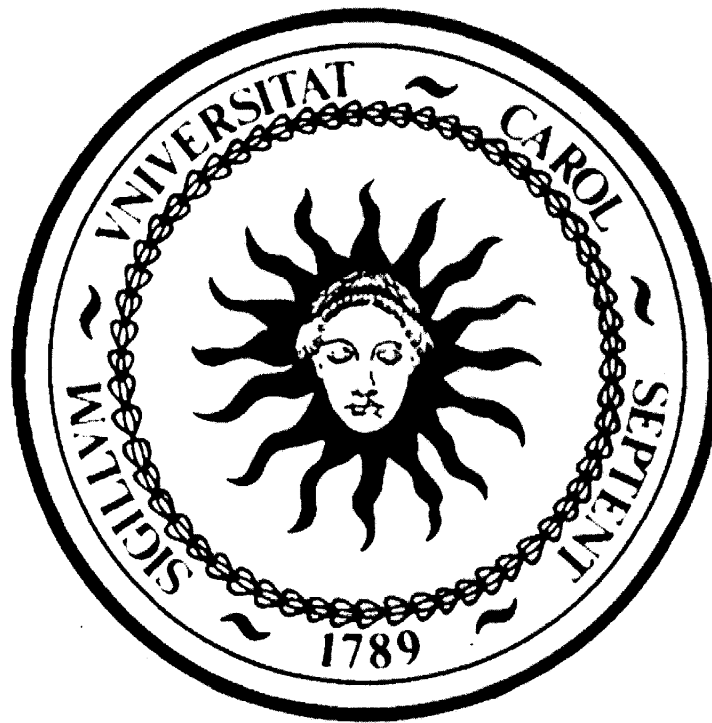


**2007-09 BUDGET PRIORITIES  
OF  
THE BOARD OF GOVERNORS  
THE UNIVERSITY OF NORTH CAROLINA**



**November 10, 2006**



# The University of North Carolina

## BOARD OF GOVERNORS

TO THE DIRECTOR OF THE BUDGET:

Transmitted herewith are the Budget Priorities of the Board of Governors of The University of North Carolina for the 2007-09 biennium, beginning July 1, 2007, and ending June 30, 2009.

These priorities are presented in compliance with the Executive Budget Act and with G.S. 116-11(9)a which requires that the Board of Governors shall "develop, prepare, and present to the Governor and the General Assembly a single, unified recommended budget for all of public senior higher education."

Funds are requested for: the continuation budget, salary increases for employees exempt from the State Personnel Act, and the expansion budget, including operating and capital budget priorities.

Additional operating appropriations totaling \$270,944,259 are requested for 2007-08, with further increases totaling \$216,357,855 requested for 2008-09. For capital improvements, \$403,878,199 is requested in 2007-08 to fund the highest priorities and \$523,848,801 is requested in 2008-09 for the next priorities. Repair and renovations funding of \$284,536,720 is also critical to maintaining the state's investment in University facilities.

### The Board of Governors of The University of North Carolina:

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Adelaide Daniels Key	

Jim W. Phillips, Jr.  
Chairman

November 10, 2006



# The University of North Carolina

GENERAL ADMINISTRATION

POST OFFICE BOX 2688, CHAPEL HILL, NC 27515-2688

Appalachian State  
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Elizabeth City  
State University

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Technical State  
University

North Carolina  
Central University

North Carolina  
School of  
the Arts

North Carolina  
State University  
at Raleigh

University of  
North Carolina  
at Asheville

University of  
North Carolina  
at Chapel Hill

University of  
North Carolina  
at Charlotte

University of  
North Carolina  
at Greensboro

University of  
North Carolina  
at Pembroke

University of  
North Carolina  
at Wilmington

Western Carolina  
University

Winston-Salem  
State University

## TO THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA

### Committee on Budget and Finance

Bradley T. Adcock	F. Edward Broadwell, Jr.
Brent D. Barringer	James E. Holshouser, Jr.
Peaches Gunter Blank	Peter Keber
R. Steve Bowden	David W. Young

Transmitted herewith are the budget priorities of the University of North Carolina for the 2007-09 biennium. It is presented in the modified format that was first used for the 2006-07 budget request, which is more targeted, concise, and prioritized. This document, developed in collaboration with the Chancellors, outlines the University's collective priorities for expansion budget funding in 2007-09.

The operating budget priorities include requests in ten key areas and are focused on items that would help meet pressing needs of the citizens of North Carolina. In particular, the top seven priorities are targeted to items that would enable the University to help make North Carolina competitive globally.

- The University's highest funding priority is securing additional resources for the UNC Need-Based Student Financial Aid Program. In 2006-07, the program will fall approximately \$12 million short of being able to serve all eligible North Carolina students. An increase of \$35.6 million in 2007-08 and another \$19.2 million in 2008-09 is requested to cover expected growth in the number of eligible students, ensure that any North Carolinian deemed eligible for a grant actually receives one, and hold recipients harmless from increases in the cost of education.
- Faculty are the University's greatest asset. If the University is to help North Carolina compete and prosper in a global knowledge-based economy, the campuses must recruit and retain the very best faculty. Three related items have been prioritized to accomplish this goal: a) competitive funding to bring the average faculty salary at each institution to the 80<sup>th</sup> percentile of the average salary of its peers; b) merit-based increases of 4% per year; and c) an increase in the Distinguished Professors Endowment Trust Fund.
- Student Success, with an emphasis on retaining and graduating students, is a priority that contains two items. The Academic Summer Bridge program would bring first-generation college students and other rising freshmen to campus during the summer to increase their preparedness for college. The University of North Carolina Online would provide a "virtual" online education center offering convenient, one-stop access to and delivery of UNC online degree and certificate programs.
- The Research priority focuses on established or emerging areas of excellence that can help the state and University compete nationally and globally. A Research Competitiveness Fund would enable strategic investments in emerging areas of importance to the economy of North Carolina. It is also critical that North Carolina attract and retain the very best graduate students, who contribute to the teaching and research missions of the University. Other needed investments in research include: funding for the North Carolina Research Campus at Kannapolis (six campuses), an emerging joint program in nanosciences at NCA&T and UNCG, the BRITE program at NCCU, a Photonics Consortium (three campuses) and the Research Vessel Hatteras.

- The University also plays a fundamental role in meeting North Carolina's need for more and better teachers and helping to improve the state's public schools. This priority is focused on four areas: Teacher Recruitment, Improving Low-Performing Schools, Supporting New Teachers, and Partnerships to Better Prepare K-12 Students. Targeting these four areas will make the most of existing programs and focus on those that provide the best outcomes.
- The University has placed an ongoing emphasis on developing academic programs and collaborations that respond to critical health-care needs in North Carolina. In keeping with that commitment, the Healthcare priority contains two items: Expanding Healthcare Services in North Carolina and Indigent Care.
- UNC is committed to responding to the economic needs and directions of the state. In the category of Regional & Statewide Economic Transformation and Competitiveness, three proposed investments are highlighted for consideration. First, North Carolina must have an ample supply of highly trained engineers to compete in today's global knowledge-based economy. Additional investments in NCSU's College of Engineering, over a multi-year period, are requested to make this happen. Three programs to support regional businesses and programs, as well as further funding for the Hickory Engineering and Technology Center, would facilitate collaborative research and partnerships with industry and local non-profits statewide.

The capital budget priorities present the Board of Governors' plan for capital projects in the areas of state appropriated capital improvements, repairs and renovations, and capital projects funded by nonappropriated sources. Funding is requested in three components:

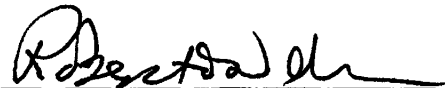
- Priority capital improvements needs reflect the significant investments required to properly support enrollment growth and establish/transform new and existing academic programs.
- The need for repairs and renovations remains high as the University works to extend the useful life of existing facilities and infrastructure.
- Capital improvements funded from nonappropriated sources reaffirm the University's commitment to use its own resources to supplement those provided by the state and to share in the financial responsibility for capital projects.

This document and the estimates contained herein were developed collaboratively by the Chancellors and senior officers of the constituent institutions, the President, and senior staff within The University of North Carolina General Administration.

Prepared and transmitted November 1, 2006.



Erskine B. Bowles, President



Robert O. Nelson, Vice President for Finance

## Table of Contents

	<u>Page</u>
<b>Operating Budget Priorities</b>	
Summary.....	1
Need-Based Financial Aid.....	4
Academic Salary Increases .....	4
Student Success and Retention and Graduation .....	5
Research .....	6
More and Better Teachers and Improved Schools.....	9
Healthcare .....	13
Regional & Statewide Economic Transformation and Competitiveness .....	14
Campuses Specializing in the Arts and Sciences .....	16
Disaster Recovery.....	16
Affiliated Entities .....	16
Continuation Budget (includes enrollment increases).....	17
<b>Capital Budget Priorities</b>	
Summary.....	18
Campus-Specific and University-wide Projects .....	19
Repairs and Renovations .....	32

