

COMMITTEE ON BUDGET AND FINANCE

Board Room

General Administration Building

Chapel Hill, North Carolina

Thursday, May 13, 2004, 11:30 a.m.

AGENDA

Minutes of the meetings of March 18, 2004

1. Authorization of New Capital Improvements Project – The University of North Carolina at Greensboro
2. Centennial Campus Boundary Change – North Carolina State University
3. Out-Lease of Land – North Carolina A&T State University
4. Out-Lease of Space – North Carolina State University

DISCUSSION

1. A progress report on the UNC Bond Program
2. A progress report on the status of Carolina North at UNC-Chapel Hill

Minutes of the March 18, 2004 Meeting  
of the Board of Governors' Committee on Budget and Finance

The Committee on Budget and Finance met in the Board Room of the General Administration Building in Chapel Hill, North Carolina, on Thursday, March 18, 2004, at 11:30 a.m.

Members in attendance were: Mr. R. Steve Bowden, Mr. F. Edward Broadwell, Jr., Mr. William L. Burns, Jr., Mr. Ray S. Farris, Ms. Hannah D. Gage, Mr. Peter D. Hans, Mr. Jim W. Phillips, Jr., and Mr. Benjamin S. Ruffin. Necessarily absent was Governor James E. Holshouser, Jr. Other Board of Governors' members attending the meeting were Chairman J. Bradley Wilson, G. Irvin Aldridge, Brent D. Barringer, J. Addison Bell, Anne W. Cates, John W. Davis, III, Jonathan L. Ducote, Dudley E. Flood, Willie J. Gilchrist, Adelaide Daniels Key, G. Leroy Lail, Charles S. Norwood, Jr., Cary C. Owen, Gladys Ashe Robinson, Estelle Sanders, and Priscilla P. Taylor. Others attending the meeting were President Molly Corbett Broad, Vice Presidents Jeffrey R. Davies, Russ Lea, J.B. Milliken, and Leslie Winner; Special Assistant to the University Kennis R. Grogan; Director of Development Laura Foxx, Associate Vice Presidents Betsy Brown, George Burnette, Mark Fleming, Michelle Howard-Vital, Ginger B. Jones, Robert O. Nelson, Dwayne L. Pinkney, Robert Samors, James O. Smith, Vijay K. Verma, and Joni B. Worthington; Associate Vice President and University Property Officer Terrance Feravich; Assistant Vice Presidents Shari Harris and Claudia Odom; Director of the State Education Assistance Authority Steve Brooks; Ms. Charlotte Todd of the Fiscal Research Division of the General Assembly; Ms. Anne Bander of the Office of State Budget and Management; Ms. Sara Kampreth of the Legislative Research Division; Faculty Assembly Chair Dr. Jeff Passe; Dr. Robert Shelton, Executive Vice Chancellor and Provost of UNC-Chapel Hill; former Board member John Sanders; and members of the press. Also in attendance were Interim Chancellor William E. Shelton (ECU); Chancellor Mickey L. Burnim (ECSU); Chancellor T.J. Bryan (FSU); Chancellor James C. Renick (NCA&TSU); Chancellor James H. Ammons, Jr. (NCCU); Chancellor Marye Anne Fox (NCSU); Chancellor James H. Mullen, Jr. (UNCA); Chancellor James C. Moeser (UNC-CH); Chancellor James H. Woodward (UNCC); Chancellor Patricia A. Sullivan (UNCG); Chancellor Rosemary DePaolo (UNCW); and Chancellor John W. Bardo (WCU).

Chairman Phillips called the meeting to order. The minutes of the meetings of February 6 and 12, 2004 were approved.

1. The authorization of tuition for 2004-05 was the first item on the agenda. Mr. Phillips explained that five votes would be taken as follows: (1) proposals for Board-initiated tuition increases; (2) proposals for campus-initiated tuition increases; (3) proposals for fees; (4) proposals for graduate/professional school increases; and (5) proposals for Banner implementation fees on certain campuses.

Mr. Phillips allowed Committee members to offer comments before this item was presented. After that, Vice President Davies presented the proposals.

### Board-Initiated Tuition Increases

The Board's tuition policy, as amended in February 2003, called for the establishment of a special committee to make a recommendation to the Board for it to consider when determining a Board-initiated increase in tuition. At the President's request, Chancellors had appointed representatives to serve on the Committee. The Committee met three times but did not arrive at a consensus for consideration by the Board of Governors. The two proposals sent forth by the Committee are detailed below.

First, the students participating in the discussions, as well as University personnel from North Carolina Central University, were recommending that the Board not approve any Board-initiated tuition increase. This group was concerned about the rapidly escalating costs of education and the bottom-line effect on charges to students. When voting in favor of campus-initiated tuition increases, some students believed that they were doing so with the knowledge that a Board-initiated increase would not occur. Students cited the fact that the total costs of education, i.e., tuition, fees, room, board, books, and other incidental costs, were all rising and that a Board-initiated tuition increase, when reviewed in the context of all of the costs of education, was not acceptable. Furthermore, some in this group believed that if a Board-initiated tuition increase was approved, proposed campus-initiated tuition increases should be reduced by an amount equivalent to the Board-initiated increase.

The remaining University personnel recommended that the Board consider a 2% Board-initiated tuition increase for resident students with the same dollar increase for nonresident students. This group believed that it was important to provide funds for the State's General Fund as the Board requested that the General Assembly fund its request for enrollment increases and financial aid, and provided additional funds to meet other needs. The 2% rate was proposed after reviewing the three indices required to be reviewed by this Committee under the Board's policy (1.45%, 2.2%, 2.6%). Although the costs of education were increasing, this group believed that the funds available for financial aid were effectively meeting the needs of students that could not afford the tuition increases without financial aid. This group also believed that it would be more effective to propose a thoughtful tuition increase for consideration by the General Assembly rather than to propose no increase for the General Assembly's consideration. The group recommended that the General Assembly should be asked to use the funds raised by the tuition increase to meet the Board's request for financial aid and enrollment growth, in that order. Furthermore, the group believed that a Board-initiated tuition increase should not reduce any of the campus-initiated tuition increases.

Historically, this committee had arrived at a single recommendation by consensus and no formal voting mechanism had been established. If in the future the Board found it more desirable to have a single recommendation for consideration, the tuition policy would need to be altered to more definitively identify the Committee membership and the need for a single decision. The Committee also discussed the possibility of the Board-initiated increase being established before campus-initiated tuition increases were considered by the campuses.

The Committee on Budget and Finance considered both proposals. In recognition of the need for increases in campus-initiated tuition and fees, the Committee determined that it was appropriate to have no Board-initiated increase for the 2004-05 academic year.

It was recommended that no Board-initiated increase be approved for the 2004-05 academic year.

On the motion of Mr. Hans, seconded by Mr. Farris, the recommendation was approved.

#### Campus-Initiated Tuition Increases

It was recommended that the tuition increases be approved for the 2004-05 academic year based on requests from the campuses, adjusted as follows.

First, in its workshops on tuition increases, the Board had discussed seeking a permanent source of funding from the General Assembly for need-based financial aid for resident students. In recent history, the General Assembly had funded the Board's requests for this need-based financial aid from the Escheats Fund. The Fund was created to provide aid for worthy and needy North Carolinians and it was now recommended that the Board seek from the General Assembly legislation that authorized the use of Escheats Funds for UNC need-based financial aid for resident students on a permanent basis. Such legislation would provide aid for tuition increases initiated by the Board, as well as future campus-initiated tuition increases. The financial aid would be administered by the State Education Assistance Authority and would be awarded to needy students under the formula currently followed by that agency in administering the Board's need-based financial aid program. It was the goal of the Board of Governors to substitute these funds for all or a portion of the funds earmarked by the campuses for need-based financial aid.

