

Minutes of the August 10, 2006 Meeting  
of the Board of Governors' Committee on Budget and Finance

The Committee on Budget and Finance met in Board Room 1 of the General Administration Building in Chapel Hill, North Carolina on Thursday, August 10, 2006, at 2:00 p.m.

Members in attendance were: Mr. Bradley T. Adcock, Mr. Brent D. Barringer, Ms. Peaches G. Blank, Mr. R. Steve Bowden, