Steve Bowden, Frank Daniels, Jr., John W. Davis III, Phillip R. Dixon, Ray S. Farris, Hannah D. Gage, Gladys Ashe Robinson, and Estelle W. Sanders. Others attending the meeting were President Erskine B. Bowles, Vice Presidents Norma Houston, Alan R. Mabe, Robert O. Nelson, Kimrey Rhinehardt, Andy Willis, and Joni Worthington; Associate Vice Presidents Shari Harris, David Harrison, and James O. Smith; Associate Vice President for Finance and University Property Officer Terrance Feravich; and Assistant Vice Presidents Claudia Odom and Jonathan Pruitt. Also in attendance were Chancellor Kenneth E. Peacock (ASU), Chancellor Steven C. Ballard (ECU), Chancellor Charlie Nelms (NCCU), Chief Operating Officer George Burnette for Chancellor John Mauceri (NCSA), Gerald L. Boarman (NCSSM), Chancellor James L. Oblinger (NCSU), Chancellor Anne Ponder (UNCA), Chancellor Rosemary DePaolo (UNCW), and Chancellor John W. Bardo (WCU). Chair of Faculty Assembly Brenda Killingsworth, Director of the North Carolina Arboretum George Briggs, CFO Alan Robertson (NCCU), CFO Ed McBride (NCSSM), Director of Real Estate Ralph Recchie (NCSU), Vice Chancellor for Public Service and Engagement and Dean of the School of Government Michael R. Smith (UNC-CH), Property Officer Janice Ashley (UNC-CH), and Fiscal Research Analyst Jim Klingler, were also in attendance as well as members of the press.

Chair Adcock convened the meeting. The minutes of the meeting of February 7, 2008 were approved.

1. In November 1998, the Board approved for the first time the issuance of pooled bonds for long-term debt for several campuses rather than individual institutional issues. A pooled issue, because of its larger size, presented an attractive offering for institutional investors often resulting in lower interest rates and improved bond insurance rates. Since the last approved pooled issue in the Fall of 2006, six institutions (Appalachian State University, East Carolina University, University of North Carolina at Pembroke, University of North Carolina at Charlotte, Western Carolina University, and Winston-Salem State University) had asked to be included in a ninth pooled issue to provide bonds for new construction and to refund bonds previously approved and issued by the Board of Governors currently outstanding at higher interest rates. The size of the bond issue was now being finalized and, depending on market factors, was anticipated to be \$100 million, with \$38.8 million for refunding and \$61.2 million for new construction, including Appalachian State University housing, parking, and athletic facilities, University of North Carolina at Pembroke athletic facility, Western Carolina University dining and student recreation facilities, and Winston-Salem State University housing and student recreation facilities.

The Board of Governors would issue the bonds and then make a loan to each institution participating in the pool. The bonds would be outstanding for up to 25 years with an average life of 13 years. The University had been assisted in drafting the bond documents by the legal firm of Womble Carlyle Sandridge & Rice PLLC. First Southwest Company of Charlotte, North Carolina was serving as the University's independent financial advisor. Wachovia Securities, Inc., was serving as the senior managing underwriter and additional underwriters would be added to assist in the sale of bonds. Parker Poe Adams and Bernstein would serve as the underwriters' counsel. The trustee would be Bank of New York, selected through a Request for Proposal process. It was planned for the bonds to be insured by Assured Guaranty.

The refunding plan for the institutions anticipated achieving net present value savings of at least 2.0%, totaling over \$1.8 million.

Bonds would be issued in one series, Series 2008A. Moody's Investors Service had assigned a rating of A1 to the 2008 Series A Pool Revenue Bonds, with a stable outlook.

It was recommended that the Resolution be adopted and that the Vice President for Finance be authorized to issue and sell bonds between the March 2008 and May 2008 meetings of the Board of Governors, and for the refunding bonds, at such time as the net present value savings equaled or exceeded at least 2.0%.

On the motion of Mr. Lail, seconded by Mr. Bowden, the recommendation was approved.

2. North Carolina State University requested authority to direct the call and optional redemption of Dining Hall System Refunding Revenue Bonds, Series 1996. The bonds were issued in the aggregate principal amount of \$2,345,000, pursuant to a Resolution adopted by the Board on February 9, 1990, and a Series Resolution adopted by the Board on March 15, 1996.

The staff of North Carolina State University had found that it was advisable to redeem all of the outstanding 1996 Bonds maturing February 1, 2009 to 2012, inclusive. NCSU proposed to use available balances to accomplish this action, which would save approximately \$120,000 in interest and would eliminate bond coverage requirements.

It was recommended that the resolution be adopted and that the Vice President for Finance be authorized to direct the call and redeem the Dining Hall System Refunding Revenue Bonds, Series 1996.

On the motion of Ms. Blank, seconded by Mr. Young, the recommendation was approved.

3. In April 2005, the Council of State, at the request of the Board of Governors, approved a ground lease of state-owned land and a long-term lease for housing that allowed the University of North Carolina at Greensboro to enter into an agreement with the Capital Facilities Foundation, Inc. to construct facilities on the campus to be used by UNCG for student housing. Capital Facilities Foundation, Inc. was a corporation formed to enhance

UNCG's educational mission, including assisting with the acquisition, development, financing, construction, management, and operation of capital assets for UNCG.

The Capital Facilities Foundation, Inc. entered into a tax-exempt bank loan to provide financing for the project with the expectation that repayment of the loan would occur when UNCG purchased the project sometime prior to May 2008. It now appeared unlikely that the purchase would be completed prior to May 2008.

The resolution allowed the agreements for UNCG's Spring Garden Apartments project to be amended to extend the repayment date to sometime prior to May 1, 2009. It was recommended that the authorizing resolution be approved.

On the motion of Mr. Lail, seconded by Mr. Smith, the recommendation was approved.

4. The Board of Trustees of North Carolina Central University had requested authority to establish a new capital improvements project.

This project would replace the roof and upgrade the heating, ventilating, and air-conditioning system in the Elder Student Union Building, a 39,575, two-story building built in 1968. The HVAC part of the project would replace the roof top air-handlers, install a kitchen ventilation system, and upgrade the building control systems. The project, estimated to cost \$650,000, would be funded from Student Union reserves budgeted and available for this work.

It was recommended that this project be authorized and that the method of financing as proposed by North Carolina Central University be approved.

On the motion of Mr. Lail, seconded by Mr. Young, the recommendation was approved.

5. The Board of Trustees of the University of North Carolina at Chapel Hill had requested authority to establish a new capital improvements project involving a ground lease and new construction.

UNC-Chapel Hill would construct an approximately 18,000 square-foot hangar at Raleigh-Durham International Airport to support the UNC-Chapel Hill Medical Air program in its relocation from the Horace Williams Airport. The project, expected to be complete by April 2009, would include a hangar, airplane parking area, flight operations office space, support areas, storage, and vehicular parking. It was estimated to cost \$3,000,000 and would be funded from unrestricted investment income.

To accomplish the project, UNC-Chapel Hill would enter into a ground lease with the Raleigh-Durham Airport Authority for up to 72,640 square feet (1.67 acres) of land that was adjacent to the N.C. Department of Transportation's hangar facility. The ground lease would have a term of at least 20 years with an annual cost of up to \$8,716 (\$0.12 per square foot) for each of the first three years with 3% annual increases thereafter. The cost of the ground lease would be funded from departmental operating funds. The improvements on

the leased property would revert to RDU at the conclusion of the initial lease or any subsequent extensions.

It was recommended that the capital improvements project be authorized and that the method of financing as proposed by UNC-Chapel Hill be approved. It was also recommended that the requested ground lease be approved and forwarded to the Council of State for final action.

On the motion of Ms. Blank, seconded by Mr. Smith, the recommendation was approved.

6. The Board of Trustees of the University of North Carolina at Chapel Hill had requested approval to ground lease state-owned land to the Robertson Scholars Foundation, Inc. for construction of a new building that would provide offices and meeting space for the Robertson Scholars Program.

Construction would be accomplished by leasing approximately 0.52 acres of state-owned land to the Foundation for the time required to complete the construction of a new 11,800 square-foot building. Consistent with UNC-CH's Master Plan, and located on the current site of the Hill Annex, the project would meet campus and State construction standards and be reviewed and approved by the State Construction Office and the Department of Insurance. The project was expected to cost up to \$14.8 million. The site preparation, including utilities relocation, would be performed by UNC-Chapel Hill, cost \$1.9 million and be funded by Facilities and Administrative receipts. The building cost of up to \$12.9 million would be funded by the Foundation. At the end of construction, the lease would end and the State would accept the completed project as a gift-in-place.

It was recommended that the request of the Board of Trustees be approved and transmitted to the Council of State for final action.

On the motion of Ms. Blank, seconded by Mr. Smith, the recommendation was approved.

7. The University of North Carolina at Wilmington had requested approval to lease state land to UNCW Corporation for the purpose of constructing student housing and an adjacent parking structure with some surface parking. The University also requested approval to enter into a long-term lease to acquire approximately 662 beds of student housing and approximately 1,000 parking spaces from UNCW Corporation when construction was complete.

The University of North Carolina at Wilmington would lease approximately 12.8 acres of land on campus to UNCW Corporation to construct approximately 662 beds of student housing and 1,000 parking spaces, which would be leased back to UNC Wilmington at a cost consistent with similar housing and parking rates on campus for a lease term of approximately 32 years. It was anticipated that the housing would be available by fall 2009 to accommodate anticipated enrollment growth.

Phase I (523 beds) and Phase II (608 beds), which were financed with the same lease structure, were 100% occupied. Not all students who currently wished to live on campus could do so. The University's Office of Housing and Residence Life turned away at least 82 students who wanted on-campus housing in fall 2007. The parking structure would include parking for both students and faculty/staff and would help alleviate a shortage of parking on campus. This leasing arrangement would enable the University to meet current and long-term projected housing and parking demands associated with campus growth to 13,200 students by 2010. Lease payments would be met from student housing and parking receipts.

The lease of state land and the lease of the approximately 662 beds and 1000 parking spaces would be accomplished within the guidelines, procedures, and policies of the North Carolina Department of Administration and the Council of State. Construction documents would be reviewed by the Office of State Construction and the Department of Insurance.

It was recommended that the authorizing resolution be approved and the request of the University of North Carolina at Wilmington be transmitted to the Council of State for final action.

On the motion of Ms. Blank, seconded by Mr. Smith, the recommendation was approved.

8. The Board of Trustees of the University of North Carolina at Chapel Hill had requested approval to acquire property in Chapel Hill.

Owned by STGL LLC (Manager: Ronald P. Gibson), the property totaled approximately 8.5 acres and was located at 130 Merritt Mill Road, with 7.5 acres located in the Town of Carrboro and 1.0 acre located in the Town of Chapel Hill. The land would allow additional rail cars to supply coal and materials to the Cogeneration Facility on Cameron Avenue. The State Property Office concurred with the importance of this purchase and executed an option-to-purchase agreement on January 15, 2008. The purchase price of \$3,500,000 would be funded from available utility receipts.

It was recommended that the request of the Board of Trustees be approved and transmitted to the Council of State for final action.

On the motion of Mr. Lail, seconded by Ms. Blank, the recommendation was approved.

9. In 2006, the Board authorized the President to execute leases valued up to \$350,000 and other property interests up to \$500,000. The following property transactions were approved under this delegation and reported to the Committee on Budget and Finance.

Elizabeth City State University – Disposition of Real Property by Demolition

Reason:	Last used by the Office of Sponsored Programs, the house was closed in 2006 because of structural damage caused by water infiltration and termite infestation. The house was not of historical significance and was no longer capable of serving a useful purpose for the campus.
Owner:	State of North Carolina
Location:	Weeksville Road, ECSU Campus, Elizabeth City, Pasquotank County

Description: A two-story, 2,113 square-foot house constructed in 1922 and detached garage
Cost: Estimated cost to remove the building and restore the site was \$8,800 plus the cost of any needed asbestos abatement and other environmental clean-up
Source: Repairs and Renovations funds
Approvals: The ECSU Board of Trustees recommended this action on September 12, 2006.

North Carolina School of the Arts – Acquisition of Real Property by Deed

Use: Future campus expansion consistent with NCSA's Campus Master Plan
Owner: Judy E. Bell
Location: 1809 Sunnyside Avenue, Winston-Salem, Forsyth County
Description: 0.34 acres with a 1,468 square foot, two-story house that would be demolished
Cost: \$124,120
Source: 2000 Higher Education Bond funds
Approvals: The NCSA Board of Trustees recommended this action on July 30, 2007.

The University of North Carolina at Chapel Hill – Acquisition of Real Property by Lease

Use: Lease of office and meeting space for the UNC-CH Graduate Student Center
Owner: Madison Partners, LLC (Manager: Leslie Brock)
Location: 211A West Cameron Avenue, Chapel Hill, Orange County
Description: Approximately 2,797 square feet of office and meeting space
Cost: \$47,829 for the first year (\$17.10 per square foot) not including utilities and custodial services with 3% annual increases
Term: Three-year initial term with two, one-year renewal options
Source: Facilities and Administrative receipts
Approvals: The UNC-CH Board of Trustees recommended this action on November 14, 2007.

The University of North Carolina at Chapel Hill – Acquisition of Real Property by Lease

Use: Lease of office space for the UNC-CH Odum Institute's Citizen Soldier Support Program
Owner: Carr Mill Mall Limited Partnership
Location: Carr Mill Mall, 200 North Greensboro Street, Carrboro, Orange County
Description: Approximately 1,967 square feet of office space
Cost: \$33,391 for years one and two (\$17.25 per square foot) including utilities and custodial services with a 3% increase in year three if used
Term: Two-year initial term with one, one-year renewal option
Source: Federal funds
Approvals: The UNC-CH Board of Trustees recommended this action on January 23, 2008.

The University of North Carolina at Chapel Hill – Acquisition of Real Property by Lease

Use: Lease of office space for UNC-CH Career Services Office during the renovation of Hanes Hall
Owner: US/GT, LLC
Location: Granville Towers South, 143 West Franklin Street, Chapel Hill, Orange County
Description: Approximately 7,589 square feet of office space
Cost: \$73,993 for a six-month term (\$19.50 per square foot) including utilities, custodial services, and parking
Term: Six months
Source: 2000 Higher Education Bond funds
Approvals: The UNC-CH Board of Trustees recommended this action on January 23, 2008.

10. The Board of Trustees of North Carolina State University had requested approval to acquire approximately 197 acres on Bull's Bay in Tyrell County, North Carolina.

The accumulation of three holdings totaling 197 acres would be acquired from Bulls Bay Farm, Inc. (105 acres), South Fork Farms, Inc. (80 acres), and Justin Spruill (12 acres). The purchase of the land would help restore and conserve wetlands and riparian buffers in a fragile coastal watershed that was subject to increasing pressures from development. Because it was adjacent to the Eastern 4-H Environmental Conference Center, the property would also provide opportunities for research, education, and recreation. The purchase price of \$2,300,000 would be funded by a North Carolina Clean Water Management Trust Fund grant (\$1,700,000) as well as proceeds from the sale of the 159-acre tract held in escrow by the Endowment Fund of NC State University (\$600,000).