Next, the campus proposals for increases in resident tuition rates had been adjusted to reflect the discussions in the Board workshops that revenues from tuition increases not be used to increase budgets for SPA salaries. It was recommended that the General Assembly, rather than students, provide appropriate funding for SPA salary adjustments.

Additionally, it was the Board's desire that Western Carolina University not use tuition receipts for implementing the Banner software, as proposed by that campus. A student fee for this purpose was added to the student fee recommendations to be consistent with financing proposals from three other institutions.

The Board's tuition policy proposed that similarly classified institutions have similar tuition rates. Consistent with this policy, it was recommended that, for the 2004-05 academic year, resident tuition rates at North Carolina State University and The University of North Carolina at Chapel Hill be increased by \$250. For all remaining institutions, excluding the North Carolina School of the Arts, it was recommended that resident tuition rates be increased by \$225. For the North Carolina School of the Arts, it was recommended that undergraduate resident tuition rates be increased by \$450 and the resident graduate tuition rates be increased by \$750.

Increases in nonresident tuition rates were recommended as proposed by the campuses.

Proposed tuition rates for the 2004-05 academic year were as follows:

Institution	Tuition Increase for Resident Students	Tuition Increase for Nonresident Students
Appalachian State University	\$225	\$300
East Carolina University	225	300
Elizabeth City State University	225	300
Fayetteville State University	225	300
North Carolina A&T State University	225	300
North Carolina Central University	225	300
North Carolina School of the Arts		
Undergraduate students	450	600
Graduate students	750	1,000
North Carolina State University	250	300
UNC-Asheville	225	600
UNC-Chapel Hill	250	1,500
UNC-Charlotte	225	300
UNC Greensboro	225	300
UNC-Pembroke	225	300
UNC-Wilmington	225	360
Western Carolina University	225	300
Winston-Salem State University	225	300

It was the Board's first priority that the revenues generated from the tuition increases be used to enhance the quality of the academic experience for students. To this end, the Chancellors were directed to use the tuition revenues to reduce the size of classes, increase the number of sections offered especially in core areas where classes must be available to ensure that students graduate on time, hire fewer part-time and more permanent faculty, and take other actions as appropriate. Chancellors may also use these funds to ensure the competitiveness of faculty salaries. By December 31, 2004, each Chancellor should report to the President on improvements made to enhance the quality of the academic experience of students.

Discussion followed and Mr. Farris made a motion to reduce several tuition increases as follows:

At NCSA, Undergraduate Resident - \$450 to \$225

At NCSA, Graduate Resident - \$750 to \$350

At NCSA, Graduate Nonresident - \$1,000 to \$750

UNC-CH, Nonresident - \$1,500 to \$750

Mr. Farris's motion was not seconded.

On the motion of Ms. Gage, seconded by Mr. Burns, the Committee approved the proposed tuition rates as set forth above. Mr. Farris voted no.

#### Authorization of Fees for 2004-05

It was recommended that the Board approve fees for 2004-05 as stated in the attached resolution.

The fee recommendations for 2004-05 had been developed in accordance with the updated tuition and fee policy adopted by the Board in February 2003, after an eight-month review by a special committee. As required by the Board guidelines:

- Reviews had been conducted of all fees by the Chancellors and the Boards of Trustees and detailed analyses had been made of activities for which increased fees had been proposed.
- The institutions had established procedures designed to ensure appropriate participation from representatives of all aspects of campus life in the development of the fee recommendations. Each Chancellor had provided a description of the campus fee process. These descriptions documented structured processes which were inclusive of the campus community and provided ample opportunity for student involvement.
- The review of proposed fees had been conducted jointly by Academic Affairs, Finance, Information Resources, and Student Affairs staff members in the Office of the President.

On the motion of Ms. Gage, seconded by Mr. Farris, the Resolution Authorizing Fees, excluding the proposals for an Administrative Computing Fee, was approved.

#### Increases in Tuition for Graduate/Professional Schools

It was recommended that the following tuition increases for professional schools be approved:

East Carolina University	
1 <sup>st</sup> year Medical Students	\$1,200 for 2004-05, \$700 for 2005-06, and \$700 for 2006-07
2 <sup>nd</sup> , 3 <sup>rd</sup> , & 4 <sup>th</sup> year Medical Students	\$700 for 2004-05
North Carolina State University	
Masters of Business Administration	\$2,000 for 2004-05 and 2005-06
Masters of Accounting	\$2,000 for 2004-05 and 2005-06
UNC-Chapel Hill	
Masters of Business Administration	<i>Resident Students:</i> First Year Students \$1,691 for 2004-05 Second Year Students \$1,940 for 2004-05 <i>Nonresident Students:</i> \$2,000 for 2004-05
Masters of Accounting	<i>Resident Students:</i> \$2,000 for 2004-05 <i>Nonresident Students:</i> \$2,000 for 2004-05

Masters of Public Administration	\$150 for 2004-05, 2005-06, and 2006-07
Journalism and Mass Communications	<i>Resident Students:</i> \$300 for 2004-05, \$200 for 2005-06 and 2006-07 <i>Nonresident Students:</i> \$900 for 2004-05, \$600 for 2005-06 and 2006-07
Law	<i>Resident Students:</i> \$300 for 2004-05 <i>Nonresident Students:</i> \$500 for 2004-05
Masters of Social Work	Entering Fall 2004 – <i>Resident Students:</i> \$400 for 2004-05 and \$400 for 2005-06 <i>Nonresident Students:</i> \$2,000 for 2005-06
DDS	<i>Resident Students:</i> \$1,800 for 2004-05, \$1,500 for 2005-06 and 2006-07; <i>Nonresident Students:</i> \$0
AuD and DPT	\$2,500 for 2004-05
Pharm D	\$2,000 for 2004-05 and \$1,500 for 2005-06
UNC Charlotte	
Masters of Business Administration	\$2,500 for 2004-05 and 2005-06
UNC Greensboro	
Masters of Business Administration	\$30 per credit hour for 2004-05
Masters of Science in Info. Technology	\$30 per credit hour for 2004-05
UNC Wilmington	
Masters of Accounting	<i>Resident Students:</i> \$503 for 2004-05 (will match the 04-05 MBA rate) <i>Nonresident Students:</i> \$499 for 2004-05 (will match the 04-05 MBA rate)

The tuition rates reflected the campus-initiated tuition proposals submitted by all institutions and did not include a board-initiated increase. It was recommended that the Committee, acting on behalf of the Board, establish the tuition rates for 2004-05.

Mr. Burns presented a motion, seconded by Mr. Farris, that the NCSU MBA tuition be changed to \$4,000 for 2004-05. The motion did not carry.

#### Special Tuition Rates for Nonresident Students, 2004-05

Each year, the Board of Governors establishes special tuition rates for two groups of nonresident students in accordance with a Board Resolution approved July 29, 1983. The two groups of students identified in the Resolution are as follows:

- Group 1. Undergraduate students deemed by the institution to have special talents and qualifications and who are thereby awarded by the institution a scholarship or fellowship at a rate of at least \$250 per academic year. The North Carolina School of the Arts may identify categories within this group in accordance with established institutional practice.
- Group 2. Graduate students who are awarded by the institution a graduate teaching or research assistantship and who are paid a stipend at a rate of at least \$2,000 per academic year.

Effective with the Fall Term of 2004, the special tuition rates for the specific groups of nonresident students identified above were recommended.