**THE UNIVERSITY OF NORTH CAROLINA**  
**Summary - 2007-09 Operating Budget Priorities**

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
<b>1. Need-Based Financial Aid</b>	<b>35,605,210</b>	<b>19,200,000</b>
<b>2. Academic Salary Increases</b>	<b>116,783,547</b>	<b>115,930,504</b>
<i>a. Competitive Salaries for Faculty - 80th percentile of Peers</i>	43,879,435	43,879,435
<i>b. Merit-Based Increases - 4% each year</i>	70,904,112	72,051,069
<i>c. Distinguished Professorships</i>	2,000,000	-
<b>3. Student Success &amp; Retention and Graduation</b>	<b>6,380,000</b>	<b>2,880,000</b>
<i>a. Academic Summer Bridge &amp; Retention Pilot Programs</i>	2,180,000	880,000
<i>b. University of North Carolina Online</i>	2,000,000 <sup>R</sup>	2,000,000 <sup>R</sup>
	2,200,000 <sup>NR</sup>	
<b>4. Research</b>	<b>61,707,410</b>	<b>45,447,730</b>
<i>a. Competitiveness Fund</i>	15,000,000	15,000,000
<i>b. Graduate Student Recruitment &amp; Retention</i>	5,133,450	5,133,450
<i>c. Research Technologies</i>		
Center for Bioenergy Technologies	3,500,000	3,500,000
Computing-enabled Research Environment - RENCi	5,000,000	5,000,000
Center for Design Innovation	470,000	-
<i>d. NC Research Campus (Kannapolis)</i>	12,581,121 <sup>R</sup>	7,641,441 <sup>R</sup>
	13,700,000 <sup>NR</sup>	2,100,000 <sup>NR</sup>
<i>e. Joint Program in Nanosciences &amp; Nanoengineering</i>	2,919,500 <sup>R</sup>	1,419,500 <sup>R</sup>
	-	4,000,000 <sup>NR</sup>
<i>f. Biomanufacturing Research Institute and Technology         Enterprise Initiative (BRITE)</i>	2,000,000	-
<i>g. Photonics Consortium</i>	1,153,339	1,153,339
<i>h. Research Vessel Hatteras</i>	250,000 <sup>R</sup>	250,000 <sup>R</sup>
		250,000 <sup>NR</sup>
<b>5. More and Better Teachers &amp; Improved Schools</b>	<b>13,876,285</b>	<b>7,775,030</b>
<i>a. Teacher Recruitment</i>		
NC High Need Teacher Scholarship Loan Program	987,500	987,500
Lateral Entry Scholarship Program	1,625,000	1,625,000
Prospective Teacher Scholarship Loan Program	1,571,465	874,000
Future Teachers of North Carolina	325,000	-
Millennium Teacher Scholarships	130,000	260,000
Teacher Education Enrollment Planning & Recruitment Efforts	1,000,000	-
Summer Term Teacher Education Pilot Programs	750,000	750,000
Science, Technology, Engineering & Mathematics (STEM) Education	1,000,000	1,000,000
UNC/NCCCS Partnership Online 2+2 Joint Initiative	1,000,000	-
UNC Charlotte Lateral Entry Program	750,000	750,000
Support for Lateral Entry and Teacher Assistants: NCMTEC Program Expansion	360,320	128,530
Success for All	300,000	300,000

**THE UNIVERSITY OF NORTH CAROLINA**  
**Summary - 2007-09 Operating Budget Priorities**

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
<i>b. Improving Low-Performing Schools</i>		
Principals' Executive Program (PEP) and Kenan-Flagler Leadership Program for Priority Middle & High Schools	607,000	-
<i>c. Supporting New Teachers</i>		
New Teacher Support and Mentoring Aimed at Retention	2,156,000	1,100,000
NCCAT Connections Program	344,000	-
<i>d. Partnerships to Better Prepare K-12 Students</i>		
MSEN Pre-College Program	670,000	-
A+ Schools	100,000	-
North Carolina in the World (NCCIU)	200,000	-
<b>6. Healthcare</b>	<b>21,597,200</b>	<b>13,350,000</b>
<i>a. Expanding Healthcare Services in NC</i>		
ECU Dental School - pending BOG approval	1,300,000	-
Area Health Education Centers	3,097,200	-
Graduate Nurse Scholarships for Faculty Production	1,200,000	-
Nurse Scholars Program	2,750,000	100,000
UNC-CH Schools of Medicine and Dentistry - Pipeline Programs	750,000	750,000
<i>b. Indigent Care</i>		
East Carolina University	5,000,000	5,000,000
UNC Hospitals	7,500,000	7,500,000
<b>7. Regional &amp; Statewide Economic Transformation and Competitiveness</b>	<b>9,600,000</b>	<b>10,000,000</b>
<i>a. NCSU College of Engineering</i>	5,000,000	10,000,000
<i>b. Small Business Assistance</i>		
Entrepreneurship and Regional Cluster-based Economic Development	2,000,000	-
Support for North Carolina Communities	1,000,000	-
Management Academy for High Growth Companies	1,000,000	-
<i>c. Hickory Engineering and Technology Center</i>	600,000	-
<b>8. Campuses Specializing in the Arts &amp; Sciences</b>	<b>1,250,000</b>	<b>1,250,000</b>
<b>9. Disaster Recovery</b>	<b>400,000</b>	<b>-</b>
	<b>2,000,000 NR</b>	

**THE UNIVERSITY OF NORTH CAROLINA**  
**Summary - 2007-09 Operating Budget Priorities**

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
<b>10. Affiliated Entities</b>	<b>1,744,607</b>	<b>524,591</b>
<i>a. NCSSM Tuition Grant</i>	401,133	224,591
<i>b. UNC-TV Statewide Public Affairs and Informational         Program Services</i>	878,485	—
<i>c. NC Arboretum Educational Outreach and Economic         Development</i>	300,000	300,000
<i>d. UNC Press Digital Books</i>	164,989	—
 <b>Total Budget Priorities - recurring</b>	 <b>253,044,259</b>	 <b>210,007,855</b>
<b>Total Budget Priorities - nonrecurring</b>	<b>17,900,000</b>	<b>6,350,000</b>
 <b>Total 2007-09 Budget Priorities</b>	 <b>270,944,259</b>	 <b>216,357,855</b>

<b>Continuation Budget</b>	<b>2007-08</b>	<b>2008-09</b>
Authorized Continuation Budget	2,433,985,463	2,574,379,052
Enrollment	48,312,908	45,772,062
Operating Reserves for New Facilities	26,918,321	13,125,471
Utilities	15,750,590	1,740,860
Required Staff Benefits & Continuing Personnel Costs	13,991,483	2,016,306
Replacement of Vehicles and Equipment	16,381,467	(7,445,218)
Inflationary Increase - Library Books and Materials	7,509,844	2,545,140
Other Adjustments	11,528,976	3,158,817
<b>Total Continuation Budget Increases</b>	<b>140,393,589</b>	<b>60,913,438</b>
 <b>TOTAL Continuing Operations</b>	 <b>2,574,379,052</b>	 <b>2,635,292,490</b>

\* At the request of the Office of State Budget and Management, \$67,638,016 currently appropriated from the Escheats fund was also included in the continuation budget to be replaced with a General Fund appropriation. It is not added in this list since it would be a change in funding source but not an increase in the total budget.

Note: All requests are for recurring funding unless noted NR (nonrecurring). Amounts in the second year of the biennium are listed as the additional amount needed over and above the first year.



# THE UNIVERSITY OF NORTH CAROLINA

## 2007-09 Operating Budget Priorities

	2007-08 Request	2008-09 Additional Request
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### 1. Need-Based Financial Aid

35,605,210

19,200,000

The UNC Need-Based Student Financial Aid Program currently serves more than 35,000 North Carolina resident undergraduate students. This additional funding would cover expected growth in the number of students eligible for this critical financial aid program, ensure that any North Carolina student who is eligible for the need-based grant actually receives one, and hold recipients harmless from increases in the cost of education. Importantly, data analysis confirms that many needy North Carolinians apply for college late in the financial aid cycle - often after most of the funding for the Need-Based Grant Program has been exhausted. This year, the program falls approximately \$12 million short of being able to serve all eligible applicants. To ensure that all eligible students can benefit from the program and to address expected increases in enrollment and educational costs, the Board of Governors requests recurring funding of \$35.6 million for the program in 2007-09 and an additional \$19.2 million in 2008-09. Grant funding follows eligible students to the institution where they enroll.

In addition, the Board of Governors recommends that funding for the Need-Based Financial Aid program be included as a part of the continuation budget, thereby ensuring access to the University for students who require financial aid in order to attend college.

### 2. Academic Salary Increases

116,783,547

115,930,504

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 2007-09, the Board of Governors requests three 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% per year increase in the current salary base for all EPA employees; and 3) an increase in the state funding available to match private funding for Distinguished Professorships. 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

43,879,435

43,879,435

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 a total of \$87,758,870 — over the two year period of the biennium — 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.

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 2005 data; the Board's 2008-09 Supplemental Budget Request will be adjusted using 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 \$87,758,870 over the biennium to raise the faculty salaries at each institution to the 80th percentile of peer institutions.

- ASU - \$5,924,672 over two years
- ECU - \$6,483,929 over two years
- ECSU - \$696,491 over two years
- FSU - \$2,417,826 over two years
- NCA&T - \$2,214,333 over two years
- NCCU - \$521,097 over two years
- NCSA - \$1,486,849 over two years

**THE UNIVERSITY OF NORTH CAROLINA  
2007-09 Operating Budget Priorities**

<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
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*Competitive Salaries for Faculty - 80th percentile of Peers (continued)*

NCSU - \$17,908,203 over two years  
 UNCA - \$2,668,111 over two years  
 UNC-CH - \$20,729,072 over two years  
 UNCC - \$7,115,852 over two years  
 UNCG - \$8,726,810 over two years  
 UNCP - \$2,053,132 over two years  
 UNCW - \$3,186,858 over two years  
 WCU - \$3,865,467 over two years  
 WSSU - \$1,760,168 over two years

**b. Merit-Based Increases - 4% each year**

70,904,112

72,051,069

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% per year 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 biennium. 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% per year, 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**

2,000,000

—

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. During 2005-06 and 2006-07, state funds were exhausted within the first quarter of the fiscal year, creating a situation where the state match was not available and private funding remained unused. As of September 30, 2006, the \$8 million in recurring appropriation had been expended and there were still 13 professorships qualifying for transfers to the institutions and an additional 28 that would qualify for escrow if funds were available. It is anticipated that the number of unmatched professorships will continue to increase during 2006-07. The Board of Governors requests an additional recurring appropriation of \$2,000,000 to assist in reducing the backlog of professorships awaiting state funding and to permanently increase the availability of state matching funds.