It was recommended that the request of the Board of Trustees be approved and transmitted to the Council of State for final action.

On the motion of Mr. Lail, seconded by Mr. Young, the recommendation was approved.

11. The Board of Trustees of North Carolina State University had requested approval to lease space that would support the Institute for Advanced Analytics and its new graduate program in Analytics.

The university would lease 8,500 square feet of office and classroom space in the Venture II Building located on Centennial Campus from Venture Center, LLC. The lease would have a single term of ten years and was anticipated to cost no more than \$30 per square foot annually depending on final up-fit costs. Lease payments would be paid from state operating appropriations available and budgeted for this purpose.

It was recommended that the request of the Board of Trustees be approved and transmitted to the Council of State for final action.

On the motion of Mr. Young, seconded by Mr. Lail, the recommendation was approved.

12. One of the principal responsibilities of the Board of Governors was to “develop, prepare, and present to the Governor and the General Assembly a single, unified recommended budget for all of public senior higher education (G.S. 116–11(9)a).” The Board of Governors had an existing biennial budget priority list before the Governor and General Assembly for 2007-09. As was customary, the President and Chancellors had revisited those items in preparation for the second year of the biennium.

The recommendation for the 2008-09 Budget Priorities identified the operating and capital funding needed to carry out the highest priorities of the Chancellors, the President, and the Board of Governors. These priorities did require some modification from the original request, and changes were noted for informational purposes. Some changes were required for new items while others required a revision of the amount requested due to updated information or changes in policy direction.

While much of the budget was assembled prior to the UNC Tomorrow study, it was important to note that the budget priorities of the Board had been confirmed through that process, during which UNC heard from almost 10,000 North Carolinians about what *they* needed from *their* public university. The budget priorities as recommended reflected the findings and recommendations of the UNC Tomorrow Commission, all of which were critical to strengthening the competitiveness of *all* regions of our state in today's knowledge-based global economy and improving the quality of life for *all* North Carolinians: increasing access to higher education, improving public education, health, outreach and engagement, global readiness, economic transformation and community development, and the environment. All of these issues were vital to North Carolina's future and were clearly reflected in these budget priorities.

It was recommended that the Board of Governors adopt the 2008-09 Budget Priorities for presentation to the Governor and General Assembly for consideration during the 2008 legislative session. It was also recommended that the Vice President for Finance be authorized to make refinements to the request in the interest of accuracy and completeness.

On the motion of Mr. Smith, seconded by Ms. Blank, the Committee approved the Budget Priorities as presented, with the exception of Item 7(e) – “Center for Applied Public Policy - \$1,250,000.” That item was deferred and would be reconsidered at the May meeting. (See the approved item attached.)

There being no further business, the meeting was adjourned.

Mr. Bradley T. Adcock
Chair of the Committee
on Budget and Finance

Ms. Peaches G. Blank
Secretary of the Committee
on Budget and Finance

The attachment has been omitted due to its size. Please view the attachment on the Board of Governors' website under the Committee on Budget and Finance or contact Sylvia Cooper at 919-962-4605 for a printed copy.

**2008-09 BUDGET PRIORITIES
OF
THE BOARD OF GOVERNORS
THE UNIVERSITY OF NORTH CAROLINA**



The following recommended 2008-09 Budget Priorities identify the additional operating and capital funds needed to carry out the highest priorities of the University of North Carolina, as defined by the Chancellors, the President, and the Board of Governors. These budget priorities fully align with the findings and recommendations of the UNC Tomorrow Commission. The goal of the UNC Tomorrow initiative is to strategically focus the resources, programs, and expertise of the University on meeting North Carolina's most pressing needs both now and in the future. While much of the Board's recommended budget was assembled prior to the UNC Tomorrow Commission's final report, these budget priorities were confirmed through the Commission's work, which incorporated input from almost 10,000 North Carolinians about what they need from their public University. In order to strengthen the competitiveness of all regions of our state in today's knowledge-based global economy and improve the quality of life for all North Carolinians, the Commission urged the University to increase access to higher education, help improve public education, expand university outreach and engagement, strengthen our global readiness, stimulate economic transformation and community development, and address pressing health care and environmental issues. Meeting these challenges is vital to North Carolina's future and is clearly reflected in the Board's budget priorities.

**Approved by the Board of Governors
March 7, 2008**

**The University of North Carolina
Operating Budget Priorities – Summary
2008-09**

<u>Budget Item</u>	<u>2008-09 Request</u>	
1. Campus Safety	\$ 11,700,000	R
	17,500,000	NR
2. Academic Salary Increases	153,847,371	
This item addresses <u>UNC Tomorrow</u> findings and recommendations of: Global Competitiveness, Attracting & Retaining High Quality Faculty, and Preparing for Wide-Scale Faculty Retirements.		
<i>a. Competitive Salaries for Faculty – 80th Percentile of Peers</i>	69,621,862	
<i>b. Merit-Based Increases – 4% increase</i>	72,225,509	
<i>c. Distinguished Professorships</i>	7,000,000	
<i>d. Faculty Recruiting and Retention Fund</i>	5,000,000	
3. Student Success & Retention and Graduation	300,000	NR
This item addresses <u>UNC Tomorrow</u> major finding of increasing access particularly for underserved regions, underrepresented populations, and non-traditional students.		
<i>University of North Carolina Online</i>	300,000	NR
4. Research	67,796,117	
This item addresses <u>UNC Tomorrow</u> findings and recommendations of: Economic Transformation, Global Competitiveness, and Interinstitutional Collaborations.		
<i>a. NC Research Competitiveness & Commercialization Gap Funding</i>	30,000,000	
<i>b. Graduate Student Recruitment and Retention</i>	8,384,715	
<i>c. Technology Research</i>		
Center for Bioenergy Technologies (NCSU)	7,000,000	
Electric Vehicle Research (NCSU)	500,000	
<i>d. North Carolina Research Campus (Kannapolis)</i>	13,972,402	
<i>e. Joint Program in Nanosciences & Nanoengineering (NCA&T and UNCG)</i>	2,939,000	R
	4,000,000	NR
<i>f. Biomanufacturing Research Institute & Technology Enterprise Initiative (NCCU)</i>	1,000,000	
5. More and Better Teachers & Improved Schools	8,504,800	
This item addresses the <u>UNC Tomorrow</u> major findings and recommendations of increasing the quantity, quality, and distribution of teachers, addressing the shortage of science & math teachers, and being more actively involved in improving public education.		
<i>a. Support for New Teachers</i>		
New Teacher Support and Mentoring Aimed at Retention	2,748,000	
NC Center for the Advancement of Teaching	378,400	
Comprehensive Pilot for New Teacher Support	601,400	

NR = Nonrecurring funds

**The University of North Carolina
Operating Budget Priorities – Summary
2008-09**

<u>Budget Item</u>	<u>2008-09 Request</u>
5. More and Better Teachers & Improved Schools (cont.)	
<i>b. Partnerships to Better Prepare K-12 Students</i>	
Mathematics Science Education Network (MSEN) Pre-College Programs	870,000
NCSSM Online High School Courses	350,000
NC Center for International Understanding	200,000
<i>c. Improving School Leadership</i>	
UNC Center for School Leadership Development and Kenan-Flagler Leadership Program for Priority Elementary, Middle & High Schools	607,000
<i>d. Teacher Recruitment</i>	
Science, Technology, Engineering and Mathematics (STEM) Education – (NCSU & UNC-CH)	1,250,000
UNCC Lateral Entry and Teacher Education Support Programs	1,500,000
6. Healthcare	24,000,000
This item addresses <u>UNC Tomorrow</u> findings of educating more health professionals for North Carolina and improving health and wellness.	
<i>a. Expanding Healthcare Services in North Carolina</i>	
Contract Programs in Other States/BOG Medical & Dental Scholarship Programs	0
Dental School (ECU)	2,000,000
Area Health Education Centers	3,000,000
Medical School Expansion Planning Funding (ECU, UNC-CH, UNCC)	5,000,000
Nursing Program Expansions (ASU, UNCC, UNCW)	1,500,000
<i>b. Indigent Care</i>	
East Carolina University	5,000,000
UNC Hospitals	7,500,000
7. Regional & Statewide Economic Transformation and Competitiveness	22,418,750
This item addresses <u>UNC Tomorrow</u> recommendation of applying research and scholarship to address regional and statewide issues, and enhancing our state's economic competitiveness.	
<i>a. Colleges of Engineering</i>	
NCSU College of Engineering	10,000,000
NCA&T College of Engineering	2,000,000
<i>b. NCCU School of Law</i>	2,500,000
<i>c. Small Business Assistance</i>	
Entrepreneurship & Regional Cluster-based Economic Development (NCSU)	2,000,000
Support for North Carolina Communities (UNC-CH)	1,000,000
<i>d. Funding Support for Regional Collaborations</i>	968,750
<i>e. ECSU Aviation Program</i>	950,000
<i>f. WCU Forensic Science Program</i>	500,000
<i>g. Campuses Specializing in the Arts & Sciences</i>	
North Carolina School of the Arts	1,000,000
University of North Carolina at Asheville	1,000,000
North Carolina School of Science & Mathematics	500,000

**The University of North Carolina
Operating Budget Priorities – Summary
2008-09**

<u>Budget Item</u>	<u>2008-09 Request</u>
8. UNC Systems Support & Data Integration	800,000
This item addresses <u>UNC Tomorrow</u> Recommendations that UNC should continue to improve its efficiency and establish accountability.	
9. Affiliated Entities	953,522
This item addresses <u>UNC Tomorrow</u> recommendation to continue to seek an efficient use of available and additional resources.	
a. <i>UNC-TV Statewide Public Affairs & Informational Program Services</i>	588,533
b. <i>NC Arboretum International Institute for Natural Biotechnology and Integrative Medicine</i>	200,000
c. <i>UNC Press Digital Books</i>	164,989
Required Adjustment to Continuation Budget	34,667,264
<i>Enrollment Changes over Original Projections for 2008-09</i>	34,667,264
This item addresses the <u>UNC Tomorrow</u> major finding that UNC should increase access to higher education for all North Carolinians.	
Total Budget Priorities – recurring	320,687,824
Total Budget Priorities – nonrecurring	21,800,000
TOTAL 2008-09 Budget Priorities	342,487,824

THE UNIVERSITY OF NORTH CAROLINA

2008-09 Operating Budget Priorities

**2008-09
Request**

1. Campus Safety

\$ 11,700,000	R
17,500,000	NR
New item	

The tragedy at Virginia Tech in April 2007 and a small number of less dramatic violent events on UNC's campuses compelled President Erskine Bowles to create the UNC Campus Safety Task Force. In its report, given to the Board of Governors in November 2007, the Task Force focused on UNC's safety practices and its capacity to prevent crime, to improve responsiveness to the mental health needs of its students, to make campus infrastructure more crime resistant, and to build the capacity of each campus to respond appropriately to emergencies. The recent event at Northern Illinois University has confirmed many recommendations of the UNC Task Force.

The Task Force also recognized that UNC's campuses are very different geographically and demographically and that each campus must address its needs individually and uniquely. The Board of Governors requests that the General Assembly partner with the campuses to improve the safety of UNC students with \$11.7M in recurring and \$17.5M in non-recurring appropriations. Funds will be targeted to improve mental health services, particularly working with students who are identified to be of serious concern and need follow up by campus personnel to assure they are getting the referrals and treatments they need. Campus police will receive additional funds for competitive salaries, equipment, and additional personnel. Nonrecurring dollars will be devoted to emergency notification and communications systems so that an entire campus can be informed and proactive in the event of a crisis. Finally, although usually only supported from rents paid by students, appropriations will be sought to supplement and augment campus initiatives to make residence halls safer by using cameras, monitors, and improved access control systems. Amounts of funding are estimated to be allocated as follows:

1. Additional case managers to work with students identified to be of serious concern
\$1.9M Recurring
2. Additional resources for Counseling & Psychiatric Services
\$1.7M Recurring
3. Additional resources, including competitive salaries, for public safety initiatives and campus police officers
\$4.8M Recurring; \$3.1M Nonrecurring
4. Staff for Safety and Emergency Operations at UNC-GA
\$300,000 Recurring
5. Emergency Notification and Communications Systems
\$1.3 Recurring; \$5.7M Nonrecurring
6. Additional Resources for Safety in Student Housing
\$1.1M Recurring; \$7.9M Nonrecurring
7. Additional Resources for Training and Best Practices
\$600,000 Recurring; \$800,000 Nonrecurring

2. Academic Salary Increases

The UNC Tomorrow Commission urged UNC to strengthen the global competitiveness of its campuses, increase efforts to attract and retain high-quality faculty, and to prepare for wide-scale faculty retirements [Rec. 5.4]. Increasing salaries for faculty helps attract and retain the world-class faculty needed to educate our students and lead cutting-edge research programs. This need will increase in future years as UNC campuses face significant trends in faculty retirements, while at the same time experiencing dramatic enrollment growth. By statute, the Board of Governors is directed to make recommendations for salary increases for faculty members and other academic personnel who are exempt from the State Personnel Act. For 2008-09, the Board of Governors requests four items related to academic salaries: 1) funding to increase average faculty salaries at all institutions to the 80th percentile of their peers; 2) a 4% increase in the current salary base for all EPA employees; 3) an increase in the state funding available to match private funding for Distinguished Professorships; and 4) additional funding for the Faculty Recruitment and Retention Fund. Although the Board of Governors does not have the authority to make a formal budget request for employees subject to the State Personnel Act (SPA), the Board also reiterates its support for a meaningful salary increase for those employees.

a. Competitive Salaries for Faculty - 80th Percentile of Peers

Faculty are the University's greatest asset. If the University is to help North Carolina compete and prosper in a global knowledge-based economy, UNC campuses must recruit and retain the very best faculty. To do that, we must pay them competitively, since the University is recruiting in direct competition with public and private universities across the nation and around the globe. In that context, the Board of Governors requests \$68,797,239 to bring the average faculty salary at each institution to the 80th percentile of the average salary of its designated peers. The distribution of these requested funds by campus, including associated required increases in benefits, is listed below.

69,621,862

Amount has been
recalculated using the
most recent (2006) AAUP
data.

The funding amounts were developed using data published annually by the American Association of University Professors (AAUP). For each UNC institution, the salary average of the three academic ranks of professor, associate professor, and assistant professor was compared to the same average for peer institutions approved by the Board of Governors, as well as Carnegie peers. The current calculation is based on 2006 data. As reflected in this request, the actual differential between average faculty salaries at UNC institutions and those of their peers varies considerably from campus to campus. Given the urgency of closing this competitiveness gap, the four-year tuition plan adopted by the BOG requires that each institution set aside at least 25% of new tuition revenues for faculty salaries until the campus reaches the 80th percentile of its peers. In order to maintain competitive ground with peer institutions in the marketplace for recruiting and retaining high quality faculty, the Board requests a total of \$69,621,862 to raise the faculty salaries at each institution to the 80th percentile of peer institutions.