### Tuition for Students Enrolled in Degree-Credit Distance Education Courses

It was proposed that, effective with the fall semester 2004, resident students and nonresident students taking courses within North Carolina that are enrolled in distance education courses be charged the regular-term tuition rates. It was further proposed that tuition rates for these students be implemented on a per-credit-hour basis and that the charge per credit hour be calculated as follows:

- For undergraduate courses, the rate per student credit hour would be the annual rate divided by 29.6 hours.
- For graduate courses, the rate per student credit hour would be the annual rate divided by 20.4 hours.

It was further recommended that the Board delegate to the President the authority to set tuition rates for nonresident students taking courses outside North Carolina. These were students who primarily took courses via the Internet.

On the motion of Ms. Gage, seconded by Mr. Bowden, the recommendations for increases in tuition for graduate/professional schools, the recommendations for special tuition rates for nonresident students, 2004-05, and the recommendations for tuition for students enrolled in degree-credit distance education courses were approved as presented.

### Administrative Computing Fee Proposals

Chairman Phillips asked Vice President Davies to discuss the proposed administrative computing fees at ECU, UNC-Charlotte, UNC-Greensboro, and Western Carolina University. Mr. Davies explained that the campuses had planned for the Banner implementation, but that budget reversions had taken the intended funds from those campuses. The President, Vice President Davies, Mr. Babb and others made statements in support of the proposed fees and Mr. Adcock, Chairman Phillips, Mr. Wilson and others made statements against the proposed fees.

Mr. Farris made a motion to approve the proposed administrative computing fees and the motion was seconded by Mr. Broadwell. The motion failed.

*(Note: In the Board of Governors' meeting on March 19, 2004, the Board reconsidered and approved the proposed Administrative Computing Fees.)*

On the motion of Ms. Gage, seconded by Mr. Burns, the Committee went into closed session, on the advice of counsel, to instruct the staff concerning the negotiation of the price and terms of contracts concerning the acquisitions of real property and to consult with legal counsel to consider and give instructions concerning a potential or actual claim.



## CLOSED SESSION

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The Committee returned to open session.

2. In its November 2002 meeting, the Board of Governors approved a budget request for the 2003-05 biennium. The priorities that were not funded by the 2003 General Assembly remained under consideration for the 2004 Legislative Session. The proposed Supplemental Budget Request reflected updates to previous requests of the Board where appropriate and new priorities that were not known when the original request was prepared.

At the Chairman's request, Vice President Davies reviewed the proposed Supplemental Budget Request with the Committee.

An amendment was presented by Ms. Gage to add to the request the funds required to address the needs identified by the Task Force on Meeting Teacher Supply and Demand. On the motion of Ms. Gage, seconded by Mr. Hans, the amendment was approved.

A second amendment was presented by Mr. Ruffin to seek funding to reimburse NCCU for cost incurred by that institution for housing students off-campus while dormitories where mold had been discovered were being rehabilitated. On the motion of Mr. Ruffin, seconded by Mr. Farris, the amendment was approved.

It was recommended that the Board of Governors adopt the supplemental budget request as amended for presentation to the Governor and the General Assembly for consideration during the upcoming 2004 Legislative Session. It was further recommended that the Vice President for Finance be authorized to make refinements to the request in the interest of accuracy and completeness.

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

3. In June, 1999, the Board adopted a ten-year capital plan totaling \$6.9 billion with approximately 60% of the funding to be provided by the State and the remainder to be provided from non-State resources. Since 1999, the General Assembly, at the request of the Board, had authorized non-appropriated capital improvements projects totaling \$1.5 billion to be financed from available balances in University accounts or from the sale of bonds to be repaid from University receipts. This amount exceeded the original commitment made by the Board of Governors.

The University was now ready to proceed with the next year of the plan for projects to be funded from non-State resources. The proposals from the campuses continued to capitalize on the authority granted by the 2000 General Assembly allowing the Board of Governors to issue special obligation bonds – those backed by a pledge of all available institutional revenues excluding tuition receipts and state appropriations. The use of special obligation

bonds enhanced credit ratings and led to bond issue savings through more competitive rates of interest. Descriptions follow of each proposed project as well as the sources of project financing. A detailed financial plan would be developed for each project in consultation with financial advisors and bond counsel before bonds were issued and construction contracts were awarded.

It was recommended that the Board approve 35 capital improvements projects (or project supplements) at nine institutions totaling \$355,482,900. The projects would then be forwarded to the General Assembly for authorization during the 2004 Session.

### **Appalachian State University**

#### Central Dining Facility-Supplement – \$2,000,000

This project was first approved by the General Assembly in 2000 but was delayed because plans called for construction on the Broom-Kirk Gymnasium site and that facility was scheduled for demolition after a new Student Recreation Center was completed. The proposed increase was based on revised cost estimates and was principally related to changes needed to comply with building codes. The proposed increase would be financed from indebtedness to be repaid from dining receipts. The total project cost would now be \$17.7 million.

#### Steam Line Improvements – \$2,000,000

This project would continue a comprehensive program to repair and/or replace steam distribution-condensate return lines in the East Campus area. The project would be financed from indebtedness to be repaid from utility trust fund receipts.

### **East Carolina University**

#### Administrative Offices – \$2,500,000

This project would provide for the construction of a new facility to provide office and work space for the Pirate Club and the Athletics Ticketing Offices. Conference room facilities would also be included. The project would be financed from indebtedness to be repaid from private gifts and receipts from ticket sales.

#### Stadium Maintenance Repairs, Phase III – \$2,600,000

This project would provide for additional repairs to the 41-year old Dowdy-Ficklen Stadium. Earlier project phases previously approved by the General Assembly totaled \$3.46 million and ECU issued debt and implemented a \$15 debt service fee. The debt was retired at the end of the 2003 calendar year and the \$15 debt service fee lapsed. ECU proposed to issue debt and reestablish the \$15 debt service fee to finance this project that would provide critical sanitary-sewer upgrades, replacement of plumbing fixtures on the North and South sides of the stadium, renovation of the visitor's locker room, and electrical system upgrades. The indebtedness would also be retired from private gifts.

#### Tyler and Fletcher Residence Halls Renovations – \$3,250,000

This project would provide for the upgrade of the electrical systems at two residence halls to accommodate the installation of window air conditioning units. After careful study of design alternatives, campus officials determined that it would be more cost effective to install window units than renovate the residence halls and install central air conditioning. The project would be financed from indebtedness to be repaid from housing receipts.

### **North Carolina A&T State University**

#### Parking Deck – \$6,796,750

This project would provide a 500-space parking deck on the campus to help address increased parking demand resulting from enrollment growth. The project would be financed from indebtedness to be repaid from parking receipts.

## **North Carolina Central University**

### **Biomanufacturing Research Institute and Training Enterprise – \$17,800,000**

The Golden LEAF Foundation had approved a grant of \$17,800,000 to NCCU to design, construct, equip, and up-fit a new biomanufacturing research building on the NCCU campus. The Golden LEAF (Long-term Economic Advancement Foundation) was created in 1999 as a non-profit corporation. It received one half of the funds coming to North Carolina resulting from the Master Tobacco Settlement Agreement and made grants to non-profit and government agencies. NCCU would establish a new Biomanufacturing Research Institute and Training Enterprise (BRITE). Golden LEAF funds would be used to build a state-of-the-art facility for researching a full range of biomanufacturing technologies in both basic and applied settings.