**3. Student Success & Retention and Graduation**

6,380,000

2,880,000

**a. Academic Summer Bridge & Retention Pilot Programs**

2,180,000

880,000

This program would be an intensive, rigorous summer program for students who are first generation college students or students who require additional academic preparation to transition from the high school classroom to the college environment. Students would enroll in courses for credit that meet both the degree requirements for their academic major and enhance their preparedness for college success. It is requested that funds for this program be available during both the first and second summer sessions of each fiscal year. This investment would have significant impact on improving student retention and graduation rates of the participating institutions. In the first year, the program would take place at ECSU, FSU, NCA&T, NCCU, UNCP, WCU, WSSU, funded at \$250,000 each. It is anticipated that at least one additional campus would be added in the second year of the biennium.

In order to further maximize the success of students at these institutions, it is requested that additional funding be made available to develop support programs focused on improving their retention and graduation rates. Plans for NCCU and UNCP would be developed in Spring 2007, with funding currently available to the campuses and General Administration. The additional \$430,000 requested in 2007-08 would be used to implement the plans at NCCU and UNCP and develop plans for five other campuses (ECSU, FSU, NCA&T, WCU, and WSSU). The additional \$630,000 requested in the second year of the biennium would be used to implement the plans developed for those five campuses.

# THE UNIVERSITY OF NORTH CAROLINA 2007-09 Operating Budget Priorities

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
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**b. University of North Carolina Online**

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. Distance 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, UNC campuses already offer 90 fully online degree programs (far more than the University of Phoenix) and others are planned to meet the growing demand. The Board of Governors requests funding to develop and maintain the University of North Carolina Online, a "virtual" online education center with related support and technology infrastructure that would provide convenient one-stop access to and delivery of UNC online degree and certificate programs. Special components of this electronic clearinghouse would be developed to serve specific groups of learners such as adult learners, community college graduates, and military personnel stationed in North Carolina. It would also provide coordinated outreach to national and international audiences that would generate revenue to support ongoing program improvements. While providing centralized functions and services that are most efficiently addressed at the system level, the University of North Carolina Online would enable each UNC campus to emphasize and build on its unique identity and academic strengths. Collaborations among multiple campuses in offering online programs and providing related student services would be a priority for funding support, which would be distributed on a competitive basis. Requested funds would support project design and development, technology infrastructure, student services modules, course development and faculty support, quality assurance coordination, and market research and public awareness activities.

	2,000,000 R	2,000,000 R
	2,200,000 NR	

**4. Research**

	<b>61,707,410</b>	<b>45,447,730</b>
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**a. Competitiveness Fund**

Funding is requested to create a research competitiveness fund to support strategic investments in emerging areas of importance to the economic competitiveness of the state. The awards would emphasize interdisciplinary research to encourage the involvement of multiple campuses. The fund would be focused on, but not limited to, areas such as: Nanosciences, Marine Sciences, Natural Products, Environmental Sciences, Information Technology, Biomanufacturing, Port Logistics, Marine Aerodynamics, Pharmacogenomics, Biomedical Sciences, Advanced Materials Sciences and Biotechnology. The program would invest in disciplines that have been identified by the NC Department of Commerce and the Pappas report (Staying A Step Ahead: Higher Education Transforming North Carolina's Economy) as crucial to making North Carolina more competitive in the global marketplace. Similar programs have proven successful in California, Arizona, Georgia, and New York.

	15,000,000	15,000,000
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**b. Graduate Student Recruitment & Retention**

National and global competitiveness are directly linked with the perceived quality of a graduate program. Competitiveness is also linked to the quality of the graduate faculty 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 through the building of regional intellectual capital. Typically these factors reinforce one another in an upward spiral. Becoming noncompetitive for either graduate students or faculty can have the opposite effect, precipitating a downward spiral. Remaining competitive requires that UNC graduate programs have the resources to offer stipends and tuition assistance on par with other universities.

	5,133,450	5,133,450
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While there is broad interest in UNC's programs, campuses must offer competitive support to convert interest into actual enrollments. The last action by the General Assembly to increase the number of graduate tuition remissions occurred during the 1999 legislative session. Since then, more than 150 new graduate programs have been added and there has been more than a 25 percent increase in the number of graduate students. With the continuing growth in the number of graduate programs and graduate enrollments, the campuses have identified tuition remission increases as an extremely important component of maintaining competitiveness.

# THE UNIVERSITY OF NORTH CAROLINA

## 2007-09 Operating Budget Priorities

**2007-08  
Request**

**2008-09  
Additional  
Request**

### *Graduate Student Recruitment & Retention (continued)*

The request is based on the following factors for each institution: (1) number of new graduate programs since 1999; (2) number of graduate degrees awarded; (3) nonresident graduate population; and (4) sponsored research funding. To meet the needs articulated by the campuses, the Board of Governors requests funding for 900 new graduate tuition remissions, with 384 based on the number of new graduate degree programs and 516 based on the weighted formula. The basis for calculating the budget request is presented below, by campus. When making final allocations of graduate tuition remissions, the President and the Chancellors will consider the role of the University in maximizing the state's economic competitiveness in the global economy. Actual allocations may be modified so that funding is optimized in disciplines with the greatest potential for stimulating economic transformation. The recurring request is for \$10,266,900 over the biennium.

ASU - 20 new remissions/\$191,660 over two years  
 ECU - 88 new remissions/\$907,808 over two years  
 ECSU - 15 new remissions/\$127,396 over two years  
 FSU - 15 new remissions/\$143,850 over two years  
 NCA&T - 44 new remissions/\$421,740 over two years  
 NCCU - 19 new remissions/\$182,040 over two years  
 NCSA - 4 new remissions/\$45,736 over two years  
 NCSU - 188 new remissions/\$2,265,024 over two years  
 UNCA - 4 new remissions/\$39,756 over two years  
 UNC-CH - 216 new remissions/\$3,023,568 over two years  
 UNCC - 116 new remissions/\$1,184,012 over two years  
 UNCG - 78 new remissions/\$861,900 over two years  
 UNCP - 18 new remissions/\$169,326 over two years  
 UNCW - 24 new remissions/\$236,088 over two years  
 WCU - 31 new remissions/\$297,136 over two years  
 WSSU - 20 new remissions/\$169,860 over two years

### *c. Research Technologies*

#### Center for Bioenergy Technologies (NCSU)

3,500,000

3,500,000

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.

#### Computing-enabled Research Environment - RENCi (UNC-CH)

5,000,000

5,000,000

The Board of Governors requests funds to expand the computing-enabled research environment that supports multidisciplinary research, education, service and state competitiveness at UNC-Chapel Hill in order to attract additional awards from the National Institute of Health, the National Science Foundation, the Department of Energy, NASA, and industry. Computing resources will be central to research and discovery in biomedicine, genetics, cancer research, medical imaging, nanomaterials, marine sciences, chemistry, astronomy, physics and other disciplines. Funds for the Renaissance Computing Institute (RENCi) would be used for advanced, high-speed computing capability and engagement staff, and as an enabler of UNC-CH's research mission. This would enable deployment of a leading computing, storage, visualization and collaboration infrastructure. The funding would likely benefit other campuses who also need access to this type of advanced computing structure.

**THE UNIVERSITY OF NORTH CAROLINA  
2007-09 Operating Budget Priorities**

	2007-08 Request	2008-09 Additional Request
<i>Research Technologies (continued)</i>		
<u>Center for Design Innovation (NCSA &amp; WSSU)</u>	470,000	—
The Center for Design Innovation (CDI), an inter-institutional center of NCSA and WSSU, brings together students, faculty, entrepreneurs, business, industry, the arts and the community to embrace both the importance of design and the power of innovation. The Center, established in 2004, combines design-based educational programming, research and commercialization activities under one roof. The Center is uniquely positioned to help all constituents effectively integrate design and innovation into products and services, to achieve exceptional market recognition and value. The CDI focuses on the use of advanced technology in an extremely creative, multidisciplinary, collaborative environment that is accessible to a diverse body of students, faculty, business partners, and community organizations, to reach new heights of innovation and achieve exceptional results. The Board of Governors requests recurring funds of \$470,000 for the Center for Design Innovation.		
<i>d. North Carolina Research Campus (Kannapolis)</i>	12,581,121 R	7,641,441 R
The North Carolina Research Campus in Kannapolis would combine the research power of the University of North Carolina and the workforce training capacity of the North Carolina Community College System with the know-how 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. Specifically, North Carolina State University, North Carolina A&T State University, UNC-Chapel Hill, UNC Greensboro, UNC Charlotte, and North Carolina Central University will participate in the collaborative research activities at the Campus, and additional funding is requested to support their involvement.		
	13,700,000 NR	2,100,000 NR
<i>e. Joint Program in Nanosciences &amp; Nanoengineering (NCA&amp;T and UNCG) - pending BOG approval</i>	2,919,500 R	1,419,500 R
The Board of Governors requests 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 purpose of the School would be to 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. Any new degree programs would require Board of Governors approval before funding would be dispersed. The Board of Governors requests recurring funding of \$2,919,500 in 2007-08 and an additional \$1,419,500 in recurring funding plus \$4 million in nonrecurring funding in 2008-09 to support this initiative.		
	—	4,000,000 NR
<i>f. Biomanufacturing Research Institute &amp; Technology Enterprise Initiative (NCCU)</i>	2,000,000	—
North Carolina Central University currently has approximately \$5 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 \$2 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.		

**THE UNIVERSITY OF NORTH CAROLINA  
2007-09 Operating Budget Priorities**

	2007-08 Request	2008-09 Additional Request
<b>g. Photonics Consortium (NCSU, UNCC, WCU)</b>	1,153,339	1,153,339
Funds for the Carolina Photonics Center (CPC) would provide a foundation for technological and economic development by providing companies with access to knowledgeable and skilled workers, as well as university-developed technologies and research, to maintain competitiveness. Photonics, or light-based, technologies are used in a broad spectrum of industries such as communications, medical devices, automotive, and defense and security, with an estimated market of \$250 billion and 12% annual growth. North Carolina has made significant investments in photonics equipment and facilities and has a strong university research community focused in this area. The Center, a partnership consisting of North Carolina State University, UNC Charlotte, and Western Carolina University, as well as Duke and Clemson Universities, would coordinate resources and have a greater direct economic impact through technology commercialization, creation of start-ups, and attraction of new photonics-related companies to the state. It would provide a bridge between universities and industry to identify existing and new opportunities for collaborative projects that are responsive to the technology and work-force needs of industry. Recurring funding of \$2,306,677 is requested over the biennium, which would be allocated to NCSU, UNCC, and WCU.		
<b>h. Research Vessel Hatteras</b>	250,000 R	250,000 R 250,000 NR
The Duke/UNC Oceanographic Consortium (DUNCOC) was formed to operate the National Science Foundation (NSF) research vessel, R/V Cape Hatteras. Over the last 20 years, the ship has served as a national oceanographic facility and has also addressed research and educational needs of the UNC system, Duke, and the state of North Carolina. Recurring funding of \$500,000 over the biennium is requested for additional ship time for UNC scientists and additional nonrecurring funds of \$250,000 in 2008-09 would be used to renovate the dock. In addition to improving the program, these funds could be leveraged as state matching support when DUNCOC competes to operate a replacement research vessel. The Hatteras is due to be replaced in 2011; however, North Carolina will have to compete with other states to operate NSF's future research vessel on the east coast and a major decision criteria will be the level of state matching support. Benefits of having the vessel in North Carolina include the opportunities to enhance research and educational collaborations around critical issues such as Navy sonar research, declining fish populations, sea level rise on the NC coast, and the ocean observing systems.		
<b>5. More and Better Teachers &amp; Improved Schools</b>	<b>13,876,285</b>	<b>7,775,030</b>
<b>a. Teacher Recruitment</b>		
<u>Student Scholarship Programs</u>		
Scholarship funding is a key element in recruiting students into the teaching profession. UNC proposes two new scholarship programs: (1) <i>NC High Need Teacher Scholarship Loan Program</i> would help attract prospective teachers into high need licensure areas such as science and mathematics, and (2) <i>Lateral Entry Scholarship Program</i> would facilitate the alternative or lateral entry route into teaching.		
The NC High Need Teacher Scholarship Loan Program would provide each of the 15 teacher preparation programs in the University with scholarships for in-state prospective teachers seeking licensure in high need areas. Funding would provide for 150 scholarships in 2007-08 and 300 in 2008-09 systemwide for freshmen and community college transfer students. The Lateral Entry Scholarship Program would make scholarships available to individuals with a bachelor's degree who are currently teaching in a NC public school. In addition, funds are required to continue and fully implement three targeted recruitment programs previously instituted by the General Assembly (Prospective Teacher Scholarship Loan Program, the Future Teachers of North Carolina program, and the Millennium Teacher Scholarships). If funded, specific qualifications for and administration of the new programs would be determined by the Board of Governors and State Education Assistance Authority.		
<u>NC High Need Teacher Scholarship Loan Program</u>	987,500	987,500
<u>Lateral Entry Scholarship Program</u>	1,625,000	1,625,000
<u>Prospective Teacher Scholarship Loan Program</u> (students pursuing NC teaching careers)	1,571,465	874,000
<u>Future Teachers of NC</u> (university juniors & seniors pursuing teaching certain disciplines)	325,000	-
<u>Millennium Teacher Scholarships (ECSU, FSU, WSSU)</u>	130,000	260,000

# THE UNIVERSITY OF NORTH CAROLINA

## 2007-09 Operating Budget Priorities

	2007-08 Request	2008-09 Additional Request
<i>Teacher Recruitment (continued)</i>		
<u>Teacher Education Enrollment Planning and Recruitment Efforts</u>	1,000,000	—
<p>UNC has secured a national recruitment organization to work with UNC campuses to develop North Carolina's first-ever statewide teacher recruitment plan, which would be implemented in partnership with community colleges, NCDPI, and other educational entities. The University has ambitious goals to increase the supply of new teachers available to meet the state's needs. This aggressive plan requires UNC's fifteen teacher education programs to increase their collective productivity by 64% within a five year period. At the end of five years, UNC will be producing 5,908 potential teachers (traditional graduates plus alternative completers), and at the ten-year mark, 7,208 potential teachers.</p> <p>However, the current strategies for recruiting individuals into the pipeline of potential teachers are not enough to meet these goals. The recruitment plan will assess the current perceptions of and attitudes towards teaching held by the major target populations for recruitment (the military, Community College students, high school students, individuals considering teaching as a second career, and undergraduate students across the University). The next phase, planning, will result in an action plan that will identify the best ways to expand existing recruitment programs and identify new methods that would prove successful. This funding would be used to implement the methods that are proven to be most successful. Funds would be available to UNC campuses as a 1:1 match, with requirements for external grant and corporate support matching funds.</p>		
<u>Summer Term Teacher Education Pilot Programs (FSU &amp; UNCW)</u>	750,000	750,000
<p>Summer school programs can reduce the time needed to earn a degree, however the state does not currently appropriate funding for the University's summer term on-campus courses. Consequently, summer tuition rates at most campuses are higher and financial aid is generally not available. To help address the statewide teacher shortage, UNCW proposes to introduce a trimester pilot for selected teacher education areas (special education licensure only, pre-school add-on, secondary licensure only, elementary education licensure only, and elementary education). Under the UNCW proposal, prospective teachers would be able to complete a program in three years by utilizing the summer term, and teachers without certification could gain certification through licensure only programs. FSU has proposed a broader pilot program in summer term funding. FSU would focus on teacher education, but also offer other high-demand programs such as nursing, mathematics, and computer science. The requested funding would cover faculty, staff, materials, and some scholarship support.</p>		
<u>Science, Technology, Engineering &amp; Mathematics (STEM) Education (NCSU &amp; UNC-CH)</u>	1,000,000	1,000,000
<p>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 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.</p>		

**THE UNIVERSITY OF NORTH CAROLINA  
2007-09 Operating Budget Priorities**

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
<i>Teacher Recruitment (continued)</i>		
<u>UNC/NCCCS Partnership Online 2+2 Joint Initiative</u>	1,000,000	—
<p>This is a joint project between the University and the NC Community College System, for which the University has received a series of nonrecurring appropriations. Those nonrecurring funds focused on course development aimed at putting fully articulated degree programs online and providing greater access to these programs, which are targeted at high-need teacher licensure areas. The prior funds have been used to begin the development of online 2+2 degree programs in elementary education, special education, birth through kindergarten, middle grades education with concentrations in mathematics and science, secondary mathematics education, and secondary science education. Dependent on the availability of recurring University funding, the State Board of Education Chairman, the President of the N.C. Community College System, and the UNC President have agreed that funds would be used to support joint technology development, for systems to track student progress and articulation among NC Community Colleges and UNC campuses, and to develop technology to support online courses and 2+2 programs.</p>		
<u>UNC Charlotte Lateral Entry Program</u>	750,000	750,000
<p>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. Finally, 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.</p>		
<u>Support for Lateral Entry and Teacher Assistants: NC Model Teacher Education Consortium (NCMTEC) Program Expansion</u>	360,320	128,530
<p>The NC Model Teacher Consortium has been very effective in supporting North Carolina teacher assistants pursuing teaching degrees and licensure and in supporting other lateral entry teachers across the State. Last year, 1,000 teachers had licenses cleared with assistance from the Consortium. This request would expand the services of the Consortium to many more potential teachers. Increased recurring funds of \$360,320 during the first year of the biennium and an additional \$128,530 during the second year are requested to expand and then maintain services to lateral entry teachers working in the Cumberland County School System. The second year, funds would also expand services to teachers employed in Winston-Salem/Forsyth County Schools. During the 2005-06 school year, Cumberland County employed 328 lateral entry teachers and Winston-Salem/Forsyth County schools employed 197.</p>		
<u>Success for All (ECU)</u>	300,000	300,000
<p>The College of Education at East Carolina University has agreed to partner with the National Success for All Foundation to identify four elementary and two middle schools in which to pilot the Success for All reading program. Data reveals that students in Success for All reading programs have achievement results that far exceed the average performance of students in other schools. The collaboration would help the Success for All Foundation identify appropriate schools in eastern North Carolina and enable East Carolina University to integrate additional methods for teaching reading into its curriculum. The project would be evaluated to assess its effectiveness. The Board of Governors requests recurring funds of \$300,000 in 2007-08 and an additional \$300,000 in 2008-09.</p>		



**THE UNIVERSITY OF NORTH CAROLINA  
2007-09 Operating Budget Priorities**

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
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**b. Improving Low-Performing Schools**

Principals' Executive Program (PEP) and Kenan-Flagler Leadership Program  
for Priority Middle & High Schools

607,000

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Struggling North Carolina schools cannot make sustained improvements unless the principals and administrators have the right set of management and leadership skills. The Principals' Executive Program and the Kenan-Flagler Business School at UNC-Chapel Hill have designed a leadership program that blends PEP'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 middle and high schools. The requested budget would fully fund one additional group each of high school and middle school leadership teams. Both PEP and Kenan-Flagler would design these programs as a year-long seminar modeled after present programming. The total annual cost of these programs is \$607,000, which would serve up to 110 participants. Funding would cover the cost of Kenan-Flagler's services, instructor fees, books and materials, lodging and venue rental.

**c. Supporting New Teachers**

National studies point to two major improvements that can positively impact the quality of teacher preparation and development: (1) provide prospective teachers earlier and more frequent field-based classroom experiences, and (2) continue to support new teachers through their first three years in the classroom. 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

2,156,000

1,100,000

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. The Board of Governors requests recurring funds of \$2,156,000 in 2007-08 and an additional \$1,100,000 in 2008-09 for new clinical faculty positions. These new faculty would provide ongoing tracking and selected services to teachers completing UNC teacher education programs. In 2007-08, a total of 29 non-tenure track clinical faculty positions would be distributed to the 15 teacher education programs in proportion to the number of new teachers they produced. In 2008-09, a total of 15 additional positions would be distributed. 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.

NC Center for the Advancement of Teaching - Connections Program

344,000

—

The Board of Governors requests recurring funding of \$344,000 for the NC Center for the Advancement of Teaching's Connections Program for Initially Licensed Teachers. Connections is a year-long program designed to reduce the attrition rate among beginning teachers, improve the quality of their first year in the classroom, and strengthen mentoring programs in school systems. NCCAT would focus expanded efforts on reaching beginning teachers in school systems with high turnover rates for first-year teachers.

**d. Partnerships to Better Prepare K-12 Students**

Mathematics Science Education Network (MSEN) Pre-College Program

670,000

—

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.

**THE UNIVERSITY OF NORTH CAROLINA  
2007-09 Operating Budget Priorities**

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
<i>Partnerships to Better Prepare K-12 Students (continued)</i>		
<u>A+ Schools (UNCG)</u> The A+ Schools Program based at UNC Greensboro is an integrated whole-school reform model developed in North Carolina as a public-private partnership in 1995. It has been implemented by five other states through training provided by UNCG. The A+ Schools Program currently serves over 16,000 students and 1,800 teachers/administrators in K-12 public schools in North Carolina, and received legislative funding of \$100,000 recurring and \$100,000 nonrecurring in 2006-07. These funds were used to continue professional development for the current A+ schools and to develop a plan to train 40 new schools in 2007-2009 and 50 new schools in 2010-12. This request would continue this initiative by making the nonrecurring \$100,000 appropriation a recurring allocation.	100,000	—
<u>North Carolina in the World</u> The North Carolina in the World project, a program of the NC Center for International Understanding, received nonrecurring funding for the past two fiscal years. Recurring funds are requested to continue the activities supported by the \$200,000 in one-time funds.	200,000	—
<b>6. Healthcare</b>	<b>21,597,200</b>	<b>13,350,000</b>
<i>a. Expanding Healthcare Services in North Carolina</i>		
<u>Dental School (ECU) - pending BOG approval</u> 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 \$1,300,000.	1,300,000	—
<u>Area Health Education Centers</u> The Board of Governors requests additional funds for AHEC in three crucial areas. The first is program enhancement for the following: Special Initiatives to Address Health Workforce Shortages (Allied Health, Dentistry, Nursing, and Pharmacy); Latino and Workforce Diversity Initiatives; Primary Care Residency Training; Information Technology; Mental Health Reform and Health Care Quality Initiatives; and the Council for Allied Health in North Carolina. Additionally, the Board of Governors requests funding for the establishment of an 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. The Board also requests funds to assist the Area L AHEC, which is the smallest and most rural AHEC. It serves a five-county region that is one of the poorest in the state (Halifax, Northampton, Edgecombe, Wilson and Nash). Recurring funds would be used to match local funds for providing educational facilities.	3,097,200	—
<u>Graduate Nurse Scholarships for Faculty Production</u> The 2006 session of the General Assembly created this program to fund nurses seeking graduate degrees to teach nursing. Eighty awards at \$15,000 were funded for the 2006-07 (initial year) and must be renewed for 2007-08. Additional funding is required to offer scholarships to additional students.	1,200,000	—
<u>Nurse Scholars Program</u> The General Assembly increased the dollar value of awards from \$3,000 for an associate degree and \$5,000 for a baccalaureate degree to a maximum of \$6,500 during the 2006 summer session. The requested amounts would fund the General Assembly's intention of raising the award to be comparable to the Teaching Fellows and attract more students to the nursing field.	2,750,000	100,000

**THE UNIVERSITY OF NORTH CAROLINA**  
**2007-09 Operating Budget Priorities**

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
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*Expanding Healthcare Services in North Carolina (continued)*

UNC-CH Schools of Medicine and Dentistry - Pipeline Programs

750,000

750,000

The Board of Governors requests additional funds to increase health profession opportunities for disadvantaged students in the Schools of Medicine and Dentistry. UNC-Chapel Hill administers three pipeline programs in partnership with four other campuses (FSU, NCA&T, NCCU, and UNCP) to identify and facilitate the applications of motivated students at three critical steps: while they are in high school; while they are in college; and, during their health professional training. Since 1974, these programs have been funded primarily from federal grants, but were recently eliminated from the federal budget. The requested funds would restore the lost revenue.

**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 and 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 \$10,000,000 in recurring funds over the biennium for ECU's Brody School of Medicine and \$15,000,000 over the biennium for UNC Hospitals.

East Carolina University  
 UNC Hospitals

5,000,000  
 7,500,000

5,000,000  
 7,500,000

**7. Regional & Statewide Economic Transformation and Competitiveness**

**9,600,000**

**10,000,000**

**a. NCSU College of Engineering**

5,000,000

10,000,000

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 a great engineering school—and that takes investment. 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 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 the 2007-09 biennium, 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, mechanical engineering, electrical engineering, computer science, and materials science and engineering. In later phases beyond the 2007-09 biennium, additional investment will be needed to strengthen and support other critical engineering infrastructure and programs, including nanotechnology, advanced materials and manufacturing, and robotics and sensors technologies.

# THE UNIVERSITY OF NORTH CAROLINA

## 2007-09 Operating Budget Priorities

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
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*b. Small Business Assistance*

Entrepreneurship & Regional Cluster-based Economic Development (NCSU)

2,000,000

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North Carolina State University's extension, engagement and economic development functions have a demonstrated track record of success in working with manufacturers, small businesses and entrepreneurs throughout the state. This can be seen directly with NCSU's Industrial Extension Service and College of Management. These efforts are critical to the University's research enterprise and technology transfer. Furthermore, county and regional-based economic development entities have been working with the faculty and utilizing other university resources in efforts to recruit companies that are aligned with regional-based industry clusters. The NCSU Economic Development Partnership has modeled a results-oriented way of assisting these economic entities in economic development plans for communities. The Board of Governors request additional funding for NC State to expand the activities of the Industrial Extension Service, foster new microenterprises, capture the production of new high technology-based products; and pursue focused recruitment and retention efforts in high-priority job clusters.

Support for North Carolina Communities (UNC-CH)

1,000,000

—

Recurring funds of \$1,000,000 are requested to expand the UNC-Chapel Hill School of Government's (SOG) capacity to help state and local policymakers build sustainable economies in communities throughout North Carolina. North Carolina's ongoing economic-base transformation and the challenges it presents for state and local government have created a demand for training and support in the public and nonprofit sectors that far exceeds the program's current capacity. Discussions with a diverse group of stakeholders have identified the following critical areas in which the SOG would be able to provide direct support to improve the community and economic development competencies of the state's civic leadership:

- *Process design and implementation:* teaching & supporting good processes for economic development, especially providing direct assistance for community visioning/planning and assessment efforts;
- *Context and impact:* helping government officials understand the definition, context, and impact of economic development on communities via advising, training, and publications; and
- *Research to support the practice:* improving the capacity of NC's leaders to make informed choices from among various economic development programs and approaches by providing data on the kinds of strategies that work best in different settings and circumstances.

Management Academy for High Growth Companies (UNC-CH)

1,000,000

—

Studies show that 30-40% of new job creation comes from 3-4% of companies. These "gazelles" face significant management challenges as they grow, challenges that will slow growth if not addressed. There are few existing vehicles to help these companies that have the potential to serve as North Carolina's economic engines face these challenges, which differ from the typical challenges faced by medium- and large-sized corporations traditionally served by executive education courses. The Board of Governors requests additional recurring funding of \$1,000,000 for UNC-CH's Kenan-Flagler Business School to create a Management Academy to assist these companies in getting the training they need to be successful. Funding would be used to develop the unique curriculum needed to serve these companies and to hire new faculty to deliver it.

*c. Hickory Engineering and Technology Center*

600,000

—

The Board of Governors requests recurring funds to support the operating costs and development of Engineering Technology programs in Hickory. For an area that has been so severely affected by job losses, the Center is envisioned as a place that would function to support and stimulate economic development. The Board of Governors also recommends that the Hickory Metro Higher Education Center and the local community colleges be included in the development of a joint long-range plan for providing higher education in the greater Hickory area. The Board of Governors requests funds to support the administrative oversight of academic program delivery in the area through ASU, WCU, UNCC, and UNC General Administration in collaboration with the NC Community College System.