ASU - \$3,586,721
ECU - \$5,784,134
ECSU - \$650,727
FSU - \$360,427
NCA&T - \$4,393,658
NCCU - \$74,184
NCSA - \$824,623
NCSU - \$16,514,497
UNCA - \$2,919,262
UNC-CH - \$14,543,331
UNCC - \$5,846,778
UNCG - \$7,624,636
UNCP - \$1,685,985
UNCW - \$1,619,150
WCU - \$3,052,027
WSSU - \$141,722

**2008-09
Request**

b. Merit-Based Increases - 4% increase

\$ 72,225,509

Recalculated using more recent data.

In addition to the funding needed for each institution to reach the 80th percentile of its peer faculty salaries, the Board of Governors requests a 4% increase in the current salary base for all EPA employees. This level of increase is needed in addition to the 80th percentile funding, since it is anticipated that other states, and therefore other peer institutions' salaries, will be increased in the coming year. This funding is particularly important given that the benefits package for faculty in North Carolina remains non-competitive and the salary component of total compensation must therefore be higher. Funding in the amount of 4%, in addition to the funding to the 80th percentile of peers, would help UNC campuses to be competitive with other states in recruiting and retaining excellent faculty members.

c. Distinguished Professorships

7,000,000

Revised number

The Distinguished Professors Endowment Trust Fund (DPETF) was established in 1985 and has grown to the current recurring funding amount of \$8 million. This extremely successful program uses varying levels of state funding to match private funding in the creation of endowments to fund professorships on the 16 campuses. Using the \$8 million in recurring funds and an extra \$6 million in nonrecurring funds appropriated by the 2007 General Assembly, plus grants from the C. D. Spangler Foundation, the University was able to endow 46 new distinguished professorships in the 2007-08 fiscal year. Nevertheless, these substantial allocations have not been sufficient to eliminate the accumulated backlog of professorships awaiting state funding. It is anticipated that the number of unmatched professorships will continue to increase during the remainder of 2007-08. As of January 31, 2008, 59 professorships remained in the queue, including 33 eligible for the transfer of funds, and 26 others for which the full private contribution has not yet been received. The Spangler Foundation has offered an extraordinarily generous private matching program which began in 2007-08, and will require additional state matching funds. The requisite state matching amount needed for the Spangler Challenge Grants will range between \$4.6 and \$6.9 million per year for the next five years (2008-2012). As a result, the Board of Governors requests an additional recurring appropriation of \$7,000,000 to assist in reducing the backlog of professorships awaiting state funding and to permanently increase the availability of state matching funds.

d. Faculty Recruiting and Retention Fund

5,000,000

New item

In the 2006-07 fiscal year, the General Assembly appropriated \$5,000,000 to establish a Faculty Recruiting and Retention Fund under the Office of the President of The University of North Carolina. Allocations from the fund have been used for salary increases, at the discretion of the President of The University of North Carolina, only for the purpose of recruiting and retaining faculty members as necessary at constituent institutions.

The fund has had a significant impact on the recruitment and retention of outstanding faculty at each of the constituent institutions. During 2006-07, 127 faculty candidates were recruited, with 104 ultimately joining the faculty of a constituent institution. Additionally, retention offers were made to 36 faculty members and 33 were retained. The Board of Governors requests an additional \$5,000,000 to replenish the fund, which has been exhausted.

3. Student Success & Retention and Graduation

University of North Carolina Online

The UNC Tomorrow Commission called on UNC to increase access to higher education for all North Carolinians [Rec. 4.2.1] with a special focus on meeting the educational needs of rural and underserved areas of our state [Rec. 4.4.2]. UNC campuses are committed to helping citizens in all parts of North Carolina get the academic programs they need to compete in today's economy—when, where, and how they need them—and at a cost that is reasonable and affordable. Online education is an increasingly vital part of that effort, particularly for working adults and prospective students who do not live within commuting distance of a UNC campus.

Collectively through the University of North Carolina Online, UNC campuses now offer 160 degree, certificate, or licensure programs fully online. More than 100 of these are degree programs. Additional degree programs are being developed to meet the growing demand. UNC Online has targeted military personnel, community college students, teachers, and teacher candidates for special support in moving seamlessly into an online environment. The University will further assist with support for a new group of students--high school students taking online college courses under the Governor's Learn and Earn Online program. UNC has supported project design and development, technology infrastructure, student services, course development and faculty support, quality assurance coordination, and market research and public awareness activities. While it will continue to do these things, the next step is to address access to online opportunities. Not everyone is comfortable working in the online environment so UNC seeks to establish a network of Online Learning Centers around the state to assist with access for those who need help early in learning to operate in an online learning environment. Such sites can also serve to provide proctored exams for online students, a necessary function for extending access to online learning. Once a person gains the ability to operate online, a whole new world of educational opportunity opens for them. Funding is sought to design a system that will provide more intensive support at the beginning stages of the online experience. UNC will work with its campuses, community colleges, libraries, schools where appropriate, extension offices, and other possible venues to develop support centers that open opportunity but at a low cost since these online access centers will double up with already existing facilities. The Board of Governors requests \$300,000 in nonrecurring funds to establish the Online Learning Centers.

\$ 300,000 NR

300,000 NR

Revised number

4. Research

67,796,117

The UNC Tomorrow Commission recommended that UNC take a leadership role in the economic transformation of the state's regions [Rec. 4.4.1], strengthen the global competitiveness of its research programs [Rec. 4.1.2], and encourage interinstitutional collaborations [Rec. 5.7]. Increasing resources for competitive research, more top graduate students, and specialized research programs targeted at new and emerging industries will help achieve these goals.

a. North Carolina Research Competitiveness & Commercialization Gap Funding

30,000,000

Funding is requested to support strategic investments in emerging areas of importance to the economic competitiveness of the state as identified by the UNC Tomorrow Commission. Job growth in North Carolina is fueled by technology areas that begin with crucial research and often results in commercializable technology. Every one million dollars of sponsored research can be linked to the creation of 39 jobs in our state. In addition, these funds can be leveraged with federal and industry funding, further strengthening the state's investment. According to a 2004 study conducted by the Huron Consulting Group and the Washington Advisory Group, this \$30 million investment will yield a \$45 million positive economic impact on North Carolina. This program would invest in disciplines that have high probabilities of economic success and those that are crucial to keeping the North Carolina economy competitive. Interdisciplinary and interinstitutional research projects would be emphasized, as well as funding to assist in the scale up of new technologies, commercial prototyping, and similar activities to enable new technologies to be readily useful in the startup of new companies that will create jobs from commercialization of University technologies. Projects would be funded based on competitive proposals and those that have merit to the state. Similar programs have proven very effective in growing economies in California, Georgia, New York, Arizona, Texas, South Carolina, and Oklahoma.

The 2007 General Assembly invested \$3,000,000 in nonrecurring funds. Projects funded in 2007-08 included biofuels, nanotechnology, natural products and improved weather forecasting. This was a good beginning, but substantial recurring funding is needed to make North Carolina competitive with other states that are investing in research funding.

b. Graduate Student Recruitment & Retention

\$ 8,384,715

Revised number

National and global competitiveness of our graduate programs are directly linked to the quality of the graduate faculty and the graduate students that can be recruited to an institution, which in turn is linked to an institution's competitiveness in securing both federal and nonfederal contracts and grants. Support for graduate student recruitment and retention is an investment in the economic competitiveness of North Carolina regarding both research, which results in economic transfer and development, and graduates who become leaders in knowledge industries. Typically these factors reinforce one another in an upward spiral. Remaining competitive requires that UNC graduate programs have the resources to offer stipends and tuition assistance that is competitive with other universities. Recruiting the best graduate students requires the same things that are necessary for attracting an outstanding employee—a competitive economic package. Tuition assistance is a crucial ingredient of a package to compete for the best graduate students.

As universities in North Carolina face a growing demand for higher education with an aging faculty, it becomes especially important to recruit graduate students to be trained as faculty. Again, competitiveness for the best graduate students interested in being faculty members requires an attractive financial package including tuition remissions. In nursing, for example, the shortage of faculty is affecting the ability of the undergraduate programs to expand to meet the need for nurses.

The request for 2008-09 is based on the initial request for the biennium, with adjustments for the number of tuition remissions funded in 2007. A total of 731 tuition remissions is requested. While the calculation of this request was based on several factors, the goals and needs of North Carolina identified by the UNC Tomorrow Commission will guide the actual allocation of funded tuition remissions.

c. Technology Research

Center for Bioenergy Technologies (NCSU)

7,000,000

Recurring funds are requested to expand initiatives at NCSU for research and development of bioenergy substrates and processes impacting the agricultural and forestry sectors. Three components of the Center for Bioenergy Technologies would be (1) new technologies for efficient and clean use of traditional energy sources; (2) alternative, environmentally safe, and renewable energy sources, especially new technologies for biofuel substrates and their conversion to affordable bioenergy; and (3) research of energy technologies and the impacts on the environment and North Carolina's rural economy. Improvement in the use of traditional energy sources would be stressed for commercial and residential customers. The Southeastern Energy Field Laboratory would be the focal point of the production and bioprocessing of various agricultural substrates into biofuels. It also would serve as a demonstration facility by being operated using alternative energy sources including bioenergy, wind, thermal, or solar. The General Assembly provided \$1.5 million in nonrecurring funds in 2007-08.

Electric Vehicle Research - NCSU Advanced Transportation Energy Center

500,000

New item

NC State's Advanced Transportation Energy Center has a program underway to develop a vehicle battery that can be operated more efficiently and effectively. The Board of Governors requests \$500,000 that would advance this research that is anticipated to be matched by \$250,000 each from Progress Energy and Duke Energy.

d. North Carolina Research Campus (Kannapolis)

\$ 13,972,402

The North Carolina Research Campus in Kannapolis has combined the research power of the University of North Carolina and the workforce training capacity of the North Carolina Community College System with the knowledge of private businesses within the biotechnology industry. This public-private partnership is projected to not only be the source of many breakthrough discoveries in health and science, but also to attract new companies and thousands of jobs to the region. North Carolina A&T State University, North Carolina Central University, North Carolina State University, UNC-Chapel Hill, UNC Charlotte, and UNC Greensboro will participate in the collaborative research activities at the Campus, and additional funding is requested to support their involvement. Funds requested for 2008-09 will be used to pay the lease costs, hire faculty and staff, and to provide equipment and supplies for the researchers working in the facility.

e. Joint Program in Nanosciences & Nanoengineering (NCA&T and UNCG)

2,939,000 R

4,000,000 NR

The Board of Governors requests additional funding for the creation of a joint Graduate School of Nanoscience and Nanoengineering at NCA&T and UNCG's Millennium Campus. The School would build on the existing strengths of the two Universities to offer innovative cross-disciplinary graduate programs. The School would train scientists in various nanotechnology areas including nanobioengineering and nanobiosciences, drug design and delivery, genetic screening, biosensors, biotechnology, surface engineering, energy, environmental improvement, agricultural enhancement, and toxicology. The research conducted by faculty affiliated with the School would have high potential for technology transfer to pharmaceutical, biotechnology, and nanotechnology companies in North Carolina. The Board of Governors requests recurring funding of \$2,939,000 in recurring funding plus \$4 million in nonrecurring funding in 2008-09 to support this initiative.

f. Biomanufacturing Research Institute & Technology Enterprise Initiative (NCCU)

1,000,000

North Carolina Central University currently has approximately \$6 million in operating funds for the Biomanufacturing Research Institute and Technology Enterprise (BRITE) program, to support the capital funding investment made by the Golden LEAF Foundation. The Board of Governors requests an additional \$1 million in operating appropriations for this program - funding would enhance programmatic activities, including hiring faculty and staff, program development, and equipment purchases. This additional amount would complete the current funding requirements in operating funds for BRITE.

5. More and Better Teachers & Improved Schools

8,504,800

A key recommendation of the UNC Tomorrow Commission was that UNC be more actively involved in solving North Carolina's public school challenges [Major Finding 4.3], including producing more and better teachers with the skills needed to succeed in today's classrooms; producing more science and math teachers, especially in rural areas; and providing better mentoring and professional development support for new teachers and leadership programs for school administrators. Providing resources for the proposed initiatives will help achieve these goals.

a. Support for New Teachers

American schools spend approximately \$2.2 billion annually because of teacher attrition. Estimates indicate that North Carolina spends slightly more than \$84.5 million annually. New teacher turnover rates in NC for the first 3 years of teaching are slightly higher than the national average. A comprehensive analysis of research conducted by Alan Reiman at NCSU and guided by the UNC Deans' Council on Teacher Education in the summer and fall of 2007 has initiated a strategic planning effort by the University to establish a formalized plan of support for beginning teachers. All new graduates and licensure completers of UNC teacher education programs will be supported, monitored, and mentored in the first three years of service until a continuing license is issued. Support for these efforts will ultimately improve new teacher support services, coordinate collective efforts, and extend outreach to better assist in recruiting, licensing, retaining and further developing a quality teacher base for all of NC, especially high-need districts. This work will involve all UNC Schools of Education and the NC Center for Advancement of Teaching.

New Teacher Support and Mentoring Aimed at Retention

\$ 2,748,000

Revised number

Insufficient preparation, difficult teaching assignments, multiple class assignments, and a general lack of support are usually identified in NC's annual Teacher Working Conditions Survey as major factors that cause beginning teachers to leave the profession. While UNC programs now provide limited services to recent graduates and alternative licensure program completers, the University proposes to increase support to its graduates during their first three years in the classroom through a strategic coordinated effort, similar to that of the University's recently-launched teacher recruitment efforts. The Board of Governors requests \$2,748,000 in 2008-09 for new clinical faculty positions and associated program support costs to assist in mentoring newly employed graduates and licensure completers in partnership schools. These new faculty would provide ongoing tracking and selected services to teachers completing UNC teacher education programs. Support for this effort would be aligned to a research-based system-wide plan. A total of 30 non-tenure track clinical faculty positions would be distributed to the 15 teacher education programs in proportion to the number of new teachers they produce. This initiative would result in increased support, mentoring, and retention of newly licensed teachers in partnership schools and in improved teacher quality through support for expanded field-based experiences. This initiative will be coordinated with the proposal by NCCAT to provide support to additional teachers.

NC Center for the Advancement of Teaching

378,400

Revised number

The Board of Governors requests recurring funding of \$378,400 for the NC Center for the Advancement of Teaching's Connections and Connect to Your Future programs to support beginning teachers. NCCAT will partner with school systems across the state that have high turnover rates for Initially Licensed Teachers (ILTs). NCCAT will partner with UNC General Administration and the UNC campuses to give priority to new teacher graduates being supported by the campuses for their first three years. Administrative support will be provided by Western Carolina University.