## **North Carolina State University**

### **Biomanufacturing Training and Education Center – \$33,500,000**

The Golden LEAF Foundation had approved a grant of \$33,500,000 to NCSU to design, construct, equip, and up-fit a building on the University's Centennial Campus for the Biomanufacturing Training and Education Center (BTEC). The Golden LEAF (Long-term Economic Advancement Foundation) was created in 1999 as a non-profit corporation. It received one half of the funds coming to North Carolina resulting from the Master Tobacco Settlement Agreement and made grants to non-profit and government agencies. BTEC is planned to be a 91,000 gross square foot facility, which would provide capstone, hands-on training and education in biomanufacturing. Included would be facilities to train students in large-scale bioprocessing and aseptic operations. Teaching facilities would be designed to standards required by industry while remaining flexible to meet the changing demands of the biomanufacturing industry.

### **Dining Hall Renovations – \$3,000,000**

This project would provide for renovations to dining halls and food service facilities in the Talley Student Center, Fountain Dining Hall and in convenience stores. The facilities would be upgraded to reflect student preferences for food-court-style service delivery. The project would be financed from indebtedness to be repaid from dining receipts.

### **Renovation of Berry, Becton, and Bagwell Residence Halls, Supplement – \$4,000,000**

This project was previously approved by the General Assembly in the 2003 legislative session. After completing programming and design for the renovations, the campus identified additional requirements that were not included in the original project scope. These requirements included the addition of new stair towers on two of the residence halls and significant modifications to the third as a result of code changes. The proposed increase would be financed from indebtedness to be repaid from housing receipts. The total project cost would be \$14 million.

### **Student Commons Improvements – \$3,500,000**

This project would provide for an academic support and service center for the 440 students living in the Berry/Becton/Bagwell Quad residence halls. The Commons would include a 24-hour service desk, staff offices, convenience store, and student mailboxes on the first floor. The second floor would have a computer lab, a classroom/meeting room, and a study room for use by students in the Honors Village. The project would be financed from indebtedness to be repaid from housing and dining receipts.

### **Renovations to Reynolds Coliseum – \$1,500,000**

This project would provide for the replacement of the roof at Reynolds Coliseum and address code-related issues and asbestos removal. The proposed increase would be financed from indebtedness to be repaid from a \$10 debt service fee.

## **The University of North Carolina at Asheville**

### **Governors Village Residence Hall – \$12,700,000**

This project would provide for the construction of a 230-bed facility as the campus continued to replace the existing Governors Village built in the 1960s. The project would be financed from indebtedness to be repaid from housing receipts.

## **The University of North Carolina at Chapel Hill**

### **Ambulatory Care Renovations – \$1,800,000**

This project would provide for the consolidation of adult and pediatric orthopedics clinics within the Ambulatory Care Center and UNC Hospitals as well as relocation of several clinics, including radiology and therapy units, to the second floor of the Ambulatory Care Center. This project would be financed from indebtedness to be repaid from Medical Faculty Practice Plan receipts.

### **Arthritis Research Center – \$1,800,000**

This project would provide for renovations to the third floor of the Thurston-Bowles Building. Administrative space within the Arthritis Research Center would be reconfigured to accommodate a planned reorganization. This project would be financed from indebtedness to be repaid from private gifts.

### **Carmichael Fields 3 & 4 – \$1,200,000**

This project would provide for the resurfacing of athletic fields with Astroturf and improvements to the fields' storm drainage system. The project would be financed from indebtedness to be repaid from a \$4 per year debt service fee.

### **ITS Building-Supplement – \$4,000,000**

This project was previously approved by the 2003 General Assembly as a request to renovate the Bennett Building for telecommunications functions. After more extensive programming and design, the campus had determined that it would be more cost effective to demolish the Bennett Building and build a new facility. The proposed increase would allow for the demolition of the existing building, the relocation of the existing duct bank and the temporary relocation of the central IT HUB during construction. The proposed increase would be financed from indebtedness to be repaid from telecommunications receipts. The total project cost would be \$16.3 million.

### **Institute for Advanced Materials, Nanoscience & Nanotechnology – \$3,800,000**

This project would provide for the upfit of laboratory space in the basement of the Science Complex Phase I facility for the new Institute. The project would be financed from indebtedness to be repaid from private gifts.

### **Educational Foundation Office Building – \$3,000,000**

This project would provide for the construction of a new facility to co-locate the functions of the Educational Foundation and the athletics ticket office. The project would be financed from indebtedness to be repaid from private gifts.

### **Athletic Facilities Improvements – \$1,100,000**

This project would provide for the addition of permanent stands and a team building for the women's softball team, consistent with Title IX requirements for gender equity in athletics programs and facilities. The project would be financed from indebtedness to be repaid from private gifts.

### **Addition to WUNC Radio – \$1,000,000**

This project would provide for a 1,600 square-foot addition to WUNC radio that would include office space, meeting rooms, and storage, as well as improvements to the Chatham County transmitter site and tower upgrade, which would include the addition of a block building and equipment. The project would be financed from indebtedness to be repaid from private gifts.

### **School of Medicine Research Facilities, Addition – \$33,000,000**

This project would add three floors to a research facility approved by the 2002 General Assembly for use by the School of Pharmacy. The increase would be financed from indebtedness to be repaid from facilities and administrative receipts.

Student Family Housing – \$19,000,000

This project would provide 408 units (one and two bedroom) of new housing for student families. The project would continue the replacement of the 1960s-built Odum Village apartments. This project would be financed from indebtedness to be repaid from housing receipts.

Morrison Residence Hall Renovations – \$24,000,000

This project would provide for the complete modernization and renovation of this high-rise residence hall built in the 1960s. The project would include reconfiguration of rooms consistent with modern standards and upgrades to mechanical systems. A total of 860 beds would be available after renovations. The project would be financed from indebtedness to be repaid from housing receipts.

Residence Halls Phase II, Supplement – \$20,500,000

This project was previously approved by the 2002 Session of the General Assembly. The proposed increase would enable the campus to provide apartment-style units rather than the suite-style units originally programmed. The increase would also address the severely sloped site conditions and would provide an underground parking deck. The proposed increase would be financed from indebtedness to be repaid from housing receipts. The total project cost would be \$67 million.

Daniels Building Renovations – \$7,000,000

This facility houses the student store which contained a general sales area, the Bulls Head Book Shop, a textbook sales area, offices and storage areas. It was built in 1968 and was in need of renovation. This project would upgrade the building's mechanical, electrical and plumbing systems and provide other improvements to address accessibility, and fire and life safety issues. The project would be financed from indebtedness to be repaid from student store receipts.

Parking Facilities – \$17,000,000

This project would provide for the addition of 934 parking spaces on campus in two parking decks. One deck would be located under the planned Global and International Studies Facility and the other would be located at Jackson Circle to augment parking near the medical complex. These projects involved the relocation of utilities and the excavation of rock. The project would be financed from indebtedness to be repaid from parking receipts.

Major Infrastructure Improvements – \$68,436,150

This project would provide for the addition of new sanitary sewer lines, electrical substation upgrades, duct banks, a chiller plant, chilled water systems expansion and improvements, and the replacement of aging steam lines and equipment. The project would be financed from indebtedness to be repaid from the utilities trust fund.

**The University of North Carolina at Charlotte**

Parking Deck-Supplement – \$4,200,000

This project was previously approved by the 2002 Session of the General Assembly and would provide 600 new parking spaces on campus. Project programming, scope refinement and improved cost estimates had identified the need to increase the authorized funding. The project would be financed from indebtedness to be repaid from parking receipts. The total project cost would be \$12.5 million.

Greek Village Housing – \$21,500,000

This project would provide housing facilities for approximately 400 student members of Greek organizations. The facilities would be 12 three-story structures, each housing up to 32 students. The facilities would include single rooms, along with kitchens, dining facilities, laundry facilities and meeting areas. The project would be financed from indebtedness to be repaid from housing receipts.