**THE UNIVERSITY OF NORTH CAROLINA  
2007-09 Operating Budget Priorities**

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
<b>8. Campuses Specializing in the Arts &amp; Sciences</b>	<b>1,250,000</b>	<b>1,250,000</b>
<p>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.</p>		
North Carolina School of the Arts	500,000	500,000
University of North Carolina at Asheville	500,000	500,000
North Carolina School of Science and Mathematics	250,000	250,000
<b>9. Disaster Recovery</b>	<b>400,000</b>	<b>—</b>
<p>Each of the 16 campuses and UNC-GA is responsible for their own disaster recovery plan. Each campus IT organization maintains a recovery plan for data center operations, telecommunications and other critical systems. UNC campuses execute disaster plans and mitigate risks based upon individual assessments that often understate the true dependencies on IT. Within the past two years, UNC campuses have had to endure fires, explosions, floods, hurricanes, cyber security incidents, increased federal regulations and compliance requirements. Following the devastation caused by Hurricane Katrina in August 2005, campuses collaborated on ways to protect their critical data and systems from the next disaster. The campuses are addressing disaster recovery on multiple fronts, depending on the degree of risk and cost for each campus. Funds are requested to establish and maintain two "hot sites" for disaster recovery.</p>		
	<b>2,000,000</b> NR	
<b>10. Affiliated Entities</b>	<b>1,744,607</b>	<b>524,591</b>
<b>a. NCSSM Tuition Grant</b>	<b>401,133</b>	<b>224,591</b>
<p>An additional cohort of students must be added to the NC School of Science and Mathematics Tuition Grant program to fund the total number of projected recipients at 820 in 2007-08 and 830 in 2008-09. The tuition grant is based on the actual amount of tuition at the campus less other aid if aid exceeds cost of attendance. The estimated funds needed are based on tuition increases in each year and slight growth is anticipated in the program as NCSSM increases the number of students enrolled.</p>		
<b>b. UNC-TV Statewide Public Affairs &amp; Informational Program Services</b>	<b>878,485</b>	<b>—</b>
<p>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 \$878,485 to support these UNC-TV services.</p>		
<b>c. NC Arboretum Educational Outreach &amp; Economic Development</b>	<b>300,000</b>	<b>300,000</b>
<p>The Educational Outreach &amp; Economic Development initiative at the NC Arboretum is designed to achieve two major outreach goals. The first goal is to increase the number of visitors at the Arboretum and increase the average time of their stay, thereby increasing the total number of public contact hours per year. The second goal is to support the educational and outreach requirements for the International Center for Natural Biotechnology and Integrative Medicine, in partnership with the NC Biotechnology Center. This initiative would generate both industrial and agricultural opportunities that match the unique capabilities and capacities of Western North Carolina. The Board of Governors requests recurring funding of \$300,000 in 2007-08 and an additional \$300,000 in recurring funds in 2008-09. The funding would provide staffing and support for these programs and proper maintenance of the Arboretum's classroom spaces. Furthermore, the additional funds would allow the Arboretum to leverage additional private funding.</p>		

**THE UNIVERSITY OF NORTH CAROLINA  
2007-09 Operating Budget Priorities**

	<b>2007-08 Request</b>	<b>2008-09 Additional Request</b>
<i>d. UNC Press Digital Books</i>	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.		
<b>Total Budget Priorities - recurring</b>	<b>253,044,259</b>	<b>210,007,855</b>
<b>Total Budget Priorities - nonrecurring</b>	<b>17,900,000</b>	<b>6,350,000</b>
<b>Total 2007-09 Budget Priorities</b>	<b>270,944,259</b>	<b>216,357,855</b>

**Continuation Budget**

Authorized Continuation Budget	\$2,433,985,463	\$2,574,379,052
Enrollment	48,312,908	45,772,062
Operating Reserves for New Facilities	26,918,321	13,125,471
Utilities	15,750,590	1,740,860
Required Staff Benefits & Continuing Personnel Costs	13,991,483	2,016,306
Replacement of Vehicles and Equipment	16,381,467	(7,445,218)
Inflationary Increase - Library Books and Materials	7,509,844	2,545,140
Other Adjustments (subsistence, fuel, etc.)	11,528,976	3,158,817
<b>Total Continuation Budget Increases *</b>	<b>140,393,589</b>	<b>60,913,438</b>
<b>TOTAL Continuing Operations</b>	<b>2,574,379,052</b>	<b>2,635,292,490</b>

\* At the request of the Office of State Budget and Management, \$67,638,016 currently appropriated from the Escheats fund was also included in the continuation budget to be replaced with a General Fund appropriation. It is not added in this list since it would be a change in funding source but not an increase in the total budget.

Note: All requests are for recurring funding unless noted NR (nonrecurring). Amounts in the second year of the biennium are listed as the additional amount needed over and above the first year.

**The University of North Carolina  
Summary – 2007-09 Capital Budget Priorities**

<b>Institution</b>	<b>Priorities</b>	<b>2007-08 Request</b>	<b>2008-09 Request</b>
ASU	College of Education Building	\$17,000,500	\$17,000,500
ECU	School of Dentistry (pending Board of Governors approval)	43,500,000	43,500,000
ECSU	School of Education Building – Planning & Site Development	2,000,000	3,000,000
FSU	Science and Technology Complex	11,293,500	11,293,500
NCA&T	General Classroom Instructional Facility	12,893,500	12,893,500
NCCU	School of Nursing Building – Planning & Site Development	2,500,000	3,750,000
NCSA	Library	12,460,000	12,460,000
NCSU	Centennial Campus Library – Planning & Site Development	11,400,000	17,100,000
NCSU	Companion Animal Hospital	19,000,000	19,000,000
NCSU	College of Engineering Facilities, Phase 1	17,000,000	17,000,000
UNCA	Rhoades Hall and Rhoades Tower Renovation	4,343,500	4,343,500
UNC-CH	Genomic Sciences Building	56,744,112	62,864,113
UNC-CH	School of Dentistry Oral Sciences Building	44,940,000	51,060,000
UNC-CH	Carolina North Development, Phase 1 – Planning	6,120,000	6,120,000
UNCC	Research Facilities, Phase 2 – Planning & Site Development	7,621,800	11,432,700
UNCG	Academic Classroom & Office Building	22,583,500	22,583,500
UNCP	Residence Hall (West Hall Replacement)	9,500,000	9,500,000
UNCW	Teaching Laboratory Building – Planning & Site Development	3,452,500	5,178,750
WCU	School of Health and Gerontological Science Building	21,902,500	21,902,500
WSSU	Student Activities Center	9,353,887	9,353,888
NCA&T/UNCG	Nanoscience & Nanoengineering Building – Planning & Site Development	5,018,900	7,528,350
	Land Acquisition	25,000,000	25,000,000
NCSSM	Discovery Science Labs/Classrooms/Residence Hall – Planning & Site Dev.	7,000,000	10,500,000
	Information Technology Infrastructure – University-wide	15,000,000	15,000,000
	Coastal Studies Institute (ECU, ECSU, NCSU, UNC-CH, UNCW)	16,250,000	16,250,000
<b>Total Priorities</b>		<b>403,878,199</b>	<b>435,614,801</b>
<b>Next Priorities</b>			
ASU	College of Nursing & Allied Health Building – Planning	–	3,200,000
ECU	Shared Academic Building (Colleges of Business & Education) – Planning	–	8,450,000
ECSU	Moore Hall Renovation – Planning	–	790,000
FSU	Teacher Education Research Center – Planning	–	3,611,800
NCA&T	(see Nanoscience and Nanoengineering Building above)	–	–
NCCU	Student Services Building – Planning	–	1,500,000
NCSA	Central Storage Facility – Planning	–	320,000
NCSU	College of Engineering Facilities, Phase 2 – Planning	–	9,000,000
NCSU	Improvements to 4-H Camps	–	9,000,000
UNCA	Carmichael Hall Renovation – Planning	–	930,500
UNCC	Classroom and Academic Support Complex – Planning	–	6,842,500
UNCG	(see Nanoscience and Nanoengineering Building above)	–	–
UNCP	Nursing and Allied Health Building – Budget Supplement, Phase 1	–	1,900,000
UNCW	Trask Coliseum, Hanover Hall and Natatorium Renovation – Planning	–	5,277,200
WCU	Education and Allied Professions Building – Planning	–	4,018,700
WSSU	Hill Hall Conversion and Renovation – Planning	–	735,800
NCSSM	Track and Soccer Field, Phase 2 – Planning	–	107,500
UNC Hospitals	Inpatient Bed Tower and Operating Room Facility – Planning	–	32,550,000
<b>Total Next Priorities</b>		<b>–</b>	<b>88,234,000</b>

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

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.

The University's six-year plan for capital improvements is built upon projects originally planned for the second phase of the Board's ten-year plan adopted in 1999. In preparing the requests, campuses were instructed to review their institutional plans and make amendments to reflect changes in growth and other needs since 2000.

For an orderly progression of the University's capital improvements program, it is recommended that in 2007-09 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.

The projects requested to be funded by the state are listed under each campus, in the priority order as designated by each Chancellor.

### **APPALACHIAN STATE UNIVERSITY**

#### **College of Education Building – \$34,001,000**

This project would provide for the construction of a new five-story, 130,000 square-foot building located in the central campus academic core that would serve as a replacement for the 41-year-old Edwin Duncan Hall. The existing structure's location in the Boone Creek floodway has suffered repeated damage from flooding and is scheduled for demolition as part of the Board's previous 10-year Capital Plan. Due to a sustained increase in enrollment growth, research, program offerings and public service, demand for additional space and a significant upgrade in facilities is clearly warranted. Planning funds of \$1,820,000 were appropriated by the 2006 General Assembly. The total project amount is \$35,821,000.

#### **College of Nursing and Allied Health Building – Planning – \$3,200,000**

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 \$32,000,000.



## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **EAST CAROLINA UNIVERSITY**

#### **School of Dentistry (pending Board of Governors approval) – \$87,000,000**

This project would establish 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 total cost of this project is \$90,000,000.

#### **Shared Academic Building (Colleges of Business & Education) – Planning – \$8,450,000**

This project would provide a 225,000 square-foot building that would include offices, classrooms and meeting spaces to meet the needs of expanding programs and enrollment growth. The two units proposed to occupy the new space are the College of Education and College of Business; both have experienced significant growth and have capacity needs beyond their current building space. The relocation of these two academic units would vacate a significant amount of existing campus space, providing space for other academic units that have experienced similar growth. The project would also include a new utility plant that will serve the new building as well as accommodate future growth and connections on existing buildings to a central plant. The total cost of this project is \$84,500,000.

### **ELIZABETH CITY STATE UNIVERSITY**

#### **School of Education Building – Planning and Site Development – \$5,000,000**

This project would provide a 45,000 square-foot building to house and consolidate the School of Education. 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. Funds totaling \$2,000,000 are requested in the 2007-08 fiscal year for planning and \$3,000,000 in 2008-09 for site development. The total cost of this project is \$20,000,000.

#### **Moore Hall Renovation – Planning – \$790,000**

This project would provide a comprehensive modernization of Moore Hall, constructed in 1929, and renovated in 1984. The 41,457 square-foot building houses several academic departments, each expanding as a result of enrollment growth. The modernization will include the replacement of wall and floor coverings, minor reconfigurations, and replacement or repair of all utility systems. Additionally, a sprinkler system will be installed. The total cost of this project is \$7,900,000.