Comprehensive Pilot for New Teacher Support

601,400

New item

In order to have the greatest impact on retaining new teachers, research suggests that a comprehensive and concentrated portfolio of new teacher support strategies must be enacted. Eight evidence-based strategies have been identified to enhance the capacity and effectiveness with new teacher support: New Teacher Salaries; Face-to-Face Time with Administration, Mentoring, Collaborative Time, Beginning Teacher Seminars, Reduced Assignments and Workload, New Teacher Networking, and Assessment of New Teacher Support. The Board of Governors requests \$601,400 in funding to support a comprehensive new teacher support pilot to coordinate intensive support around the identified research-based strategies and significantly reduce new teacher turnover in four identified schools where turnover exceeds state and national averages. Funding for this pilot will provide support for project management, operational costs, program evaluation, purchase of laptop computers, and the development of an online teacher mentor site.

The pilot will require a coordinated effort between K-12, DPI, and higher education and a shared responsibility for implementation between partnering teacher education programs and participating schools which have made clear and explicit commitments to improve teacher retention. Partnerships in this pilot will engage teachers, principals, school and district leaders, and teacher education faculty and administrators from across the campuses in understanding and meeting the support needs of new teachers in these schools.

b. Partnerships to Better Prepare K-12 Students

Mathematics Science Education Network (MSEN) Pre-College Programs

\$ 870,000

Revised number

Federal *No Child Left Behind* legislation has placed intense demands on improving math and science teaching and learning, as well as on closing the achievement gap between majority and minority students. High-quality, ongoing professional development is essential if teachers are to meet the expectation that they: (1) have strong mathematics and science content and pedagogical content knowledge and (2) engage and motivate students through high expectations and inquiry-based teaching. Support for pre-college enrichment programs that increase the number of underrepresented students who are prepared to pursue college studies in science and mathematics is also crucial. The MSEN Pre-College Program has demonstrated its ability to help school districts meet these expectations and increase the pool of competitively prepared students through research-based structured interventions with students in grades 6-12.

The 2006 General Assembly appropriated nonrecurring funds for new programs at ECU and WCU, as well as expansion of other previously established program sites across the Network. It is requested that those funds be made recurring. It is also requested that a new MSEN Pre-College Program be added at UNC Wilmington.

NCSSM Online High School Courses

350,000

New item

The NC School of Science and Mathematics has a tradition of reaching out to school districts across the state to provide high quality advanced science, mathematics and related courses to students who may have limited opportunities in their home districts. NCSSM also provides professional development to teachers across the state by sharing the expertise of its faculty. With a large student body in residence, it is difficult for NCSSM to meet the current demand for these services within current resources. The School is developing a number of courses that can be offered online to students across the state. Additional teaching positions and support funds are needed to offer these courses and services to students, teachers, and schools in North Carolina.

North Carolina Center for International Understanding

200,000

The North Carolina in the World project, a program of the NC Center for International Understanding, received nonrecurring funding for the past three fiscal years. North Carolina in the World helps prepare students to be citizens, workers and leaders in the global age of the 21st Century. The Center is now expanding world languages; building school partnerships and exchanges; and strengthening higher education-school relations. Recurring funds are requested to continue the activities supported by the \$200,000 in one-time funds provided by the 2007 General Assembly.

c. Improving School Leadership

UNC Center for School Leadership Development and Kenan-Flagler Leadership Program for Priority Elementary, Middle & High Schools

607,000

Struggling North Carolina schools cannot make sustained improvements unless the principals and administrators have the right set of management and leadership skills. The UNC Center for School Leadership Development and the Kenan-Flagler Business School at UNC-Chapel Hill have designed a leadership program that blends the Center's expertise in instructional leadership with Kenan-Flagler's highly effective and efficient management training. Funds are requested to further implement this program for leadership teams from selected low- performing elementary, middle and high schools. The requested budget would fully fund ongoing support for an additional group of elementary, middle, and high school leadership teams. The Center would make adjustments to the program based on the external evaluation, in addition to consulting with school leadership preparation programs to maximize program effectiveness and impact. The program would continue as a year-long seminar, similar to present programming. The total annual cost requested for this combined program is \$607,000, which would serve up to 110 participants. Funding would cover the cost of campus and school leadership program engagement, instructor fees, books and materials, lodging and venue rental.

d. *Teacher Recruitment*

Science, Technology, Engineering & Mathematics (STEM) Education (NCSU & UNC-CH)

\$ 1,250,000

Increasing the production of highly trained workers in science, technology, engineering and math (STEM disciplines) is key to North Carolina's competitiveness in the global knowledge-based economy. To increase the number of students graduating in the STEM disciplines, the Board of Governors requests funding for programs at NCSU and UNC-CH to improve the production, retention and quality of STEM teachers through partnerships with the colleges of arts and sciences, K-12 public schools, and community colleges. At NCSU, funds would strengthen ongoing programs, including the Science House, to develop teacher leadership skills and new teaching methods for science and math teachers across the state. In addition, NCSU proposes to use its statewide network of 4-H educational programs in conjunction with established programs to expand the pipeline of science and math teachers. At UNC-CH, the School of Education is seeking staff to help train new teachers in science departments. Funding would provide new faculty and instructors to develop relevant science education courses.

UNC Charlotte Lateral Entry and Teacher Education Support Programs

1,500,000

Increasing the number of lateral entry teachers supported by UNC campuses is a vital part of meeting North Carolina's need for high quality classroom teachers. At UNCC, approximately 180 undergraduate or post-baccalaureate students complete teacher education programs in mathematics, science, middle grades, and special education per year. Over the next three years, UNCC's goal is to increase the production of teachers in these four areas by at least 300 students. To meet this goal, UNC Charlotte would implement several strategies which support and expand alternative teacher preparation routes. Prerequisite teacher education classes would be offered in an on-line format to prospective community college transfer students. Additionally, in partnership with the Charlotte Chamber, UNCC would establish a network within the corporate community to recruit second career professionals into high-need teaching fields. To prepare those recruited into teacher education, the College of Arts and Sciences and the College of Education would jointly design and deliver "late start" teacher education programs in mathematics and science for college juniors and seniors who determine at the end of their junior year that they wish to earn a teaching license. The UNCC Lateral Entry Teacher Institute, a graduate-level fast-track to teacher licensure in high-need areas, would be expanded along with increased evening, weekend, and online course offerings. While the primary focus would be on lateral entry teachers, other associated teacher education initiatives may be supported with these funds, in order to meet the needs of regional school districts.

6. Healthcare

24,000,000

The UNC Tomorrow Commission called on UNC to take a leadership role in improving health and wellness in our state [Major Finding 4.5], and recommended that UNC educate more health care professionals in high-need fields [Rec. 4.5.2]. Expanding health profession educational programs will help achieve this goal by addressing critical shortages in these professions and increasing access to quality health care, especially in rural areas of our state.

a. *Expanding Healthcare Services in North Carolina*

Contract Programs in Other States/BOG Medical & Dental Scholarship Programs

Due to phasing out some contract programs in Medicine, Dentistry, and Optometry with universities in other states, it is recommended that funds budgeted for the contracts be reprogrammed to expand the existing BOG Medical and Dental Scholarship Programs so that more scholarship-loans can be offered to students who agree to the service requirement to practice in NC after their education is completed. It is estimated that in 2008-09, approximately \$93,000 will be available for this purpose and it will increase gradually each year thereafter until there are no more students in the contract programs.

The Board of Governors requests authority to make these transfers as the contract slots are phased out. This would help to make additional slots available for educating students to become doctors and dentists, including making some scholarship funding available for ECU dental students when that program is underway.

0

Since it is being requested that existing funds be reprogrammed, there is no additional fiscal impact.

**2008-09
Request**

Dental School (ECU)

The Board of Governors requests additional funds to assist East Carolina University in the establishment of the School of Dentistry. The mission of the new dental school would be similar to ECU's Brody School of Medicine – to attract individuals of high intellectual capacity who have a desire to practice in areas of significant need. The objectives of the program are to reduce disparities in access to dental care for populations in rural North Carolina; to provide dental students an excellent education that would prepare them to serve diverse groups of low-income patients; and, to generate new knowledge that would enhance the school's and the nation's ability to more effectively deliver dental care to all populations. Funds would be used to hire professionals to establish the program. The Board requests recurring funds of \$2,000,000.

\$ 2,000,000

Revised number

Area Health Education Centers

The Board of Governors requests additional funds for AHEC in three crucial areas. The first is special initiatives to Address Health Workforce Shortages in allied health, dentistry, nursing, pharmacy, and geriatrics. This would focus on developing new clinical training sites to better support the growth in these programs across the state and to focus on tracking and responding to shortages in allied health areas. The next is expanding support for Primary Care Residency Training. This focus would be on meeting increasing costs and expanding training sites in rural counties and recruiting more underrepresented students into AHEC residencies. The third is to Improve Quality and Patient Safety. Funds will allow AHEC to develop greater expertise in quality and patient safety to work with all hospitals and medical practices in the state. This request includes funding for the initial development cost of a new Area Health Education Center (AHEC) in Elizabeth City. This new facility would serve an area of the state that has significant disparities in health outcomes. Currently, the closest operational AHEC facilities are in Rocky Mount and Greenville. The facility would also address the issue of access to health care.

3,000,000

Revised number

Medical School Expansion Planning Funding (ECU, UNC-CH, UNCC)

North Carolina, like the nation, is facing a shortage of physicians. This has been documented by both national studies and state studies. Not only is there a shortage, but there are issues of distribution of both primary care and specialty care. The public medical schools at the University of North Carolina at Chapel Hill and East Carolina University have developed a plan for the expansion of the medical schools that will address both shortage and distribution of physicians. The public medical schools are also working with the private medical schools to develop a plan for more residencies in North Carolina. To keep graduates in the state and to attract more medical graduates to North Carolina, residency slots will need to be increased. The Plan for Medical Education in North Carolina will be a multi-year endeavor that will require careful planning and analysis. The UNC-CH medical school will expand by 70 medical students with 50 of them spending their third and fourth years in a satellite facility in Charlotte, and 20 in a satellite facility in Asheville. ECU will increase by 47 students and will expand the opportunity for third and fourth year students to rotate to sites primarily in Eastern North Carolina. AHEC will be a full and necessary partner to the success of this program. Funding is requested to develop implementation plans for this extensive project including more federal support to North Carolina for an expanded residency program. UNC-Chapel Hill and UNC Charlotte are also exploring an expansion of their partnership in research and other areas and expect to partner on research initiatives in bioinformatics, biomedical engineering, imaging sciences, and clinical-translational medicine in concert with UNC-Chapel Hill's medical expansions in Charlotte.

5,000,000

New item

East Carolina University - \$2,000,000

UNC-Chapel Hill - \$2,500,000

UNC Charlotte - \$500,000

Nursing Program Expansions (ASU, UNCC, UNCW)

\$ 1,500,000

New item

The UNC Tomorrow initiative clearly indicates that North Carolina has a critical need for more qualified health care professionals. Appalachian State University, UNC Charlotte, and UNC Wilmington have existing programs that can be expanded to help meet these workforce needs for North Carolina in 2008-09. ASU wants to assist the state in addressing the documented need for the workforce, research, and clinical service needs, especially for rural North Carolina. The cornerstone of this initiative is the creation of a new College of Health Sciences, which will accommodate ASU's existing health science programs (nursing, allied health, communication disorders, health care management, and social work). The funds requested for UNCC would provide for additional faculty, staff support, and supplies and equipment to maintain state of the art learning technology in order to increase the capacity of that program. UNCW has begun the process to realign its current schools of Nursing, Department of Health and Applied Human Sciences, and the Department of Social Work in order to have a focused structure to address the need for quality health care services in southeastern North Carolina.

The Board of Governors requests \$1,500,000 that would be used to support the expansion of existing programs in order to meet the need for access to quality health care services. With adequate financial support, it is estimated that ASU, UNCC, and UNCW can substantially assist the state with the nursing workforce shortages.

b. Indigent Care

Funding is requested to partially compensate for the cost of providing significant levels of service to uninsured patients at ECU's Brody School of Medicine (BSOM) and UNC Hospitals. Indigent patients are uninsured individuals with no means of payment, are not eligible for Medicare or Medicaid, and cannot afford to pay commercial insurance premiums or for the medical service provided. Both institutions have seen rising demand for medical services from the indigent population and projections indicate the trend will continue for the foreseeable future. Funding to compensate for indigent medical care would provide vital clinical services to the citizens of North Carolina. The Board of Governors requests \$5,000,000 in recurring funds for ECU's Brody School of Medicine and \$7,500,000 for UNC Hospitals.

East Carolina University *(received \$2.5 million NR in 2007-08)*

5,000,000

UNC Hospitals *(received \$1 million NR in 2007-08)*

7,500,000

7. Regional & Statewide Economic Transformation and Competitiveness

The UNC Tomorrow Commission urged UNC to become more engaged in the economic transformation of our state's regions [Major Finding 4.4], align campus programs with strategic economic plans [Rec. 4.4.3], and apply its research and scholarship to critical state needs [Rec. 4.7.3]. Investing in initiatives that produce more engineers, provide greater assistance to small businesses and entrepreneurs, support local economic transformation and community development planning efforts, strengthen regional higher education collaborations in underserved areas, leverage faculty expertise to help address critical statewide issues, and align university programs with regional economic opportunities will help achieve these goals.

a. Colleges of Engineering

North Carolina needs an ample supply of highly trained engineers to compete in today's global knowledge-based economy. To be globally competitive, the state must have great engineering schools—and that takes investment.

NCSU College of Engineering

10,000,000

While NCSU's College of Engineering has made significant progress in many areas of engineering research and education, it faces increased competition from institutions that were once its peers in the number of research faculty, infrastructure and facility investment, and investments made to increase graduate enrollment. As a result, NCSU's relative stature and ranking have fallen significantly. At a time when engineering research and education have become global, technical investment is critical to the economy of North Carolina. Investments are critical not only for the College to regain the national and international stature that it once had, but also to fuel the level of technological activity required for NC to be a world-class leader in research and economic development. The Board of Governors requests a series of strategic investments—over a four-year period—to allow NCSU to move from its current position to the “top five” of its peer institutions.

For 2008-09, targeted funds are requested to bring in new faculty in bioengineering—a field of great strategic importance to North Carolina. Bioengineering integrates engineering and the life sciences in order to better understand living systems and support the development of new and improved devices and products for human health care. These new faculty hires would grow the existing NCSU/UNC-CH program in bioengineering to achieve its goal of becoming one of the top 10 departments in the country. Research and educational activities in bio-informatics, bio-materials, rehabilitation engineering, biomanufacturing, and related areas of biotechnology would also be supported by the recruitment of faculty in the departments of chemical engineering, computer science, electrical engineering, industrial engineering, mechanical engineering, and materials science. In later phases beyond 2008-09 additional investment will be needed to strengthen and support other critical engineering infrastructure and programs, including energy and environmental systems, nanotechnology, advanced materials and manufacturing, and robotics and sensors technologies.

NCA&T College of Engineering

2,000,000

The Board of Governors also requests \$2 million to provide additional resources to the NCA&T College of Engineering. For many years, NCA&T's College of Engineering has consistently produced engineering graduates who have had successful careers in the private sector, state and federal government, and as entrepreneurs. The College of Engineering has also been a leading national producer of African-American engineers — both men and women. To reposition the College of Engineering to sustain its competitive advantage among its peers, it is important at this time that the state make strategic investments that will enhance undergraduate and graduate program quality, competitiveness of the research program, and leverage other outreach initiatives.

New item

Funds are requested to bring in new faculty, provide competitive salaries, provide for ongoing equipment replacement and maintenance, and provide funding support for academic programs. The program needs a funding boost to meet its potential in both overall quality and capacity.

b. *NCCU School of Law*

\$ 2,500,000

In the fall of 2006, NCCU received a letter from the American Bar Association (ABA) reaffirmation team concerning their evaluation as part of the reaccreditation process of NCCU's Law School. The ABA team expressed concerns about the disproportionate use and dependency on federal Title III funding to support core Law School activities. The ABA team also strongly recommended that NCCU's Law School expand and enhance academic and student support services. In order to address the concerns of the ABA team, it was recommended that a portion of these needs be covered from the realigned Title III funds, a portion from an increase in tuition, and the balance from additional state appropriations.

An additional \$2.5 million is requested in 2008-09 to support the transition of core activities away from the Title III funding and address the ABA recommendations to enhance academic and student services infrastructure. In addition, the funding requested would be used to capitalize on the success of the BRITE program by building expertise on related issues into the law program through increased funding for NCCU's Biotech and Pharmaceutical Law Institute and Dispute Resolution Institute.

c. *Small Business Assistance*

Entrepreneurship & Regional Cluster-based Economic Development (NCSU)

2,000,000

North Carolina's future economic success will be built around several high-growth job sectors, including established areas such as biotechnology, value-added agriculture and marine science, as well as emerging areas such as non-woven textiles, aerospace, and boat-building. Using a non-recurring appropriation from the FY '08 budget, North Carolina State University's extension, engagement and economic development area has made impressive progress in describing and supporting these "clusters," involving all of the NCSU's colleges in working with the state Department of Commerce, regional partnerships and local economic developers and businesses in rural and urban parts of the state. The appropriation has enabled NCSU to do preliminary work in ten of these key economic clusters of activity: identifying which businesses are part of it, providing assistance to businesses and regions in creating strategic marketing plans for both existing businesses and start-ups. The 2007 General Assembly provided \$500,000 in nonrecurring funds. Recurring funding of \$2 million is requested to provide ongoing support for hands-on cluster work, fostering job creation and economic growth throughout the state.

Support for North Carolina Communities (UNC-CH)

1,000,000

State and local policymakers face unprecedented challenges as they try to build or rebuild sustainable economies throughout North Carolina. The UNC-Chapel Hill School of Government (SOG) is currently unable to meet the demand it has received from state and local government to provide training and strategic advising to the public and nonprofit sectors as they try to reshape their economies. North Carolina communities have asked for hands-on assistance in understanding how the economy is changing, developing strategic plans and processes to determine where the communities should go, and finding research about what new approaches to economic development are most effective. Recurring funds of \$1,000,000 are requested to help expand the SOG capacity to work in partnership with regional universities, local government and nonprofit entities to provide this critical training and direct community advising.

d. *Funding Support for Regional Collaborations*

\$ 968,750
New item

The recently adopted report of the University of North Carolina Tomorrow Study by the UNC Board of Governors provides recommendations on how the University of North Carolina can respond more directly and proactively to the 21st century challenges facing North Carolina both now and in the future through the efficient and effective fulfillment of its three-pronged mission of teaching, research and scholarship, and public service. A significant recommendation in the report states:

"UNC should increase access to higher education for all North Carolinians, particularly for underserved regions, underrepresented populations, and non-traditional students. Further, UNC should increase access to its educational programs – including academic courses, degree programs at all levels, and certificate programs – for traditional students, non-traditional students, and lifelong learners; and UNC should continue ongoing efforts with the North Carolina Community College System to strengthen and streamline articulation between the two systems to develop a more seamless relationship."

Successful partnerships between UNC institutions and Community Colleges are emerging in underserved areas of North Carolina, namely, the Hickory region, the Rocky Mount region, and the Jacksonville region. Funding is requested to provide administrative and operational support to these initiatives to ensure their continued success. It is requested that funding be provided in the following amounts, to provide for a Director of Regional Partnership and some additional operating funds at each location and for additional enrollment manager and academic advising for the Upper Coastal Plains Partnership (Rocky Mount area):

Greater Hickory Higher Education Partnership (ASU) - \$281,250
Upper Coastal Plains Partnership (Gateway Center, ECU, NCSU) - \$406,250
Onslow County Partnership (UNCW) - \$281,250

e. *ECSU Aviation Program*

950,000
New item

ECSU has an academic degree program in Aviation with three current focused minors: Business Administration, Electronics, and Computer Science. The university wants to expand the academic program to offer more options to students and to add a flight school. The addition of a flight school will make this a full service program providing the academic dimension combined with the preparation of those who will make flight part of their career in the industry. With this expansion, ECSU will become more attractive to business and industry and can become the anchor for further economic development of the aviation and space industry in the region. The university will receive approximately 20 acres of land at the regional airport to expand its facilities and house the planes needed for a flight school. The funds would be used to purchase the planes over a multi-year period for the flight school, provide for hanger services, and insurance for the planes. In addition, a flight instructor and an aviation recruiter will be needed along with operational support for the development of the flight school.

f. *WCU Forensic Science Program*

500,000
New item

There is a growing regional and national need for trained forensic science professionals. Over the past several years, Western Carolina University has invested considerable resources into establishing a strong foundation in forensic science. The program provides an invaluable service to WCU's region and nation by assisting law enforcement agencies with crime scene investigations, enhancing the skills of law enforcement professionals through advanced training, and preparing students for careers in forensic science. Funds are requested to augment this program in order to build on its current capacity. The requested funding would allow for additional faculty and equipment to support the program.

g. *Campuses Specializing in the Arts & Sciences*

The North Carolina School of the Arts is a small campus that includes a high school, an undergraduate program, and two master's degree programs. The University of North Carolina at Asheville is a public liberal arts institution that emulates the best in the liberal arts traditions associated with small- to medium-size private colleges. The North Carolina School of Science and Mathematics is a residential high school that focuses on preparing students for college careers in science and mathematics. The missions and limited sizes of these institutions make it difficult for them to generate sufficient funds from the student credit hour enrollment funding model to provide all of the academic programs and academic support services that students need. The Board of Governors recommends additional funding as listed to support these specialized campuses.

North Carolina School of the Arts <i>(received \$500,000 NR in 2007-08)</i>	\$1,000,000
University of North Carolina at Asheville <i>(received \$500,000 NR in 2007-08)</i>	1,000,000
North Carolina School of Science and Mathematics <i>(received \$100,000 NR in 2007-08)</i>	500,000

8. UNC Systems Support & Data Integration

800,000

New item

The UNC Tomorrow Commission urged UNC to continue taking steps to improve its efficiency and establish accountability measures [Rec. 5.6 and 5.8]. Developing integrated computing systems across the UNC system will help achieve these important goals. The Board of Governors requests funding to form a unit within General Administration that is exclusively devoted to supporting the needs of the campuses as they implement integrated computing systems. The University has recently experienced a series of audits with a number of findings related to the implementation of Banner, a computer system that is operating on fourteen UNC campuses with varying degrees of success. The Banner modules are highly integrated and complex and the University would benefit substantially from a team of internal experts who would travel among the institutions, promoting standardization, addressing less than satisfactory implementations, and capitalizing on those implementations that exhibit best practices. From an efficiency perspective, this specialized expertise would not have to be duplicated at all campuses, thereby reducing campus reliance on external consultants, as well as the associated costs. This unit would share both technical and functional expertise to ensure that campuses leverage opportunities available system-wide when computing systems are implemented on a uniform basis. Lessons learned and best practices identified would be shared among all UNC institutions, thereby improving efficiency and effectiveness of our operations.

9. Affiliated Entities

953,522

a. *UNC-TV Statewide Public Affairs & Informational Program Services*

588,533

Funding is requested to produce North Carolina Now and related statewide public affairs programs. With these recurring funds, UNC-TV would be able to provide N.C. citizens important educational information to be an informed and engaged electorate that better understand the issues and events affecting the state. UNC-TV would accomplish this through several key original production projects: North Carolina Now, North Carolina Now Legislative Review, and Legislative Week in Review. Recurring financial support of this request would provide a consistent source of funds that would allow UNC-TV to maintain its excellent informational and public affairs programming. The Board of Governors requests recurring funding of \$588,533 to support these UNC-TV services.

**2008-09
Request**

b. North Carolina Arboretum International Institute for Natural Biotechnology and Integrative Medicine

\$ 200,000

Revised number

This request would provide support and administrative capacity for the International Institute for Natural Biotechnology and Integrative Medicine, also known as the Bent Creek Institute, located at and administered by the North Carolina Arboretum. The planning authorization for the institute has been granted and startup research leadership and institute planning occurred in 2007. During that year, Bent Creek Institute has attracted about \$1.6 million in scientific equipment, temporary scientist staffing, initiation of North America's only medicinal plant germplasm repository, and related assets.

c. UNC Press Digital Books

164,989

UNC Press, founded in 1922, continues its critical role in the dissemination of research and transfer of knowledge as books evolve from print-only to a combined print-and-electronic, or even electronic-only, presentation of peer-reviewed scholarly work. Funds are requested to establish a Digital Asset Management System to manage and manipulate electronic files for all new books, to digitize existing books, and to digitize out-of-print titles. The General Assembly provided nonrecurring funds of \$160,000 in 2007-08.

Required Adjustment to Continuation Budget

34,667,264

Revised number

Enrollment Changes over Original Projections for 2008-09

Original projections for 2008-09 (prepared in the fall of 2006) estimated new enrollment of 117,157 SCHs and 4,283 FTEs. Based on existing enrollments for 2007-08 and projections for additional enrollments in 2008-09, current estimates show that these enrollments will be at 215,298 SCHs or 11,793 additional FTEs. This will require additional funding of \$34.7 million. Contained within this recommendation is a hold-harmless request for NC A&T of \$4.6 million in appropriation as well as a revenue realignment of \$760,000 for UNCW.

Total Budget Priorities - recurring

320,687,824

Total Budget Priorities - nonrecurring

21,800,000

Total 2007-09 Budget Priorities

342,487,824

**The University of North Carolina
Summary – 2008-09 Capital Budget Priorities
Revised March 2008**

<u>Institution</u>	<u>Priorities</u>	<u>2008 Request</u>
University-wide	Fire Safety Improvements - Student Residence Halls	38,500,000
ECU	School of Dentistry (funded for planning - 2006, 2007)	62,000,000
ECSU	School of Education Building (funded for planning - 2007)	18,000,000
NCA&T	General Classroom Instructional Facility (funded for planning - 2007)	20,487,000
NCCU	School of Nursing Building (funded for planning - 2007)	22,500,000
NCSSM	Discovery Ctr - Science Labs/Classrooms/Residence Hall (funded for planning - 2007)	66,663,000
NCSU	Centennial Campus Library (funded for planning - 2007)	97,000,000
UNC-CH	Dental Sciences Teaching and Learning Building (funded for planning - 2005-07)	69,000,000
UNCC	Energy Production Infrastructure Center (EPIC) (funded for planning - 2007)	57,218,000
UNCG	Academic Classroom and Office Building (funded for planning - 2007)	42,667,000
WSSU	Student Activity Center - Budget Supplement	9,799,000
System	Land Acquisition	25,000,000
Total Priorities		528,834,000

<u>Institution</u>	<u>Next Priorities</u>	<u>2008 Request</u>
ASU	College of Nursing and Health Sciences Building – Planning	4,200,000
ECU	New Family Medicine/Geriatric Center (funded for planning from receipts)	36,800,000
ECSU	School of Aviation Complex (funded for planning - 2007)	14,500,000
FSU	Teaching Education and General Classroom Building – Planning	4,272,100
NCA&T	Joint Primary Data Center – Planning (with UNCG)*	2,315,020
NCSA	Central Storage Facility – Planning	1,110,000
NCSU	Engineering Complex – Planning	21,373,400
UNCA	Replace Carmichael Hall and University Lecture Hall – Planning	2,680,100
UNC-CH	Carolina North Development, Phase 1 – Planning	16,900,000
UNC-CH	Biomedical Research Imaging Center – Complete Planning (funded for planning - 2007)	19,500,000
UNCC	Science Building – Planning	12,000,000
UNCG	Joint Primary Data Center – Planning (with NC A&T)*	2,315,020
UNCP	Information Commons Building – Planning	5,000,000
UNCW	Allied Health and Human Sciences Building – Planning	4,320,000
WCU	Education and Allied Professions Building – Planning	4,018,700
WSSU	Sciences and General Office Building (funded for planning - 2007)	24,900,000
WSSU/NCSA	Center for Design Innovation – Site Preparation	1,500,000
UNC Health Care	Inpatient Bed Tower and Operating Room Facility – Planning	16,275,000
Total Next Priorities		193,979,340
GRAND TOTAL		722,813,340

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

Each state agency is required (G.S. 143.34.44) to submit a six year capital improvement needs estimate to the Office of State Budget and Management and to the legislative Division of Fiscal Research a six-year capital improvement plan. These plans are used as the beginning point for the state's biennial budget for capital projects.

For an orderly progression of the University's capital improvements program, it is recommended that in 2008 full construction funding be appropriated for projects previously authorized for planning. It is further recommended that planning funds, and in some cases, site development funds, be appropriated for all other top-priority projects.

Adjusted for appropriations received in the 2007 Session of the General Assembly and reviewed by each campus for alignment with current priorities, the projects requested to be funded by the state in the 2008 Session are listed under each campus, in the priority order as designated by each Chancellor.

UNIVERSITY-WIDE

Fire Safety Improvements – Student Residence Halls – \$38,500,000

A 1996 survey indicated that 80% of the University's residence halls had a central fire alarm system and that 11% had sprinkler systems. A 2006 survey indicated that 100% of the University's residence halls had smoke detectors with 98% reporting to a central monitoring system and that 64.7% had sprinkler systems. All residence halls constructed by the campuses since 1996 have smoke detectors reporting to a central system and all have fire sprinkler systems.

In December 2006, Chancellors were asked to develop a plan to install fire sprinklers in the remaining unsprinklered residence halls by the beginning of the Fall Semester 2010. Due to the need for additional renovations at the time of sprinkler installation and the need to either take residence halls off line and/or stage construction work over the summer months, the estimated cost of the submitted plans totaled approximately \$95,000,000 and produced a schedule that would sprinkler the last bed in 2018.

