

Amendments to the Budget Request of the Board of Governors

In a letter to Mr. David H. Murdock, Chairman and Chief Executive Officer of Dole Foods Company, Senate President Pro Tempore Marc Basnight and Speaker of the House of Representatives James B. Black stated the following in relation to the projects underway in Kannapolis.

We appreciate your offer to help supply our campuses with the research infrastructure they need to fulfill the research component of this project. Please know that we take very seriously our responsibility to fund higher education in our state, and we believe that the state also should play an active role in supporting our universities' role in this collaboration. To that end, we are prepared to work together and put forth our very best efforts during the 2006 legislative session to secure funding...to support our universities' participation in this partnership, with the understanding that the campuses also have an obligation to seek additional monies from federal, private, or other sources to complement the legislature's commitment and your commitment.

The funds requested referenced in the letter would provide for both recurring and nonrecurring expenses associated with the UNC Nutrition Institute and the N.C. State Institute for Advanced Horticultural Science, as well as competitive research grants for other institutions – see attached spreadsheet.

It is recommended that the Board's Budget Request to the General Assembly for the 2006 Session be amended to include the requests for funds for the UNC Nutrition Institute and the N.C. State Institute for Advanced Horticultural Science.

Recurring and Nonrecurring Direct Investments Required for UNC Projects in Kannapolis

	<u>Recurring Expenses</u>	<u>Nonrecurring Investment</u>
UNC Nutrition Institute - a research center focused on three aspects of nutrition - 1) nutrition and the brain; 2) obesity; and 3) nutrition and cancer		
<i>Operating Funds:</i>		
Base funding for personnel and research-related activities (Director, 6 senior faculty members, 15 research faculty, research assistants and administrators)	4,715,000	
Student funding, Educational Outreach, Sabbatical program	900,000	
Research Funds	3,950,000	
Supplies, video conferencing, computers	50,000	
<i>Facilities and Equipment:</i>		
Investment in facilities*: lease on a 120,000 sq. ft. research and office facility to be constructed at an estimated cost of \$24,000,000	1,700,000	
Investment in Equipment and Research Infrastructure (Director, senior faculty, research faculty)		9,500,000
N.C. State Institute for Advanced Horticultural Science - developing enabling technology for research, education, extension, and outreach for fruit and vegetable production		
<i>Operating Funds:</i>		
Personnel Expenses (Director, 6 Senior Scientists, 6 Junior Scientists, 50 support staff, i.e., general administrative staff, greenhouse support, laboratory technical support, graduate students, bioinformation/computational support, field staff)	4,000,000	
Research Funds	2,250,000	
<i>Facilities and Equipment:</i>		
Investment in Facilities*: lease on 100,000 sq. ft. of finished laboratory space to include a transformation facility, microscopy facility, and Nutriomics facility housing GC/MS instruments; 50,000 sq. ft. of support space housing growth chambers, cold rooms, containment labs and a pilot processing facility; and 120,000 sq. ft. of greenhouse space. These facilities are to be constructed at an estimated cost of \$42,000,000	3,085,000	
Investment in Equipment and Research Infrastructure (13 principal investigators)		6,500,000
The University of North Carolina at Charlotte		
Personnel expenses, curriculum development, graduate assistants, summer stipends	700,000	
Competitive Research Grants	7,000,000	
Total Annual Investment - Initial year of Investment	28,350,000	
Total Non-recurring Investment		16,000,000

*In addition to the specific facilities identified above, a number of core facilities will be available and shared by all researchers.

Note: Direct Investments in personnel, facilities and infrastructure do not include opportunity costs to the campuses from funds that would have been available on campus if research had been conducted in campus laboratories or expenses associated with the University's long-term tenure commitments for researchers working in Kannapolis.