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **FAYETTEVILLE STATE UNIVERSITY**

#### **Science and Technology Complex – \$22,587,000**

This project would provide a 75,000 square-foot science and laboratory facility. Lab and classroom space would be designed to accommodate 20-30 students per section. Construction of this new facility would accommodate growth projected for the university's science programs. Planning funds totaling \$1,000,000 were appropriated by the 2006 General Assembly. The total cost of this project is \$23,587,000.

#### **Teacher Education Research Center – Planning – \$3,611,800**

This project would provide a 100,000 square-foot Teaching Research Facility Complex. The complex would contain clinical and teaching labs, classrooms, staff offices, multi-purpose rooms, and distance learning classrooms. The School of Education and Early Childhood Learning Center functions will be housed in this facility. Construction of this new facility would accommodate growth projected in the university's science programs. The total cost of this project is \$36,118,000.

### **NORTH CAROLINA A&T STATE UNIVERSITY**

#### **General Classroom Instructional Facility – \$25,787,000**

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. The total cost of this project is \$26,787,000.

#### **Nanoscience and Nanoengineering Building (with UNCG) – Planning & Site Development – \$12,547,250**

This project would house the new NCA&T/UNCG Joint School of Nanoscience and Nanoengineering to be located on the South Campus of the Greensboro Center for Innovative Development (NCA&T/UNCG Joint Millennial Campus). The building would include the academic departments, laboratory facilities (teaching and research), and centers and institutes of the new School as well as selected centers and institutes currently located at the partner universities. This facility would serve as the epicenter for research and teaching in nanotechnology for the two partner universities, Greensboro, the Triad and beyond. Funds totaling \$5,018,900 are requested in the 2007-08 fiscal year for planning and \$7,528,350 in 2008-09 for site development. The total cost of this project is \$50,189,000.

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **NORTH CAROLINA CENTRAL UNIVERSITY**

#### **School of Nursing Building – Planning and Site Development – \$6,250,000**

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. Funds totaling \$2,500,000 are requested in the 2007-08 fiscal year for planning and \$3,750,000 in 2008-09 for site development. The total cost of this project is \$25,000,000.

#### **Student Services Building – Planning – \$1,500,000**

This project would provide a 90,000 square-foot general purpose building with administrative offices in a centralized location. The significant increase in student enrollment requires a modern facility that would provide an efficient delivery of consolidated student services. 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 \$15,000,000 from the General Fund plus \$10,000,000 from non-General Fund sources. The total cost of this project, from all sources, will be \$25,000,000.

### **NORTH CAROLINA SCHOOL OF THE ARTS**

#### **Library – \$24,920,000**

This project would provide a 97,000 square-foot facility to house the NCSA Library and all related services. The existing library collections continue to grow and present space and programming challenges. An expansion of library facilities is needed to support the newest technologies and will be necessary to meet Southern Association of Colleges and Schools accreditation requirements. Planning funds of \$1,000,000 were appropriated by the 2006 General Assembly. The total cost of this project is \$25,920,000.

#### **Central Storage Facility – Planning – \$320,000**

This project would provide a 50,000 square-foot commercial storage facility. The facility 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 valuable 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. This facility will provide the school with a professional and reliable means to protect and manage these assets as their numbers continue to increase each year. The total cost of this project is \$3,200,000.

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **NORTH CAROLINA STATE UNIVERSITY**

#### **Centennial Campus Library – Planning and Site Development – \$28,500,000**

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. Funds totaling \$11,400,000 are requested in the 2007-08 fiscal year for planning and \$17,100,000 in 2008-09 for site development. The total cost of this project including associated infrastructure capacity and distribution expansion is \$114,000,000.

#### **Companion Animal Hospital – \$38,000,000**

This project would provide a Companion Animal Hospital for the College of Veterinary Medicine located on the Centennial Biomedical Campus, south of the existing hospital. The facility would be a 115,000 square-foot teaching hospital with clinical animal spaces and specialty practice areas. The current companion animal hospital functions will move from the existing main building and will provide much needed space for hospital growth. This project will make available approximately 35,000 square-feet in the existing main building for use as classrooms, labs, offices and outreach programs. The university will provide \$34,000,000 in additional funding for this project from non-general fund sources and the total construction authorization will be \$38,000,000 from the General Fund plus \$34,000,000 from non-General Fund sources. The total cost of this project from all sources will be \$72,000,000.

#### **College of Engineering Facilities, Phase 1 – \$34,000,000**

The Department of Biomedical Engineering was established jointly between the NCSU College of Engineering and the UNC-CH School of Medicine with the overarching objective of becoming a national model for the success in establishing and maintaining collaborations between engineering and medicine that link basic research with applications development that translate into commercial products to benefit the citizens of North Carolina, the nation and beyond. NCSU is proposing to increase the number of tenure and tenure track faculty in the College of Engineering from the current 250 to 400. It has been demonstrated at peer institutions that this increased number of faculty can provide a critical mass of researchers across disciplines that can be very successful in competing for large federally-funded interdisciplinary grants. For 400 faculty members and associated support staff, NCSU projects that an additional 475,000 square-feet of new space is needed to attract and retain an outstanding set of world-class faculty and students. In Phase 1 of this four-phase build-out, the size of the Engineering Building III would be increased from 170,000 square feet to 235,000 square feet. The total cost of this project is \$34,000,000.

#### **College of Engineering Facilities, Phase 2 – Planning – \$9,000,000**

In Phase 2 of this four-phase build-out, the size of the Engineering Building IV would be increased from 138,000 square feet to 225,000 square feet. The total cost of this project is \$90,000,000.

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **NORTH CAROLINA STATE UNIVERSITY (continued)**

#### **Improvements to 4-H Camps – \$9,000,000**

The North Carolina 4-H Youth Development Programs serve over 199,000 youth in the State each year. Starting in North Carolina in 1909, 4-H serves as the signature youth leadership development program for the nation's land-grant university system. Today, the state's program has six state-owned camp properties that include over 2,800 acres and programming that impacts thousands of North Carolina youth each year. The six camps have an estimated \$38,000,000 in needs for capital improvements and new construction based upon fire and safety inspections, engineering surveys, and needs identified by the advisory boards, user groups and camp staff. The total cost of this project is \$34,000,000.

### **THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE**

#### **Rhoades Hall and Rhoades Tower Renovation – \$8,687,000**

This project would provide for the comprehensive renovation of 1960-era buildings used by academic departments. Constructed over 40 years ago, the two buildings, totaling 41,344 square feet, have never been renovated. The buildings are not air conditioned and the mechanical systems are in poor condition. These buildings use excessive energy to heat and the exterior surfaces need restoration. Planning funds totaling \$416,000 were appropriated by the 2006 General Assembly. The total cost of this project is \$9,103,000.

#### **Carmichael Hall Renovation – Planning – \$930,500**

This project would provide for the comprehensive renovation of Carmichael Hall. The 31,441 square-foot building has had only normal repairs and maintenance since constructed in 1966. The mechanical systems are in very poor shape. The existing single-pane windows and lighting systems would be replaced to increase energy efficiency. The total cost of this project is \$9,305,000.

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

#### **Genomic Sciences Building – \$119,608,225**

The Genomic Sciences Building will be a hub for groundbreaking discoveries and for training the next generation of scientists. This facility will provide 210,000 square feet of modern classrooms, laboratories and offices, including nine wet labs, four bioinformatics labs, a 250-seat lecture hall, a 450-seat lecture hall, an 80-seat classroom, and four 30-seat seminar rooms, serving faculty, post-doctoral fellows, technicians, graduate students and undergraduates. Over 400 undergraduate and graduate research students will learn and work in this new interdisciplinary building. Planning funds totaling \$28,391,775 were appropriated by the 2006 General Assembly. The university will provide \$12,000,000 in additional funding for this project from non-general fund sources and the total construction authorization will be \$148,000,000 from the General Fund plus \$12,000,000 from non-General Fund sources. The total cost of this project, from all sources, will be \$160,000,000.

#### **School of Dentistry Oral Sciences Building – \$96,000,000**

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 funds totaling \$3,000,000 were appropriated by the 2006 General Assembly. The university will provide \$26,000,000 in additional funding for this project from non-general fund sources and the total construction authorization will be \$99,000,000 from the General Fund plus \$26,000,000 from non-General Fund sources. The total cost of this project, from all sources, will be \$125,000,000.

#### **Carolina North Development, Phase 1 – Planning – \$12,240,000**

This project would provide the initial site development, roads and energy infrastructure for Carolina North, a building for the Renaissance Computing Institute (RENCI), and building to house business incubator activities. The Renaissance Computing Institute will be a new 220,000 square-foot facility comprised of offices, conference and general purpose interaction space, specialized computer laboratories, visualization studios, collaborative and smart rooms, biology and nanomaterials facilities, and a computer room. The university will provide \$28,200,000 in additional funding for this project from non-general fund sources and the total construction authorization will be \$244,800,000 from the General Fund plus \$28,200,000 from non-General Fund sources.

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **THE UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE**

#### **Research Facilities, Phase 2 – Planning and Site Development – \$19,054,500**

This project would provide a 200,000 square-foot building, located at the Charlotte Research Institute, for classroom and laboratory space to accommodate growth in research programs at UNC Charlotte and support industry/university collaborative projects. Sufficient space is needed on campus to support on-going research or support public-private partnerships, an expanding grants program, and the capital creation that is envisioned for this region of North Carolina. State of the art laboratories would be provided for research activities. The expansion of the sector regional utility plant will also be included in this project to service both this building and future buildings. Funds totaling \$7,621,800 are requested in the 2007-08 fiscal year for planning and \$11,432,700 in 2008-2009 for site development. The total cost of this project is \$76,218,000.