Student Union Building-Supplement – \$6,000,000

This project was approved in 2003 by the General Assembly at an estimated cost of \$39,700,000. The proposed increase would provide for a pedestrian connector, shell space for future expansion of the HVAC system, and additional space for student activities. The proposed increase would be financed from indebtedness to be repaid from the proceeds of an existing debt service fee – no increase in the amount of the fee was required. The total cost of the facility was now estimated to be \$45.7 million.

**The University of North Carolina at Greensboro**

Parking Deck Addition – \$8,000,000

This project would provide for the addition of 500 parking spaces, on four levels, to an existing parking deck. This proposed addition was consistent with the campus master plan. The project would be financed from indebtedness to be repaid from parking receipts.

Residence Hall Renovations – \$4,500,000

This project would provide for HVAC improvements in Guilford and Mary Foust residence halls and the campus Dining Hall, each built in the 1920s. Existing chillers would be removed and the facilities would be connected to the regional chiller plant. The project would also include new HVAC equipment to include controls in the residence hall. The project would be financed from indebtedness to be repaid from housing receipts.

Dining Hall Renovations – \$1,500,000

This project would provide for the removal and replacement of the existing slate roof for the 79-year-old Dining Hall. The existing roof was failing and was increasingly requiring repairs. The project would be financed from indebtedness to be repaid from dining receipts.

The General Assembly was also required to approve the financing plan when bonds were issued to provide supplemental financing for projects that were partially funded by the 2000 higher education bonds. Authorization for financing was requested for one such project at The University of North Carolina at Chapel Hill.

<u>Institution</u>	<u>Project</u>	<u>Total Project Cost</u>	<u>2000 Higher Education Bond Funding</u>	<u>Supplemental Indebtedness</u>	<u>Source of Debt Repayment</u>
UNC-CH	Campus Fiber- Optic Wiring	\$25,533,500	\$17,533,500	\$8,000,000	Telecommunications Receipts

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

4. G.S. 116-13.2 required the Board of Governors to report on an annual basis to the Joint Legislative Commission of Governmental Operations on financing of buildings and other facilities and fiscal liabilities or contingent liabilities of the University or any constituent institutions.

**§ 116-13.2. Report on University Fiscal Liabilities.**

The Board of Governors shall report on an annual basis to the Joint Legislative Commission on Governmental Operations on:

- (1) Any financing of buildings or other facilities, regardless of the ownership of those buildings or other facilities, located on land owned by The University of North Carolina or the constituent institutions of The University of North Carolina; and
- (2) All fiscal liabilities or contingent liabilities, including payments for debt service or other contractual arrangements, of The University of North Carolina or any constituent institution.

The report was developed by the Office of the President to meet the legislative directive.

It was recommended that the Report on Fiscal Liabilities be accepted and reported to the Joint Legislative Commission on Governmental Operations.

On the motion of Mr. Burns, seconded by Mr. Farris, the recommendation was approved.

5. The guidelines for Special Responsibility Constituent Institutions (SRCI) authorized the Board of Governors to set separate purchasing benchmarks for each SRCI at levels up to \$500,000. Essentially, each institution may secure goods and services for amounts not exceeding the established benchmark using institutional procedures rather than routing bids through the Division of Purchase and Contract in Raleigh.

The University of North Carolina at Greensboro and Western Carolina University had conducted self-assessments of their purchasing capabilities and, as a result of their assessments, requested an increase in their respective benchmarks. The University of North Carolina at Greensboro requested an increase in its purchasing benchmark to \$500,000 from \$150,000. Western Carolina University requested an increase in its purchasing benchmark to \$250,000 from \$100,000. In accordance with the Board's guidelines, the Vice President for Finance had consulted with the Director of Purchase and Contract and the State Budget Officer to determine that these benchmarks were appropriate for each of these institutions.

It was recommended that the purchasing benchmark for the University of North Carolina at Greensboro be set at \$500,000 and the purchasing benchmark for Western Carolina University be set at \$250,000, effective April 1, 2004.

On the motion of Ms. Gage, seconded by Mr. Burns, the recommendation was approved.

6. The Board of Trustees of East Carolina University had requested the authority to establish a new capital improvements project.

The project would provide for upgrade of the HVAC system in the 80-year-old Cotton Residence Hall. Work would include replacement of the existing fan coil units in each room and replacement of the building's chiller. The project was estimated to cost \$1,677,308 and would be financed from housing receipts.

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

On the motion of Mr. Burns, seconded by Ms. Gage, the recommendation was approved.

7. The Board of Trustees of the University of North Carolina at Chapel Hill had requested the authority to establish a new capital improvements project.

The project would provide for the renovation of approximately 12,000 square feet of space on the eleventh floor of the Faculty Lab Office Building to provide laboratory space for pharmacological research activities. The project was estimated to cost \$530,500 and would be financed from facilities and administrative receipts.

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

On the motion of Mr. Broadwell, seconded by Mr. Farris, the recommendation was approved.

8. The Board of Trustees of the University of North Carolina at Charlotte requested approval of four new capital improvements projects.

The first project would provide for the improvement of traffic flow at the intersection of two major campus roads (Mary Alexander and Van Landingham). The intersection abutted the campus's main parking decks (East Decks), and resulted in conflicting pedestrian and vehicular traffic in its current configuration. The traffic pattern had created a significant safety problem that the proposed project would address. The project was estimated to cost \$415,000 and would be financed from parking funds.

The second project would provide for the replacement of the HVAC system in the 33-year-old Residence Dining Hall. The project would include replacement of the chiller, mechanical room air handling units, and associated steam system and controls. The project was estimated to cost \$900,000 and would be financed from dining receipts.

The third project would provide for structural repair and architectural enhancements to Cone Plaza, an exterior component of the Bonnie Cone University Center. The steel substructure of the plaza area was severely corroded and in danger of losing its structural integrity due to moisture intrusion. The project was estimated to cost \$634,000 and would be financed from Cone Center receipts.

The fourth project would provide for the renovation of the dining areas in Prospector Cafeteria to convert from the traditional cafeteria-style service delivery to the food-court-service delivery style. The project was estimated to cost \$1,200,000 and would be financed from dining receipts.

It was recommended that the projects be authorized and that the methods of financing as proposed by The University of North Carolina at Charlotte be approved.

On the motion of Mr. Broadwell, seconded by Mr. Farris, the recommendation was approved.



9. North Carolina State University requested approval of the acquisition of three properties through a land exchange with SAS Institute. The properties planned for acquisition were being acquired by Commander Properties on behalf of the Institute and are listed below:
  1. The Joe Lee Tract was a 96-acre undeveloped property located on Mid Pines Road south of Tryon Road. The property was contiguous to NCSU's Lake Wheeler Road Field Laboratory on three sides. The College of Agriculture and Life Sciences would use this property to support the relocation of the beef cattle herd from their Reedy Creek Road location and provide future expansion opportunities for the Lake Wheeler Road Field Laboratory. This tract would be purchased by SAS Institute for \$2,880,000 and valued within the exchange at \$2,300,000, the appraised value established in consultation with the State Property Office.
  2. The EyeBeam Building property was a 2.15-acre parcel with a two-story, 31,000 square-foot building constructed in 2000. Located at 512 Brickhaven Drive, this property was adjacent to NCSU's Raulston Arboretum. This property was one of four parcels targeted for acquisition for campus expansion adjacent to the Arboretum. The building would be used for office space, meeting rooms, and swing space as needed by departments during construction of projects associated with the 2000 Higher Education Bond program and to supply the space needed to support NCSU program growth. This property would be purchased for \$4,075,000, a value established in consultation with the State Property Office.
  3. The Blue Ridge Road property was a 1.44-acre parcel with a one-story, 14,850 square-foot building constructed in 1976. Located at 1528 Blue Ridge Road, the property was adjacent to the Centennial Biomedical Campus. The building had been leased for the past ten years by NCSU's Center for Urban Affairs and Community Services for use by their Technical Outreach for Public Schools program (TOPS). The property would continue to serve the TOPS program and provide future expansion opportunities for the Centennial Biomedical Campus. It was anticipated that this property would be purchased for \$920,000, a value established in consultation with the State Property Office.

In exchange, North Carolina State University requested to dispose of approximately 96 acres of grazing land located on the west side of Trenton Road that were used by the College of Agriculture and Life Sciences. The planned Cary Parkway Extension would bisect this parcel and the growing commercial and residential development around this land would ultimately diminish the ability of this property to support its associated academic program. SAS Institute was seeking to acquire this property for expansion of its adjacent campus. SAS Institute had also agreed that NCSU would retain use of the Trenton Road West property for a period of ten years under a no-cost lease. The property had an appraised value of \$6,050,000 and the State Property Office concurred with the appraisal. The 2000 Higher Education Bonds would be the source of the additional funds needed to complete the transaction. The properties acquired as part of the proposed exchange were consistent with NCSU's master plan.

Summary of the property exchange funding strategy:

Exchange Item	Exchange Value*	
	Revenue	Expense
Acquisition of the Joe Lee Tract property		\$2,300,000
Acquisition of the EyeBeam Building property		\$4,075,000
Acquisition of the Blue Ridge Road property		\$ 920,000
Disposition of Trenton Road West property	\$6,050,000	
2000 Higher Education Bond Funds (land acquisition funds)	\$1,245,000	
<u>Total</u>	<b>\$7,295,000</b>	<b>\$7,295,000</b>

\*The Joe Lee Tract would be purchased by SAS Institute for \$2,880,000 and exchanged to NCSU at a value of \$2,300,000 representing a \$580,000 benefit for NCSU

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

On the motion of Mr. Farris, seconded by Mr. Burns, the recommendation was approved.

10. In 1998, the General Assembly passed House Bill 1737 to provide North Carolina State University with expanded flexibility for the development of the Centennial Campus. One of the changes included in the Bill enabled the Board of Governors to approve certain out-leases of space on the Centennial Campus and then report the leases to the Council of State rather than secure the approval of the Council of State in advance. This change provided the University with the ability to execute leases in a shorter time period than had previously been possible. Once the Board had approved a lease, the Vice President for Finance was authorized to execute the lease on behalf of the Chairman of the Board of Governors.

The Board of Trustees of North Carolina State University had requested approval of an out-lease of space to Advanced Energy Corporation (AEC). Advanced Energy Corporation had been a tenant of the Centennial Campus since 1997 and had leased additional space since the initial lease to meet expansion needs. This request was to consolidate all leases and to enter into an amended lease agreement. The lease would provide AEC approximately 20,250 square feet of space on the Centennial Campus and would have an initial term of 7.5 years with two five-year renewal options. The initial annual rent would be \$19.55 per square foot and adjusted annually thereafter by the CPI.

It was recommended that the request of the Board of Trustees be approved and that it be reported to the Council of State.

On the motion of Mr. Burns, seconded by Mr. Farris, the recommendation was approved.

11. On June 8, 2001, the Board authorized the Office of the President to execute leases valued up to \$150,000 and acquisitions up to \$250,000. The following property transactions were approved under this delegation and were reported to the Committee on Budget and Finance.

The University of North Carolina at Chapel Hill – Disposition of Real Property

Owner: State of North Carolina  
Disposition reason: The farmhouse is at the end of its economic useful life and severing this structure from the property will mitigate potential nuisance issues  
Location: 1411 Homestead Road, Orange County  
Description: A 1-1/2 story 1,700 square-foot wood framed farmhouse built in 1901  
Estimated value: No economic value  
Rental Income: None  
Proceeds: No consideration  
Approvals: The UNC-CH Board of Trustees recommended this action on January 22, 2004

The University of North Carolina at Chapel Hill – Disposition of Real Property

Owner: State of North Carolina  
Disposition reason: Provide ground lease to allow the construction and operation of affordable family accommodations for patients of the UNC Health Care Systems  
Location: The property is located on the north side of Mason Farm Road immediately east of the Ronald MacDonald House, Chapel Hill, Orange County  
Description: Approximately 5.85 acres of land  
Estimated value: N/A  
Rental Income: 25-year ground lease at \$1.00 per year with the improvements and the property reverting to the lessor upon expiration of the lease term  
Proceeds: N/A  
Approvals: The UNC-CH Board of Trustees recommended this action on January 22, 2004

There being no further business, the meeting was adjourned.

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Mr. Jim W. Phillips, Jr.  
Chairman of the Committee  
on Budget and Finance

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Mr. F. Edward Broadwell, Jr.  
Secretary of the Committee  
on Budget and Finance

Authorization of New Capital Improvements Project – The University of North Carolina at Greensboro

The Board of Trustees of the University of North Carolina at Greensboro has requested authority to construct a bell tower on the UNCG campus. The project is estimated to cost \$500,000 and the tower will be built in the plaza on the northwest corner of the intersection of Spring Garden Street and College Avenue. Construction will be accomplished by leasing State land to the UNCG Excellence Foundation for the period required to complete the project. At the end of the construction period, the State would accept the completed project as a gift-in-place.

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

Centennial Campus Boundary Change – North Carolina State University

General Statute 116-198.34(8a) empowers the Board of Governors to designate the real property and appurtenant facilities to be included as part of the Centennial Campus, the Horace Williams Campus, or a Millennial Campus.

The Board of Trustees of North Carolina State University has requested that the Board of Governors adopt the following resolution which designates that the indicated, University-owned real property and appurtenant facilities become part of the NCSU Centennial Campus.

It is recommended that the Board of Governors adopt the following resolution.

RESOLUTION

WHEREAS, General Statute 116-198.33(4) defines the term “Centennial Campus” to mean all of the real property and appurtenant facilities bounded by Blue Ridge Road, Hillsborough Street, Wade Avenue, and Interstate 440 that are the sites of the College of Veterinary Medicine, the University Club, and the Agricultural Turf Grass Management Program; the real property and appurtenant facilities that are the former Dix Hospital properties and other contiguous parcels of property that are adjacent to Centennial Boulevard and all other real property and appurtenant facilities designated by the Board of Governors as part of the Centennial Campus (the properties designated by the Board of Governors do not have to be contiguous with the Centennial Campus to be designated as part of that Campus);

WHEREAS, General Statute 116-198.34(8a) empowers the Board of Governors to designate the real property and appurtenant facilities to be included as part of the Centennial Campus, the Horace Williams Campus, or a Millennial Campus;

WHEREAS, North Carolina State University has acquired additional real property adjacent to the original Centennial Campus created with the former Dix Hospital properties and desires to include these properties within the Centennial Campus:

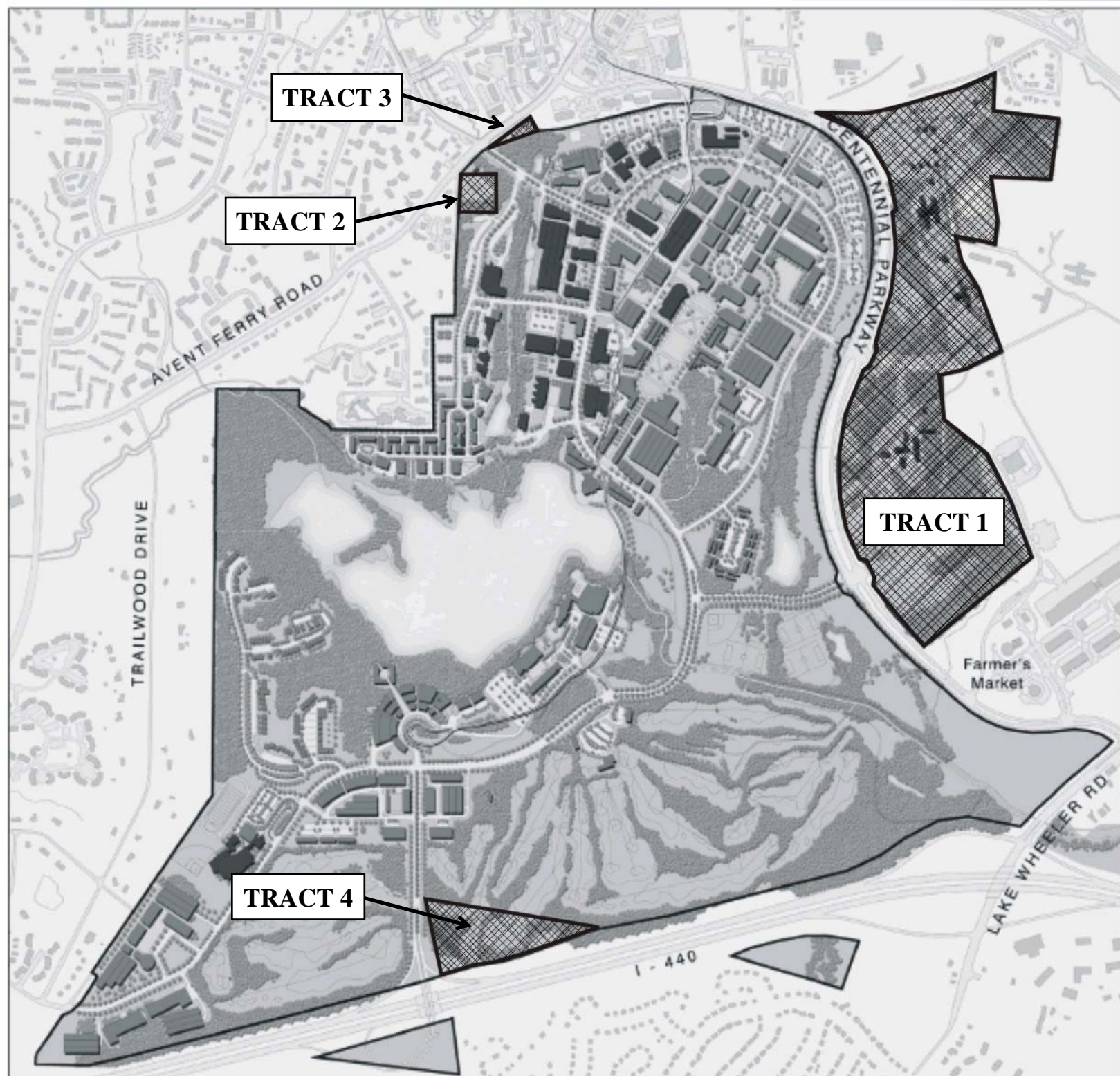
Tract 1 - 129.798 acres along the east side of Centennial Parkway as allocated to the University in December 2000 by Governor James B. Hunt and being bounded by Centennial Parkway on the west, Bilyeu Street to the north and lands owned by the State of North Carolina allocated to the NC Department of Health and Human Services on the east and the NC Department of Agriculture on the south.

Tract 2 - 2.44± acres along the east side of Lake Raleigh Road and being bounded by Lake Raleigh Road on the west, and by Centennial Campus on the north, east, and south.

Tract 3 - A triangular shaped tract comprising 0.84± acre along the south side of Avent Ferry Road and being bounded by Avent Ferry Road on the north, the Roman Catholic Diocese of Raleigh property on the east, and Centennial Campus on the south.

Tract 4 - A triangular-shaped tract comprising 18.39± acres along the north side of I-440 and being bounded by I-440 on the south and Centennial Campus on the west and north.

NOW, THEREFORE BE IT RESOLVED that the Board of Governors designates the original Centennial Campus of North Carolina State University to include all properties as illustrated on the attached map dated April 15, 2004.



- Additions

# North Carolina State University - Centennial Campus

Boundary Designation of the Original Centennial Campus as of April 15, 2004

Out-Lease of Land – North Carolina A&T State University

The Board of Trustees of North Carolina A&T State University has requested approval to lease 2.5 acres of State land to the NCA&SU Foundation, LLC, for the purpose of constructing an Events Center. The Events Center, a component of the Foundation's campus housing development plan, will provide needed support space for a growing number of on-campus residents and an increasing number of University-related activities due to continued enrollment growth. The Foundation would contract with a construction firm to build the 30,000 square-foot Center (i.e. conference, meeting, and office space to support housing activities). The land for the Events Center is located at the corner of Luther Street and Bluford Street.

Also requested is approval to combine the property under two existing ground leases between the State and the NCA&TSU Foundation, LLC (i.e., a 2001 lease for Aggie Terrace/Aggie Suites and a 2004 lease for Aggie Pride) into this encompassing ground lease, including the Events Center, which would allow the University and the Foundation to simplify their leasehold interests under one common ground lease, an arrangement that would be most efficient with the anticipated financing structure.

The \$1 per term lease would be for a single term of up to 46.5 years. Upon the expiration of the lease, the land and any improvements upon the land would revert to the State. The lease of land will be accomplished within the guidelines, procedures, and policies of the North Carolina Department of Administration and must be approved by the Council of State. Construction documents will be reviewed by the State Construction Office and the Department of Insurance.

It is recommended that the request of the Board of Trustees of North Carolina A&T State University be approved and transmitted to the Council of State for final action.



Out-Lease of Space – North Carolina State University

In 1998, the General Assembly passed House Bill 1737 to provide North Carolina State University with expanded flexibility for the development of the Centennial Campus. One of the changes included in the Bill enabled the Board of Governors to approve certain out-leases of space on the Centennial Campus and then report the leases to the Council of State rather than secure the approval of the Council of State in advance. This change provided the University with the ability to execute leases in a shorter time period than had previously been possible. Once the Board had approved a lease, the Vice President for Finance was authorized to execute the lease on behalf of the Chairman of the Board of Governors.

The Board of Trustees of North Carolina State University has requested approval of the out-lease of space to Belcan Technical Services (BTC). The lease will provide BTC approximately 8,000 usable square feet of space on the Centennial Campus and will have a term of five years and five months. The initial annual rent will be \$19.67 per square foot, including building operating costs, and adjusted annually thereafter by increases in the CPI.

It is recommended that the request of the Board of Trustees be approved and reported to the Council of State.

# **University of North Carolina Board of Governors**

## **UNC Bond Program Report**

### **May 2004**

The Bond Program continues to move towards the scheduled peak for construction activity during this calendar year with marked progress in the construction and completed phases of the program.

Since the Board's last meeting in March, a number of classroom projects have been completed, highlighting the importance of these resources to support enrollment growth and the quality of the higher education experience for all UNC students. North Carolina A&T completed Phase II of its General Classroom and Lab project (\$18.7M), including substantial investments in audio-visual equipment, communications cabling, and furnishings to support the use of current teaching technologies. UNC-Chapel Hill completed renovations to both Murphey Hall (\$5.6M) and Peabody Hall (\$5.6M) classroom buildings, as well as the Institute of Marine Sciences Coker Hall conversion from lab to classrooms at Morehead City (\$1.8M). Williams Hall Classroom Building renovation (\$2.5M) at Elizabeth City State University has also been completed. Supporting facilities such as the Film Archives project (\$1.8M) at the NC School of the Arts and the Public Safety facility (\$798,000) at NC Central have also been completed.

The campuses' ability to recruit and retain a capable workforce has been critical to maintaining the program's pace and contributing to its overall success. Training opportunities for existing and new staff continue to be provided for capital project processes and procedures, the "CAPSTAT" capital project tracking system, Primavera scheduling software, and the State's "HUBSCO" reporting system for reporting historically underutilized business participation. Additional tools, such as those provided in the recent seminar on construction auditing continue to enhance the skills of these committed staff.

In addition to these resources and tools, The University is developing important relationships with the contracting community to open lines of communication and better facilitate successful program delivery. For example, the Carolinas Association of General Contractors (CAGC) has established a UNC/AGC committee to focus specifically on issues related to University construction. The committee held its first meeting at the UNC General Administration building on April 26. Shari Harris, on the Finance Staff, is also partnering with the AGC to promote training and certification programs that will focus on business practices for HUB contractors.

Media reports have recently highlighted price escalations for steel and certain other materials and the impact these have had on construction bid prices. The campuses have experienced increases in bid openings in recent months. These increases were anticipated over the life of the program and the campuses have managed successful bid openings from early in the program to address the current market. This item was on the agenda of the first UNC/AGC committee meeting. We are continuing to monitor these developments as they underscore the need to expedite construction where we can and to maintain schedules. The quicker The University can get through its construction peak, the better. The market developments also underscore the importance of The University's HUB efforts. Increasing the number of capable firms competing for University business will help to maintain a favorable bid climate for the campuses.

An updated project status overview is included in this report reflecting the activity by institution. Overall, nearly 54% (\$1.346B) of all of the program's funding is either committed by contract or already expended for completed work or land acquisitions.

**The University of North Carolina  
Bond Project Status Overview - May 2004  
Contractual Commitments from Bond Funds**

Institution	# of Projects per Bond List*	# of Project Bid Packages*	Total Dollar Value	In Design Phase				In Construction Phase				Complete				Land Acquisitions	
				\$	%	#	%	\$	%	#	%	\$	%	#	%	\$	%
Appalachian State University	13	23	\$87,406,200	\$5,306,968	6.07%	4	17.39%	\$56,941,785	65.15%	8	34.78%	\$12,477,272	14.28%	9	39.13%	\$829,300	0.95%
East Carolina University	13	22	\$190,609,500	\$8,375,051	4.39%	5	22.73%	\$20,944,859	10.99%	6	27.27%	\$63,774,374	33.46%	7	31.82%	\$7,667,248	4.02%
Elizabeth City State University	19	21	\$46,296,800	\$2,923,250	6.31%	6	28.57%	\$20,848,838	45.03%	5	23.81%	\$4,491,081	9.70%	4	19.05%	\$0	0.00%
Fayetteville State University	16	24	\$46,021,400	\$2,028,133	4.41%	11	45.83%	\$15,177,569	32.98%	9	37.50%	\$718,988	1.56%	2	8.33%	Not Applicable	N/A
North Carolina A&T State University	24	35	\$161,800,091	\$7,045,995	4.35%	6	17.14%	\$44,839,191	27.71%	13	37.14%	\$21,712,727	13.42%	9	25.71%	\$5,916,258	3.66%
North Carolina Central University	23	47	\$121,246,203	\$8,398,757	6.93%	8	17.02%	\$64,618,704	53.30%	20	42.55%	\$1,399,780	1.15%	3	6.38%	\$1,733,376	1.43%
North Carolina School of the Arts	12	10	\$42,547,500	\$835,234	1.96%	3	30.00%	\$4,510,024	10.60%	2	20.00%	\$21,826,723	51.30%	3	30.00%	\$2,210,770	5.20%
North Carolina State University	40	97	\$468,256,655	\$18,301,162	3.91%	25	25.77%	\$173,673,857	37.09%	43	44.33%	\$46,115,628	9.85%	19	19.59%	\$371,896	0.08%
UNC-Asheville	9	12	\$50,464,200	\$3,052,742	6.05%	5	41.67%	\$9,129,461	18.09%	2	16.67%	\$1,720,243	3.41%	5	41.67%	Not Applicable	N/A
UNC-Chapel Hill	50	84	\$510,539,075	\$30,262,227	5.93%	41	48.81%	\$148,612,752	29.11%	22	26.19%	\$71,065,096	13.92%	17	20.24%	\$8,872	0.00%
UNC-Charlotte	15	22	\$190,033,501	\$12,637,986	6.65%	7	31.82%	\$116,948,408	61.54%	9	40.91%	\$11,656,801	6.13%	6	27.27%	Not Applicable	N/A
UNC-Greensboro	17	26	\$166,008,255	\$5,861,229	3.53%	4	15.38%	\$47,922,595	28.87%	8	30.77%	\$39,432,117	23.75%	9	34.62%	\$3,051,765	1.84%
UNC-Pembroke	17	14	\$56,873,600	\$3,451,287	6.07%	8	57.14%	\$24,268,916	42.67%	4	28.57%	\$0	0.00%	0	0.00%	Not Applicable	N/A
UNC-Wilmington	18	33	\$109,201,800	\$7,437,121	6.81%	14	42.42%	\$26,237,493	24.03%	8	24.24%	\$3,168,016	2.90%	11	33.33%	\$635,000	0.58%
Western Carolina University	15	26	\$100,336,744	\$5,950,936	5.93%	7	26.92%	\$45,310,882	45.16%	11	42.31%	\$6,351,374	6.33%	5	19.23%	\$0	0.00%
Winston-Salem State University	13	21	\$46,786,581	\$1,321,496	2.82%	2	9.52%	\$14,927,665	31.91%	6	28.57%	\$16,311,874	34.86%	13	61.90%	Not Applicable	N/A
UNC Center for Public Television	2	6	\$65,890,600	\$0	0.00%	0	0.00%	\$28,248,366	42.87%	1	16.67%	\$8,916,347	13.53%	5	83.33%	Not Applicable	N/A
NC School of Science and Math**	2	4	\$5,163,000	\$227,250	4.40%	0	0.00%	\$2,449,096	47.44%	1	25.00%	\$1,780,102	34.48%	3	75.00%	Not Applicable	N/A
The NC Arboretum	1	6	\$9,331,700	\$552,807	5.92%	4	66.67%	\$1,503,942	16.12%	1	16.67%	\$110,000	1.18%	1	16.67%	Not Applicable	N/A
Reserve – For Repairs and Renovations and Cost Overruns			\$25,186,595														
<b>Total</b>	<b>319</b>	<b>533</b>	<b>\$2,500,000,000</b>	<b>\$123,969,631</b>	<b>4.96%</b>	<b>160</b>	<b>30.02%</b>	<b>\$867,114,403</b>	<b>34.68%</b>	<b>179</b>	<b>33.58%</b>	<b>\$333,028,543</b>	<b>13.32%</b>	<b>131</b>	<b>24.58%</b>	<b>\$22,424,485</b>	<b>0.90%</b>

\*The number of projects undertaken by the institutions differs from the number as listed in the bond legislation because projects are in some instances combined or separated into multiple phases. The percentages reported are based on the number of bid packages being prepared by the institution in order to give a more accurate progress picture. The number of projects listed based on legislation, reflects the original 316 items plus 3 projects approved through scope change requests.

\*\*With no projects still in design, a design contract amount continues to be reported reflecting the designer's ongoing responsibility and the institution's financial commitment until the completion of the project when the design contract amount is incorporated into the total reported under "Complete."  
Construction Manager at Risk preconstruction fee is listed under "Construction" column and will reflect a project count when a Gross Maximum Price contract is executed.