Nonrecurring funds are needed from the General Fund to allow campuses to revise their plans and expedite the installation of sprinklers with a goal to complete the effort by Fall 2012. The requested \$38,500,000 from the General Fund is for all campuses and allocation would be done on a \$9 per unsprinklered square foot basis. Renovations, in addition to adding fire sprinklers, would be funded from indebtedness to be repaid from housing receipts or other non-General Fund sources. The total cost of the project from all sources is expected to be \$140,000,000.

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

APPALACHIAN STATE UNIVERSITY

College of Nursing and Health Sciences Building – Planning – \$4,200,000

To assist in achieving UNC Tomorrow's goal of educating more health care professionals, this project would provide a 150,000 square-foot facility to be constructed in association with the Watauga Medical Center and provide state of the art accommodations for the College of Nursing and a variety of existing as well as planned academic and public service programs in Allied Health. The continued growth in the demand for health professionals to serve an increasing aging population has subsequently generated a growing need for degree granting programs in Nursing and Allied Health in Western North Carolina. This building complex will provide a major expansion and upgrade of facilities available for education, research and public service for the community and region. The total project amount is \$42,000,000.

EAST CAROLINA UNIVERSITY

School of Dentistry – \$62,000,000

This project would build a Dental School at East Carolina University consisting of a new 112,500 square-foot building with classrooms, offices, labs and clinical operations on the Health Sciences Campus and 10 Community-Based Dental Clinic sites located throughout the region and the state. Planning funds totaling \$3,000,000 were appropriated by the 2006 General Assembly. The 2007 General Assembly appropriated an additional \$25,000,000. The total cost of this project is \$90,000,000.

New Family Medicine/Geriatric Center – \$36,800,000

This project would provide a 118,000 square-foot building that would house the Family Medicine Center and the Geriatrics Center. The building would provide the Centers with patient services space, faculty and staff offices, exam rooms, clinic support space, teaching rooms, and building support space. The building will maintain a separate and identifiable presence for the Centers. The university will provide \$10,000,000 in additional funding for this project from non-general fund sources and the total construction authorization will be \$36,800,000 from the General Fund plus \$10,000,000 from non-General Fund sources. The total cost of this project is \$46,800,000.

Both of these projects will address UNC Tomorrow Commission's goal of quality health care, especially in rural North Carolina.

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

ELIZABETH CITY STATE UNIVERSITY

School of Education Building – \$18,000,000

This project would provide a 45,000 square-foot building to house and consolidate the School of Education to help produce more teachers with the skills to succeed in today's classrooms. Project includes construction of administrative offices and modern classrooms, parking areas, green areas and access roads to further develop the 10-year master plan. The School of Education is currently utilizing a 15,000 square-foot building built in 1982. The building does not meet the needs of the program. Additionally, existing classroom facilities have not been updated to modern university standards. Planning funds totaling \$2,000,000 were appropriated by the 2007 General Assembly. The total cost of this project is \$20,000,000.

School of Aviation Complex – \$14,500,000

This project, located at the Elizabeth City - Pasquotank Regional Airport, would provide a 50,000 square-foot building to house the Aviation program and assist in the economic transformation of the region. The building would have classrooms, hangar and maintenance space to support of the Aviation and Aviation Maintenance programs. Planning funds totaling \$500,000 were appropriated by the 2007 General Assembly. The total cost of this project is \$15,000,000.

FAYETTEVILLE STATE UNIVERSITY

Teaching Education and General Classroom Building – Planning – \$4,272,100

This project would construct a 130,000 square-foot Teaching Education and General Classroom Building. Housing the School of Education, the building would provide teaching labs, classrooms, faculty and staff offices, multi-purpose rooms, and distance learning facilities to accommodate the growth projected in the university's teaching education programs. The building will be located as guided by the current Facilities Master Plan. The total cost of this project is \$42,721,100.

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

NORTH CAROLINA A&T STATE UNIVERSITY

General Classroom Instructional Facility – \$20,487,000

This project would provide a 115,000 square-foot building with medium (50-75 persons) and large (75+ persons) classrooms, distance learning classrooms, student labs, computer labs and technology to support instruction. The university's increase in student population has exceeded 25% over the last six years. Medium and large classrooms are needed to improve teaching efficiency and retention of first and second year students. Planning funds totaling \$1,000,000 were appropriated by the 2006 General Assembly and \$5,300,000 by the 2007 General Assembly. The project is positioned to start construction in Fall 2008. The total cost of this project is \$26,787,000.

Joint Primary Data Center (with UNCG) – Planning – \$4,630,040

This project would house the new NCA&T/UNCG Joint Primary Data Center to be located on the South Campus of the Gateway University Research Park (NCA&T/UNCG Joint Millennial Campus). The project would provide the campuses with primary data center services with quality colocation in a secure facility that offers 100% uptime. The 50,680 square-foot, disaster resistant building would include a 10,000 square-foot raised floor space built to Tier III specifications, conditioned power, and mechanical and electrical systems designed to provide high levels of reliability. The data center will be provided Internet and campus connectivity via path diverse connections to NCREN through UNCG and NCA&T. This will provide both the required connectivity from each campus as well as co-connectivity to NCREN. The total cost of this project is \$46,300,400

NORTH CAROLINA CENTRAL UNIVERSITY

School of Nursing Building – \$22,500,000

To produce more nurses, this project would provide a 65,000 square-foot building with labs, classrooms, offices, and common areas. The Nursing Department has experienced a rapid enrollment growth in recent years and NCCU plans to expand this program to help address the statewide shortage of nurses. Planning funds totaling \$2,500,000 were appropriated by the 2007 General Assembly. The total cost of this project is \$25,000,000.

NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS

Discovery Center – Science Labs/Classrooms/Residence Hall – \$66,663,000

This project would provide for construction of a mixed-use 275,000 square-foot building that includes state-of-the-art technology-equipped labs and classrooms for distance learning and student research and education, a residence hall for 250 students, academic conference rooms, fabrication labs, computer labs, lecture hall, cafeteria/dining space for 940 students and 250 staff, scientific library, major overhaul of NCSSM's utility infrastructure, and a Campus Master Plan. Planning funds totaling \$3,337,000 were appropriated by the 2007 General Assembly. The total cost of this project is \$70,000,000.

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

NORTH CAROLINA SCHOOL OF THE ARTS

Central Storage Facility – Planning – \$1,110,000

This project will include the construction of a new 60,000 GSF facility containing 50,000 GSF for commercial storage and 10,000 GSF for NCSA police operations. The storage portion will have climate-controlled environment and include 1,000 square feet of office space for operations personnel and other related activities. NCSA generates a tremendous need for storage space unique to the academic environment of this performing arts conservatory. Each classroom activity and performance has the potential to generate props, costumes and specialty equipment, each of which are valuable assets that require a controlled climate to retain their value and extend their useful life cycle. The Police Department will include standard office space, lockers, a dispatch center and customer service area and include systems and components to meet emergency operations requirements. The total cost of this project is \$11,100,000.

NORTH CAROLINA STATE UNIVERSITY

Centennial Campus Library – \$97,000,000

This project would provide a 279,000 square-foot library on Centennial Campus, Phase II of the 2002 Library Master Plan. The new library will serve the specific needs of Centennial Campus and will address significant shortages in student study space. The integration of the Institute for Emerging Issues with the new library will provide the unique opportunity for collaboration between academia, government, and businesses. The Textiles Library will also be housed in this facility. Planning funds totaling \$17,000,000 were appropriated by the 2007 General Assembly. The total cost of this project including associated infrastructure capacity and distribution expansion is \$114,000,000.

Engineering Complex – Planning – \$21,373,400

North Carolina needs an ample supply of highly trained engineers. This project would provide the final phase, buildings four and five, of the Engineering Complex and includes 430,000 square feet of additional space for the relocation of the departments of Industrial Engineering, Civil Engineering, Nuclear Engineering and the College of Engineering Administration to Centennial Campus. NC State is proposing to increase the number of tenure and tenure track faculty in the College of Engineering from the current 250 to 400. Increased numbers of faculty will provide a critical mass of researchers across disciplines that can be an advantage in competing for large federally-funded interdisciplinary grants. The project scope includes renovation of three buildings (Mann Hall, Page Hall and Daniels Hall) on north campus. These buildings will be vacated by the relocation of the Engineering departments, and will provide multi-college teaching growth (Management, Humanities and Social Sciences) in the heart of the academic campus. The total cost of this project is \$213,734,000.

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE

Replace Carmichael Hall and University Lecture Hall – Planning – \$2,680,100

This project would replace Carmichael Hall and the attached lecture hall with a new 60,000 square-foot building that would provide additional classroom space and faculty offices to accommodate existing and expanded enrollments. The new Lecture Hall would be the proper venue for the large-group presentations and humanities lectures which are at the core of the liberal arts curriculum and heritage. The total cost of this project is \$26,801,000.

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

Dental Sciences Teaching and Learning Building – \$69,000,000

This project would provide a 216,000 square-foot building for the School of Dentistry. The program spaces comprise academic, research, clinical, administrative space, as well as lecture rooms, vivarium facility, and all related site work. The project includes the demolition of the Dental Research Building, the demolition of the Dental Office Building and renovations to portions of the Old Dental Building, Tarrson Hall and Brauer Halls. Approximately one-fifth of the building will be programmed as shelled space for later development. Planning and development funds totaling \$2,000,000 were appropriated by the 2005 General Assembly, \$3,000,000 by the 2006 General Assembly and \$25,000,000 by the 2007 General Assembly. The university will provide \$26,000,000 in additional funding for this project from non-general fund sources and the total construction will be \$99,000,000 from the General Fund and \$26,000,000 from non-General Fund sources. The total cost of this project is \$125,000,000.

Carolina North Development, Phase 1 – Planning – \$16,900,000

This project would provide a new 220,000 square-foot building for the School of Law and the initial site development, roads and energy infrastructure for Carolina North. The university will provide \$160,800,000 in additional funding for this project from non-general fund sources and the total construction authorization will be \$169,000,000 from the General Fund plus \$160,800,000 from non-General Fund sources. The total cost of this project is \$329,800,000.

Biomedical Research Imaging Center – Planning – \$19,500,000

This project would provide a 325,000 square-foot facility that will support image-based biomedical research across the UNC system and take advantage of internationally recognized programs in medical imaging at both Chapel Hill and North Carolina State University primarily through the new joint department of Biomedical Engineering. Areas of research emphasis will include (1) development of new computational approaches to generating and interpreting imaging data and (2) generation of new micro- and nano scale imaging instrumentation. This facility will contain a small animal imaging facility. These technologies will allow the resolution necessary for analysis of small animal models to compare common genetic disease in humans. The research infrastructure in place at UNC-Chapel Hill has been organized to facilitate and enhance the cross disciplinary collaborations that are integral to modern research advancements, allowing faculty and students to work together to apply understanding of the interaction of basic chemistry, physics, genetics, and ecology of disease on the complex human organism in order to create appropriate therapies and diagnostic tools. This facility will be a state-wide resource serving researchers across North Carolina. Planning funds totaling \$8,000,000 were appropriated by the 2007 General Assembly. The university will provide \$20,000,000 in additional funding for this project from non-general fund sources. The total construction authorization will be \$255,000,000 from the General Fund plus \$20,000,000 from non-General Fund sources for a total cost of \$275,000,000.

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

THE UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE

Energy Production Infrastructure Center (EPIC) – \$57,218,000

Consistent with the goal of UNC Tomorrow Commission, this project would provide a 200,000 square-foot Energy Production and Infrastructure Center (EPIC) building located on the Charlotte Research Institute (CRI). It would provide classroom and state of the art laboratory space to accommodate growth in energy infrastructure research and collaboration with industry partners. Sufficient space is not currently available on campus to support on-going research, public-private partnerships, an expanding grants program, and the capital creation that is envisioned for this region of North Carolina. The need for energy engineers is regional and the work is global. The U.S. faces shortfalls in energy supply due to ever increasing demand and an aging, increasingly inadequate, power infrastructure. The southeast will be one of the fastest growing energy markets. The Charlotte region is becoming a center for power production companies and power production research. This will produce an increased demand for engineers. Civil and Electrical Engineering departments will support EPIC. Co-locating power engineers, power electronics engineers, and power infrastructure engineers in EPIC will shape much of the university's research portfolio for years to come. The project includes expansion of a regional utility plant. Planning funds and site development funds totaling \$19,000,000 were appropriated by the 2007 General Assembly. The total cost of this project is \$57,218,000.

Science Building – Planning – \$12,000,000

This project would provide a 235,000 square-foot Science Building that would provide important teaching and research space for the University's science departments to include chemistry, physics, biochemistry and biology. It will also provide space for collaboration with industry partners. Presently the chemistry and physics departments are housed in the Burson building. The laboratories are 1960s style and are inadequate for modern chemistry and physics instruction. The laboratories and classrooms lack adequate fume hoods, heating and air conditioning, ventilation, laboratory gases, fire alarms and sprinkler systems. Burson building was constructed before doctoral and master's level instruction and research were part of the mission. Each of UNC Charlotte's science departments now administers at least one doctoral program. The new Science building will provide scientific laboratories for instructional programs and research initiatives that contribute to the economic development of the region and meet the university's need to be globally competitive. Currently, available laboratory space is inadequate to support the campus' research mission and designation as a research institution. The building will also include classrooms and office space for the science departments. The total cost of this project is \$12,000,000.

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

Academic Classroom and Office Building – \$42,667,000

This project would provide a 120,000 square-foot, four floor building to help alleviate an intense need for classroom and office space for the School of Education. Enrollment has increased significantly and is anticipated to grow from 16,250 students in the Fall 2006 to 18,000 students in the Fall 2009. This growth will be accompanied by a corresponding increase in faculty. Space is needed to house new academic programs based upon regional, statewide, and national demand and to accommodate growth in externally funded research. Planning funds of \$2,300,000 were appropriated by the 2006 General Assembly and \$2,500,000 by the 2007 General Assembly. The balance of the funding is required from the 2008 General Assembly if this project is to progress from design to construction in a seamless manner. The total cost of this project is \$42,667,000.

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

Joint Primary Data Center (with NCA&T)
(See NCA&T for a complete description.)

THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE

Information Commons Building – Planning – \$5,000,000

This project will provide a multi-functional 150,000 square-foot Information Commons Building. Primarily the home of a new campus Library, the Information Commons Building will allow needed expansion and access of the Library's traditional and electronic collections while providing the opportunity to enhance Library services. The building will also house the University Computing and Information Services department (that provides networking and computing support services for students, faculty and staff) and the Media Center Department (that supports instructional and administrative audio visual needs). This budget includes funding for relocating the existing baseball field on which this facility will be sited per the Facilities Master Plan. The total cost of this project is \$50,000,000.