#### **Classroom and Academic Support Complex – Planning – \$6,842,500**

UNC Charlotte's enrollment growth has driven increased demand for general classroom space and a variety of academic support services. This project would provide needed expansion to the Fretwell Building that would provide the Departments of English and Mathematics with needed classroom and office space to better serve a growing undergraduate population. The support services are now located in distant and often cramped spaces around campus. Construction of the 202,000 square-foot Classroom/Academic Support Building will facilitate efficiencies and synergies in classroom and services delivery. Among the programs that will benefit are the University Center for Academic Excellence, the University Career Center, the Office of Student Success and Retention, the Academic Initiatives for Mentoring Students, the Office of Adult Students and Evening Services, and the College of Arts and Sciences Advising Center. The Project will include demolishing the Denny Complex. The total cost of this project is \$68,425,000.

### **THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO**

#### **Academic Classroom and Office Building – \$45,167,000**

This project would provide a 120,000 square-foot, four-floor building to help alleviate an intense need for classroom space. 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. The total cost of this project is \$47,467,000.

#### **Nanoscience and Nanoengineering Building (with NCA&T)**

(See NCA&T for a complete description.)

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE**

#### **Residence Hall (West Hall Replacement) – \$19,000,000**

This project will provide a residence hall of approximately 360 beds to replace West Hall, built in the 1960s. The project will also provide for the installation of a water tower and pumping station, a critical infrastructure need on campus. New facilities will not be possible without the addition of the tower. Planning funds totaling \$1,000,000 were appropriated by the 2006 General Assembly. The total cost of this project is \$20,000,000.

#### **Nursing and Allied Health Building – Budget Supplement, Phase 1 – \$1,900,000**

This project was previously authorized in 2006 and financed with \$10,000,000 of special indebtedness (COPS). A proposed supplement of \$19,000,000 is needed to cover construction costs due to the building size being increased to meet program requirements. Project cash flow indicates that this supplement can be funded in two phases. This request of \$1.9 million for Phase 1 is proposed to be funded in 2008-09. The remaining \$17.1 million for Phase 2 is proposed to be funded in 2009-10. The facility is expected to be approximately 50,000 square feet (increase from 23,500 square feet) and includes offices, laboratories and classrooms. The project includes land acquisition and the relocation of existing facilities from the planned building site. The total cost of this project, from all sources, will be \$29,000,000.

### **THE UNIVERSITY OF NORTH CAROLINA AT WILMINGTON**

#### **Teaching Laboratory Building – Planning and Site Development – \$8,631,250**

This project would provide 80,000 square feet of classroom, office and research space. Anticipated to serve the departments of Psychology and Earth Sciences, the building would include specialized laboratory classrooms supporting instructional and research activities. Funds of \$3,452,500 are requested in the 2007-08 fiscal year for planning and \$5,178,750 in 2008-09 for site development. The total cost of this project is \$34,525,000.

#### **Trask Coliseum, Hanover Hall, and Natatorium Renovation – Planning – \$5,277,200**

This complex needs a comprehensive renovation due to age of the structures and the need to reconfigure the buildings to meet the requirements of growing campus enrollment. Trask Coliseum is a 1977 building in which office space is extremely limited. Significant heating, ventilating and cooling upgrades, replacement of windows, electrical distribution system, lighting and ceilings, and renovation of restrooms to meet ADA requirements are warranted. Hanover Hall was built in 1965 and needs major renovations to meet current code requirements. Replacement of the windows, mechanical and electrical systems, installation of new IT infrastructure and space reconfiguration to improve building use are needed. The Natatorium and Connector is a 1977 building. Renovation to meet current code and ADA requirements, replacement of the ceiling systems and the heating, ventilating and cooling system, renovations of the locker rooms and modifications to improve building use, upgrade of the electrical and IT infrastructure, and improvements to the pool infrastructure are necessary. The total cost of this project is \$52,772,000.



## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **WESTERN CAROLINA UNIVERSITY**

#### **School of Health and Gerontological Science Building – \$43,805,000**

This project will provide a 145,200 square-foot, four-story building that will address safety, energy, current code and ADA issues while providing a central location for the School of Applied Sciences and enhancing the overall academic mission of student learning and faculty instruction. It will house expanded programs in nursing and health-related programming. This facility will provide the opportunity to develop degrees in occupational therapy, gerontology, and a master's degree in social work with specializations in rural and gerontological social work and provide the specialized technology, classrooms and lab equipment needed to support these programs. Planning funds totaling \$2,400,000 were appropriated by the 2006 General Assembly. The total cost of this project is \$46,205,000.

#### **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.

### **WINSTON-SALEM STATE UNIVERSITY**

#### **Student Activities Center – \$18,707,775**

This project will provide a 90,000 square-foot facility for 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 \$12,984,000 in additional funding for this project from non-general fund sources and the total construction authorization will be \$18,707,775 from the General Fund plus \$12,984,000 from non-General Fund sources. Planning funds totaling \$768,225 were appropriated by the 2006 General Assembly. The total cost of this project, from all sources, will be \$32,460,000.

#### **Hill Hall Conversion and Renovation – Planning – \$735,800**

This project will provide a 32,760 square-foot conversion and renovation of Hill Hall from a laboratory and classroom building into administrative and faculty offices. The university's enrollment growth has been in excess of 15% per year for each of the last five years and has created a significant lack of office space for faculty and staff. The university is currently leasing a modular office complex to provide 40 offices and is planning a second modular office complex this fiscal year. This project is expected to provide approximately 100 offices and a new elevator to meet accessibility requirements. The total cost of this project is \$7,358,000.

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS**

#### **Discovery Center – Science Labs/Classrooms/Residence Hall – Planning and Site and Development – \$17,500,000**

This project would provide for construction of a mixed-use 250,000 to 275,000 square-foot building that includes state-of-the-art technology-equipped labs and classrooms for student research and education, a residence hall for 200 students, academic conference rooms, fabrication labs, computer labs, lecture hall, cafeteria/dining space for 900 students and 250 staff, scientific library, major overhaul of NCSSM's utility infrastructure, and a Campus Master Plan. Funds totaling \$7,000,000 are requested in the 2007-08 fiscal year for planning and \$10,500,000 in 2008-09 for site development. The total cost of this project is \$70,000,000.

#### **Track and Soccer Field, Phase 2 – Planning – \$107,500**

This project would provide NCSSM's students access to a 400-meter track facility, soccer field, and stadium on campus. Phase I of the project was funded by the NCSSM Foundation and provided site preparation, the soccer field and field/track lighting. Phase II will provide a finished track facility including 400-meter synthetic surface, grading, retaining walls, fencing, landscaping and spectator seating. The total cost of this project is \$1,075,000.

### **UNIVERSITY OF NORTH CAROLINA – University-wide**

#### **Information Technology Infrastructure – \$30,000,000**

Campuses depend on technology as an essential tool for instruction. The teaching and learning process relies on many key technology resources which are a part of a comprehensive IT infrastructure. Campuses also require enterprise-wide information systems for enabling functions and these systems are used by the academic support providers in serving students, faculty and staff. As with all of the mission critical activities on UNC campuses, research and economic transformation rely increasingly upon computational capabilities and electronic connections with and among the communities the University serves. Non-recurring funds are needed to purchase new hardware and software for the constituent institutions. Requirements include system software, licenses, system hardware and storage, and installation costs. The total cost of this project is \$30,000,000 for all the campuses and affiliates.

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **OTHER**

#### **Coastal Studies Institute (ECU, ECSU, NCSU, UNC-CH, UNCW) – \$32,500,000**

This project would provide for a multi-campus center for coastal studies to be located in Dare County. The Coastal Studies Institute was established in 2002 as a partnership between East Carolina University, Elizabeth City State University, North Carolina State University, University of North Carolina at Chapel Hill, and the University of North Carolina at Wilmington to undertake research, offer educational opportunities, and provide outreach to North Carolina's maritime counties. The Center would be focused on research in maritime history, underwater archaeology, coastal processes, estuarine ecology, tourism and coastal management. Facilities would include a research building with an auditorium, wet labs and administrative space, a storage/garage building and a dormitory. The General Assembly has previously appropriated \$1,300,000 for advance planning. The total cost of this project is \$33,800,000.

#### **UNC Hospitals Inpatient Bed Tower and Operating Room Facility – Planning – \$32,550,000**

This project would build a new 200-bed inpatient tower and operating room facility or facilities for UNC Hospitals on campus or in a new site to respond to the growth in demand for UNC Hospitals' inpatient services, while also reducing the number of semi-private rooms to create efficiencies and respond to patient needs.

UNC Hospitals has had 111 new inpatient beds allocated through the state health planning process in the past two years. This is indicative of the very high bed census and demand for the services provided at UNC Hospitals. Many of UNC Hospitals' 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 Hospitals 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 Hospitals' 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 Hospitals' operating rooms were constructed, modern equipment such as surgical robots, advanced laparoscopic equipment, or mobetrons 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 total cost of this project is \$325,500,000.

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **Land Acquisition - \$50,000,000**

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. The total estimated need for funds for land purchase is over \$90,000,000.

## **THE UNIVERSITY OF NORTH CAROLINA 2007-09 Capital Budget Priorities**

### **REPAIRS AND RENOVATIONS – \$284,536,720**

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 143-15.3(a) requires the State Controller to set aside an amount equivalent to three percent (3%) of the replacement value of state-supported buildings 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. Another factor to consider in the allocation of repair funds is the current replacement value of infrastructure, including buildings and underground facilities (e.g., steam lines, ductbanks, etc.).

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 and current replacement value, including infrastructure. The use of the two measures provides a logical and consistent method on which to base the allocation decision.

The list that follows represents the portion of system-wide repair and renovation needs that institutions propose to fund from the Reserve for Repairs and Renovations over the next six years. Specific projects listed will be revised as buildings and infrastructure deteriorate and lower priority projects become more immediate needs. The six-year plan for the University totals \$853,610,159 and the Board requests \$284,536,720 for the 2007-09 biennium.