THE UNIVERSITY OF NORTH CAROLINA AT WILMINGTON

Allied Health and Human Sciences Building – Planning – \$4,320,000

The University of North Carolina Wilmington has been engaged in a multi-year assessment of its efforts to prepare health professionals and to create stronger partnerships with health providers to serve North Carolina in general and the southeast region in particular. Central to these efforts has been the emergence of a health programs strategic plan which recommends the establishment of a Health and Human Services College with strong partnerships with practitioners and other UNC campuses. UNCW is committed to assist in meeting UNC Tomorrow's goal of increased quality health care, especially in rural areas. Two of the four facilities planned have already been funded, the new Psychology Building and the School of Nursing facility. The third facility is the proposed Allied Health and Human Sciences Building that will ultimately be the home for the proposed new college, the Center for Healthy Living, existing academic programs in Health and Applied Human Sciences and Social Work and related labs and classrooms that are critical to UNCW's ability to realize this broad response to producing more health care professionals and to providing enhanced services to the region. In order to accommodate these functions, a facility of approximately 105,000 square feet is needed. Available sites for the facility require specialized foundation work, as well as an extension of the primary electrical infrastructure, and an expansion of a regional energy plant. Additionally, UNCW plans on obtaining LEEDS certification, which will add to the initial cost of the facility, but result in significant long term energy savings. The total cost of this project is \$43,200,000.

WESTERN CAROLINA UNIVERSITY

Education and Allied Professions Building – Planning – \$4,018,700

This project will provide a 163,000 square-foot facility that will address safety, energy, current code and ADA issues while providing needed space for the College of Education and Allied Professions. The existing facility lacks sufficient space to handle the planned increase in students and cannot be efficiently reconfigured to provide technically sophisticated education and training space. The total cost of this project is \$40,187,000.

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

WINSTON-SALEM STATE UNIVERSITY

Student Activity Center – Budget Supplement – \$9,799,000

This project received appropriated planning funds of \$768,225 in 2006 and \$18,708,000 of construction authorization in 2007 financed with special indebtedness (COPS). A proposed supplement of \$9,799,000 is needed to cover construction costs previously anticipated to be funded from non-General Fund sources. This project will provide a 90,000 square-foot facility for academic instruction and student activities spaces including: fitness center, lockers, showers, lecture hall/theater, flexible space for dancing, racquetball, basketball, indoor track, student bookstore, food court, offices for the Student Government Association, Year Book, Student Newspaper, study rooms and student activity space. The facility will also include a two-story, 200-vehicle parking deck to be located under the facility. The university will provide \$3,252,775 in additional funding for this project from non-general fund source. The total cost of this project, from all sources, will be \$32,528,000.

Sciences and General Office Building – \$24,900,000

This project will provide a 69,000 square-foot facility that will house science labs and support functions, forensic labs and support functions, and faculty offices (approximately 50 offices for campus-wide academic use). Significant enrollment growth is expected in the Life Sciences and Health Sciences areas. This project will provide additional space to produce tomorrow's global leaders. The university's enrollment growth has exceeded 15% per year for the last five consecutive years which has created a need for additional faculty offices. Planning funds totaling \$3,312,000 were appropriated by the 2007 General Assembly. The total cost of this project is \$28,212,000.

Center for Design Innovation (with NCSA) – Site Preparation – \$1,500,000

This project will provide the needed site preparation and utility infrastructure to properly support the previously funded Center for Design Innovation. The total cost of this project is \$1,500,000.

UNIVERSITY OF NORTH CAROLINA – University-wide

Land Acquisition - \$25,000,000

This request for funds to be utilized by the University for land acquisition is presented without identification of specific requirements for individual institutions of the University, as advance disclosure of firm land acquisition plans tends to push prices higher. A detailed land acquisition plan is also often subject to interruptions of timing by factors that are not entirely controllable by the state and the University. Land acquisitions are planned to accommodate long-range University growth and development and usually involve properties adjoining campus boundaries. Such properties are generally advantageous building or parking sites or would provide buffer areas for the campus. All purchases, before being official, must be approved by the Board of Governors, the Joint Legislative Commission on Governmental Operations, and the Council of State. Funds totaling \$5,000,000 were appropriated by the 2007 General Assembly. The total estimated need for funds for land purchase is over \$60,000,000.

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

OTHER

UNC Health Care Inpatient Bed Tower and Operating Room Facility – Planning – \$16,275,000

The UNC Tomorrow Commission recommended that UNC should lead in improving health and wellness and increase access to quality health care. This project would build a new 321-bed inpatient tower and operating room facility or facilities for UNC Health Care either on campus or at a new site to respond to the growth in demand for inpatient services, while also reducing the number of semi-private rooms to create efficiencies and respond to patient needs.

UNC Health Care has had 111 new inpatient beds allocated through the state health planning process in the past three years. This is indicative of the very high bed census and demand for the services provided at UNC Health Care. Many of UNC Health Care's beds (94 rooms, 188 beds) are semi-private rooms, and for improved efficiency, patient privacy, infection control, and family involvement, there is a goal to move to all private rooms. UNC Health Care has worked to incorporate as many beds as it possibly can into existing facilities, but the ability to continue to do this is severely limited. This situation also does not allow for the elimination of semi-private rooms, or for future growth.

UNC Health Care's operating rooms are in older facilities and are not large enough for the equipment, teaching, and care that need to be provided. All of these operating rooms need to be replaced, and appropriate support space also made available. When UNC Health Care's operating rooms were constructed, modern equipment such as surgical robots, advanced laparoscopic equipment, or mobetrans for intra-operative radiation therapy was not available. Operating rooms today need to accommodate new equipment and staff. Education of students and residents also requires more room associated with patient care and improved technology. The UNC Health Care will provide \$406,500,000 in additional funding for this project from non-general fund sources and the total construction authorization will be \$325,500,000 from the General Fund plus \$406,500,000 from non-General Fund sources. The total cost of this project is \$732,000,000.

THE UNIVERSITY OF NORTH CAROLINA
2008-09 Capital Budget Priorities
Revised March 2008

REPAIRS AND RENOVATIONS – \$217,836,720

The Reserve for Repairs and Renovations was formally established by the General Assembly in 1993 to address both current maintenance needs and the documented backlog of deferred maintenance projects. General Statute 143C-4-3 requires the State Controller to set aside an amount equivalent to one-fourth of any unreserved General Fund balance at the end of each fiscal year and place the funds into a reserve to be used for the repair and renovation of state facilities.

Every three years, the State Construction Office (SCO) reviews the facilities and infrastructure at each constituent institution through its Facilities Condition and Assessment Program (FCAP). The FCAP reviewers document deficiencies and estimate the funds required to remedy those deficiencies. These documented deficiencies have been considered carefully by all campuses in preparing the six-year plan.

The University of North Carolina continues to review the Repairs and Renovations (R&R) allocation processes. The basis for the allocation of repair funds between UNC and all other state agencies was established in 1995 based on relative Facilities Condition Assessment Program (FCAP) data. At that time, and every fiscal year since, funds have been allocated on the basis of 46% for University projects and 54% for other state agencies. Since 1995, the relative condition needs have changed significantly. A study done by Eva Klein and Associates in 2004 found that, based on current data at the time, the allocation, using FCAP data, would be split between the University and other state agencies at 64% for the University and 36% for state agencies. Other factors to consider in the allocation of repair funds are the current replacement value of infrastructure, including buildings and underground facilities (e.g., steam lines, ductbanks, etc.), and the allocation of square footage.

The University respectfully requests that the General Assembly allocate R&R funds between the University and other state agencies on the basis of current FCAP needs, current replacement value, including infrastructure, and square footage. The use of these measures provides a logical and consistent method on which to base the allocation decision.

The six-year plan for repairs and renovations for the University totals \$853,610,159 and the Board requests \$217,836,720 for 2008-09.

THE UNIVERSITY OF NORTH CAROLINA
2007-13 Capital Improvements Plan



March 2008

Revised March 2008									
Six-Year Appropriated Capital Improvements Priorities 2007-2013 Worksheet									
Priority	Institution/Project	Request	Previously Appropriated		Funding Plan				
			Prior Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	Appalachian State University								
1	College of Nursing and Health Sciences Building	42,000,000			4,200,000	37,800,000			
2	Research Institute for Energy, Environment, and Economics	30,000,000				3,000,000	13,500,000	13,500,000	
3	University College Building	8,900,000				890,000	8,010,000		
4	Arts and Sciences Building	22,000,000					2,200,000	9,900,000	9,900,000
5	Steam Distribution System Replacement	6,000,000					600,000	5,400,000	
6	Old Library Classroom Building Modernization	2,500,000						2,500,000	
7	Communications Department Annex Renovation	2,545,000						2,545,000	
8	Broyhill Music Center Renovation and Expansion	4,956,000							4,956,000
9	Kerr Scott Hall Renovation and Expansion	3,247,000							3,247,000
10	Sanford Hall Modernization	2,324,000							2,324,000
11	Wey Hall Renovation and Expansion	2,062,000							2,062,000
12	Dance and Performing Arts Studio	2,500,000							2,500,000
13	Broyhill Continuing Education Center Renovation & Expansion	2,300,000							2,300,000
14	Central Campus Physical Plant Operations Building	1,500,000							1,500,000
	East Carolina University								
1	School of Dentistry	90,000,000	3,000,000	25,000,000	62,000,000				
2	New Family Medicine/Geriatric Center	36,800,000			36,800,000				
3	Biology and Science Building	130,000,000				58,500,000	71,500,000		
4	Shared Academic Building (Colleges of Business & Education)	84,500,000				42,250,000	42,250,000		
5	Performing Arts Building	85,000,000				8,500,000	38,250,000	38,250,000	
6	Campus Utility Infrastructure Improvements	9,914,000				9,914,000			
7	IT Infrastructure Improvements, Phase II	3,849,000				3,849,000			
8	Health and Human Performance Building Expansion	11,664,000				1,166,400	10,497,600		
9	Facilities Services Building	10,462,000				1,046,200	9,415,800		
10	Austin Building Modernization	13,304,000					1,330,400	11,973,600	
11	Graham Building Modernization	6,113,000					6,113,000		
12	Ragsdale Hall Modernization	12,856,000					1,285,600	11,570,400	
13	Fletcher Music Center Modernization	10,074,000						10,074,000	
14	Spilman Building Modernization	4,543,000						4,543,000	
15	Whichard Building Modernization	5,259,000						5,259,000	
16	Brewster Building Modernization	16,456,000						16,456,000	
17	Rawl Building Modernization	11,109,000						11,109,000	
18	Rivers Building Modernization	10,187,000						10,187,000	
19	Brody Medical Science Building Modernization	27,182,000						27,182,000	

Revised March 2008									
Six-Year Appropriated Capital Improvements Priorities 2007-2013 Worksheet									
Priority	Institution/Project	Request	Previously Appropriated		Funding Plan				
			Prior Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	East Carolina University (continued)								
20	Life Sciences Building Modernization	1,971,000						1,971,000	
21	Biotechnology Building Modernization	2,839,000						2,839,000	
22	Howell Science Modernization	30,687,000							30,687,000
23	McGinnis Theatre Modernization	4,369,000							4,369,000
24	Willis Building Modernization	2,498,000							2,498,000
25	Wright Annex Modernization	5,004,000							5,004,000
26	Wright Auditorium Modernization	2,990,000							2,990,000
27	Minges Academic Building Modernization	3,590,000							3,590,000
28	Lab Space	71,796,000							71,796,000
29	Physical Education Space	27,688,000							27,688,000
30	Library Expansion	20,032,000							20,032,000
31	Hazardous Storage Building	1,813,000							1,813,000
32	Telecommunication Equipment Replacement	3,799,000							3,799,000
33	Data Network Infrastructure Improvements	5,057,000							5,057,000
34	Main Campus Utility Infrastructure Improvements	23,172,000							23,172,000
	Elizabeth City State University								
1	School of Education Building	20,000,000		2,000,000	18,000,000				
2	School of Aviation Complex	15,000,000		500,000	14,500,000				
3	Electrical Infrastructure Improvements	1,500,000				1,500,000			
4	Moore Hall Renovation	7,900,000				790,000	7,110,000		
5	School of Business and Economics Building	20,000,000				2,000,000	9,000,000	9,000,000	
6	Symera Hall Conversion	6,000,000						6,000,000	
7	Little Library Replacement	27,000,000					2,700,000	4,050,000	20,250,000
8	HVAC Infrastructure Improvements	1,900,000							1,900,000
9	Storm Drainage Infrastructure Improvements	1,400,000							1,400,000
	Fayetteville State University								
1	Teaching Education and General Classroom Building	42,721,100			4,272,100	19,224,500	19,224,500		
2	Humanities and Social Sciences Classroom Building	35,536,278				3,553,628	31,982,650		
3	Butler Building Renovation	17,107,845						17,107,845	
4	Lyons Science Conversion to General Classroom Building	14,997,085						14,997,085	
5	Campus Infrastructure Improvements	8,168,477							8,168,477
6	Parking Infrastructure Expansion	2,722,826							2,722,826

Revised March 2008									
Six-Year Appropriated Capital Improvements Priorities 2007-2013 Worksheet									
Priority	Institution/Project	Request	Previously Appropriated		Funding Plan				
			Prior Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	North Carolina A&T State University								
1	General Classroom Instructional Facility	26,787,000	1,000,000	5,300,000	20,487,000				
2	Joint Primary Data Center (with UNCG)	23,150,200			2,315,020	20,835,180			
3	Hodgin Hall Modernization	7,200,000				7,200,000			
4	Technology Infrastructure Improvements	3,868,000				3,868,000			
5	Morrow Hall Renovation	7,649,000				7,649,000			
6	Carver Hall Modernization	16,757,000				1,675,700	15,081,300		
7	Steam Infrastructure Improvements	7,057,000					7,057,000		
8	Vanstory Hall Renovation	7,786,000					7,786,000		
9	Student Services Facility	11,503,000					1,150,300	10,352,700	
10	Benbow Hall Renovation	2,594,000					2,594,000		
11	Moore Gymnasium Modernization	10,229,000					10,229,000		
12	Webb Animal Science Renovation	8,507,000						8,507,000	
13	DeHuguley Building Renovation and Expansion	3,085,000						3,085,000	
14	Marteena Hall Renovation	10,397,000						10,397,000	
15	Holland Hall Renovation	4,256,000						4,256,000	
16	Hines Hall Renovation	6,994,000						6,994,000	
17	Electrical Infrastructure Improvements	2,317,000							2,317,000
18	Frazier Hall Renovation and Expansion	8,942,000							8,942,000
19	Price Hall Renovation	7,965,000							7,965,000
20	Price Hall Annex Renovation	2,721,000							2,721,000
21	McNair Hall Modernization	15,765,000							15,765,000
22	Domestic Water Infrastructure Improvements	2,345,000							2,345,000
23	Fort Research Building Renovation	5,679,000							5,679,000
24	Sockwell Hall Renovation	1,045,000							1,045,000
	North Carolina Central University								
1	School of Nursing Building	25,000,000		2,500,000	22,500,000				
2	Student Services, Classroom and Convocation Building	57,500,000				5,750,000	51,750,000		
3	Residence Hall	35,346,000				3,534,600	31,811,400		
4	Chambers Biomedical and Biotechnical Research Institute Expansion	35,000,000				3,500,000	31,500,000		
5	Library Building	35,000,000					3,500,000	31,500,000	
6	New Performing and Visual Arts Center	15,000,000					1,500,000	13,500,000	
7	L.T. Walker P. E. Complex Renovation	25,000,000						2,500,000	22,500,000
8	Turner Law School Addition	8,000,000						800,000	7,200,000

Revised March 2008									
Six-Year Appropriated Capital Improvements Priorities 2007-2013 Worksheet									
Priority	Institution/Project	Request	Previously Appropriated		Funding Plan				
			Prior Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	NC School of Science and Mathematics								
1	Discovery Ctr - Science Labs/Classrooms/Residence Hall	70,000,000		3,337,000	66,663,000				
2	Track and Soccer Field, Phase 2	1,075,000				1,075,000			
	North Carolina School of the Arts								
1	Central Storage Facility	11,100,000			1,110,000	9,990,000			
2	Performing Arts Facility	71,300,000				7,130,000	32,085,000	32,085,000	
3	CDI Land Acquisition	1,500,000				1,500,000			
4	Film School Production Design Facility	12,900,000				1,290,000	11,610,000		
5	Old Library Renovation	6,400,000				640,000	5,760,000		
6	Campus Utility Infrastructure Improvements	5,200,000				5,200,000			
7	Workplace West Modernization	15,200,000						15,200,000	
8	Gray/Workplace/Demille Comprehensive Modernization, Phase II	35,300,000						35,300,000	
9	Design and Production Comprehensive Modernization	17,700,000							17,700,000
10	Information Technology Expansions and Improvements	5,700,000							5,700,000
11	Performance Place Comprehensive Modernization	6,800,000							6,800,000
12	Administration Building Comprehensive Renovation	2,800,000							2,800,000
13	Moore/Sanford High Sch. Residence Hall Comp. Modernization	18,400,000							18,400,000
	North Carolina State University								
1	Centennial Campus Library	114,000,000		17,000,000	97,000,000				
2	Engineering Complex	213,734,000			21,373,400	90,000,000	76,000,000	26,360,600	
3	Broughton and Dabney Hall Renovations	125,427,000				74,000,000	51,427,000		
4	Improvements to 4-H Camp	34,000,000		7,500,000		26,500,000			
5	Williams Hall Renovation	35,501,000				3,550,100	31,950,900		
6	Main Campus Infrastructure Improvements, Phase A	33,032,000				3,303,200	29,728,800		
7	Academic Building	72,000,000				7,200,000	32,400,000	32,400,000	
8	Plant Sciences Research Building	45,562,000					4,556,200	41,005,800	
9	Centennial Campus Infrastructure Improvements, Phase B	20,991,000					2,099,100	18,891,900	
10	Gardner Hall North Renovation and Expansion	33,649,000					3,364,900	30,284,100	
11	Main Campus Infrastructure Improvements, Phase B	16,801,000					1,680,100	15,120,900	
12	University Plaza Classroom Building	36,070,000						3,607,000	32,463,000
13	Information Technology Building	20,645,000						2,064,500	18,580,500
14	Centennial Campus Services Building	9,967,000						996,700	8,970,300
15	Flex Building II	18,246,000						1,824,600	16,421,400
16	Interdisciplinary Research Building	36,491,000						3,649,100	32,841,900
17	Centennial Campus Infrastructure Improvements, Phase C	9,820,000						982,000	8,838,000
18	Hillsborough Building Renovation	12,236,000						1,223,600	11,012,400
19	Research Building on Hodges Site	39,827,000							39,827,000
20	Ricks Hall Renovation	9,419,000							9,419,000
21	Phase B & C	26,987,000							26,987,000
22	Administrative Services Building IV	31,324,000							31,324,000
23	Main Campus Infrastructure Improvements, Phase C	12,814,000							12,814,000

Revised March 2008									
Six-Year Appropriated Capital Improvements Priorities 2007-2013 Worksheet									
Priority	Institution/Project	Request	Previously Appropriated		Funding Plan				
			Prior Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	University of North Carolina at Asheville								
1	Replace Carmichael Hall and University Lecture Hall	26,801,000			2,680,100	24,120,900			
2	Replace Outdated Building Cluster with Community Commons	45,834,600				4,583,460	20,625,570	206,255,70	
3	Craft Campus and Renovation of Owen Hall	15,150,000				1,515,000	13,635,000		
4	Justice Center Modernization	8,001,000					800,100	7,200,900	
5	Lipinsky Hall Modernization	11,000,000					1,000,000	10,000,000	
6	Administration Building	9,500,000						9,500,000	
7	Phillips Hall Modernization	4,000,000							4,000,000
8	Carol Belk Theatre Modernization	2,999,000							2,999,000
9	Robinson Hall Modernization	7,000,000							7,000,000
10	Outdoor Physical Education and Recreational Facilities	2,999,000							2,999,000
11	Outdoor Instructional and Intramural Facilities	3,499,000							3,499,000
17	Exterior Lighting, Sidewalks and Landscaping Improvements	850,000							850,000
13	Campus Landscaping Improvements	1,500,000							1,500,000
14	University Signage Improvements	750,000							750,000
15	Campus Roads, Walks and Drives Improvements	1,470,000							1,470,000
16	Campus Drive Development	400,000							400,000
17	New Campus Entrance	2,000,000							2,000,000
18	Vehicular & Pedestrian Circulation Improvements	750,000							750,000
19	Storm Drainage System	1,404,000							1,404,000
20	Sidewalk Repairs and Resurfacing	750,000							750,000
21	Parking Infrastructure Expansion	3,499,000							3,499,000
	University of North Carolina at Chapel Hill								
1	Dental Sciences Teaching and Learning Building	99,000,000	5,000,000	25,000,000	69,000,000				
2	Carolina North Development, Phase 1	169,000,000			16,900,000	45,630,000	60,840,000	45,630,000	
3	Biomedical Research Imaging Center	255,000,000		8,000,000	19,500,000	78,500,000	77,500,000	71,500,000	
4	Morehead Planetarium Renovation and Expansion	58,000,000				31,250,000	26,750,000		
5	Academic Expansion for Enrollment Growth	175,500,000				17,550,000	52,650,000	52,650,000	52,650,000
6	Critical Repair and Renovation	29,000,000					29,000,000		
7	School of Medicine - Lineberger, Mary Ellen Jones Renovation	201,000,000					20,100,000	90,450,000	90,450,000
8	School of Medicine - Teaching and Office Space Expansion	239,000,000						100,000,000	139,000,000
9	Campus Infrastructure Projects	20,000,000					5,000,000	10,000,000	5,000,000

Revised March 2008									
Six-Year Appropriated Capital Improvements Priorities 2007-2013 Worksheet									
Priority	Institution/Project	Request	Previously Appropriated		Funding Plan				
			Prior Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	University of North Carolina at Charlotte								
1	Energy Production Infrastructure Center (EPIC)	76,218,000		19,000,000	57,218,000				
2	Science Building	120,000,000			12,000,000	54,000,000	54,000,000		
3	Burson Building Modernization	34,320,000				3,432,000	30,888,000		
4	Student Academic Success and Retention Center	68,425,000				6,842,500	30,791,250	30,791,250	
5	Campus Infrastructure Development, Phase 2	30,608,000					3,060,800	27,547,200	
6	Atkins Library Expansion and Modernization	13,936,000					1,393,600	12,542,400	
7	Physical Plant Complex	24,621,000					2,462,100	22,158,900	
8	Belk Gym Modernization	16,287,000						16,287,000	
9	Colvard Building Modernization	8,558,000						8,558,000	
10	Environmental and Infrastructural Science Building	52,098,000						5,209,800	46,888,200
11	Friday Building Modernization	4,370,000							4,370,000
12	Humanities Building	35,917,000							35,917,000
13	Smith and Cameron Applied Research Building Modernization	22,889,000						2,288,900	20,600,100
14	Health and Physical Education Building	47,630,000							47,630,000
15	Residential High Rise Replacement	15,103,000							15,103,000
16	Kennedy Building Modernization	18,834,000							18,834,000
17	Regional Utility Plant #3	10,624,000							10,624,000
	University of North Carolina at Greensboro								
1	Academic Classroom and Office Building	47,467,000	2,300,000	2,500,000	42,667,000				
2	Joint Primary Data Center (with NCAT)	23,150,200			2,315,020	20,835,180			
3	Nursing, Academic Classroom and Office Building #2	121,680,100				60,840,050	60,840,050		
4	Library Addition	73,586,800					7,358,680	33,114,060	33,114,060
5	Eberhart Building Renovation	39,915,000					3,991,500	35,923,500	
6	Moore Building Addition and Renovation	31,125,100						3,112,510	28,012,590
7	Public Safety Building	7,998,000							7,998,000
8	West Chiller Plant and Underground Infrastructure	30,069,500							30,069,500
9	Administration and Student Services Building	46,249,000						4,624,900	41,624,100
	University of North Carolina at Pembroke								
1	Information Commons Building	50,000,000			5,000,000	45,000,000			
2	School of Business Building	35,000,000				3,500,000	15,750,000	15,750,000	
3	Campus Entrance Renovation	8,000,000				8,000,000			
4	Livermore Library - Comprehensive renovation	4,000,000				4,000,000			
5	Modernization	10,000,000				10,000,000			
6	Electrical Infrastructure Improvements, Phase 2	1,000,000				1,000,000			
7	Pedestrian Access Modernization	3,700,000					3,700,000		
8	Givens Performing Arts Center Modernization	6,000,000					6,000,000		
9	Chavis Center Modernization	3,000,000					3,000,000		
10	Lumbee Hall Modernization	2,000,000					2,000,000		
11	School of Fine and Performing Arts Building	38,000,000					3,800,000	34,200,000	
12	University College Building	30,000,000						3,000,000	27,000,000
13	Life Science Classroom Building	25,000,000						2,500,000	22,500,000
14	Faculty Office Building	15,000,000							15,000,000
15	Joint Building UNCP/Sandhills Community College	12,000,000							12,000,000

Revised March 2008									
Six-Year Appropriated Capital Improvements Priorities 2007-2013 Worksheet									
Priority	Institution/Project	Request	Previously Appropriated		Funding Plan				
			Prior Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	University of North Carolina at Wilmington								
1	Allied Health and Human Sciences Building	43,200,000			4,320,000	38,880,000			
2	Infrastructure Improvements	11,261,382				11,261,382			
3	Academic Center at Coastal Carolina College	24,600,000				2,200,000	22,400,000		
4	Trask Coliseum, Hanover Hall, and Natatorium Renovation	60,283,726				4,463,544	31,000,000	24,820,182	
5	Science Building	25,714,960				2,171,496	23,543,464		
6	Randall Library Space Renovation and Expansion	70,213,055					3,200,000	32,500,000	34,513,055
7	Hardened Strategic and Emergency Operations Center	10,659,369					2,600,000	8,059,369	
8	Social and Behavioral Science Modernization	9,282,828					1,400,000	7,882,828	
9	Morton Hall Modernization	8,369,528						1,100,000	7,269,528
10	Bear Hall Modernization	8,718,076						1,200,000	7,518,076
11	DeLoach Hall Modernization	10,140,038							10,140,038
12	Cameron School of Business Modernization	12,070,815							12,070,815
13	Arts & Sciences Building	25,714,960							25,714,960
	Western Carolina University								
1	Education and Allied Professions Building	40,187,000			4,018,700	18,084,150	18,084,150		
2	Steam Plant	32,402,000				3,240,200	14,580,900	14,580,900	
3	West Campus - Infrastructure Improvements	3,365,000				3,365,000			
4	Forsyth Building Renovation	10,100,000				1,010,000	9,090,000		
5	Graham Building - Conversion to Office Space	2,800,000				2,800,000			
6	Hunter Library Renovation, Phase 1	3,000,000					3,000,000		
7	Central Quad Landscaping Improvements	1,725,000					1,725,000		
8	New Science Building	40,000,000					4,000,000	36,000,000	
9	New Hospitality Management Center	14,200,000						14,200,000	
10	Coulter Building - Comprehensive Renovation	13,300,000							13,300,000
11	Belk Building - Comprehensive Renovation	17,300,000							17,300,000
12	Belk Building - Entry Renovations and Façade Improvements	1,380,000							1,380,000
	Winston Salem State University								
1	Student Activity Center - Budget Supplement	9,799,000			9,799,000				
2	Sciences and General Office Building	28,212,000		3,312,000	24,900,000				
3	Center for Design Innovation	1,500,000			1,500,000				
4	Hill Hall Conversion and Renovation	8,500,000				850,000	7,650,000		
5	Utilities Infrastructure Improvements	7,598,500				7,598,500			
6	General Classroom Building	36,479,000					3,647,900	16,415,550	16,415,550
7	R.J. Reynolds Renovation and Addition	11,163,677					11,163,677		
8	Hall Patterson Building and Anderson Hall Renovations	11,725,000						11,725,000	

Revised March 2008									
Six-Year Appropriated Capital Improvements Priorities 2007-2013 Worksheet									
Priority	Institution/Project	Request	Previously Appropriated		Funding Plan				
			Prior Years	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	UNC Center For Public Television								
1	Digital Asset Management System	11,000,000				6,000,000		5,000,000	
2	High Definition Video Server System	1,404,472			1,404,472				
	The North Carolina Arboretum								
1	Natural Products Laboratory	7,500,000				7,500,000			
2	Gateway Center Annex	15,105,000				1,510,500	13,594,500		
	Highlands Biological Station								
1	Residence Facility	2,890,000				2,890,000			
	NC Center for the Advancement of Teaching								
1	Renovation and Addition to NCCAT Main Building	4,450,000				4,450,000			
2	Equipment and Maintenance Building - Ocracoke	500,000					500,000		
3	Maintenance and Grounds Facilities Expansion - Cullowhee Campus	615,000					615,000		
4	Residence Halls	14,210,000						1,421,000	12,789,000
	N. C. Research Campus (Kannapolis)								
1	Equipment	18,000,000		4,000,000		14,000,000			
	UNC Health Care								
1	Inpatient Bed Tower/Operating Room Facility	325,500,000			16,275,000	148,450,000	160,775,000		
	All Constituent Institutions								
1	Fire Safety Improvements - Student Residence Halls	140,000,000			38,500,000	25,375,000	25,375,000	25,375,000	25,375,000
2	Land Acquisition	60,000,000		5,000,000	25,000,000	30,000,000			
3	Information Technology Infrastructure - University-wide	30,000,000				15,000,000	15,000,000		
4	UNC Library Central Storage Facility	25,000,000				2,500,000	22,500,000		
	Totals	6,802,901,496	11,300,000	129,949,000	724,217,812	1,253,573,370	1,653,971,791	1,464,746,149	1,565,143,375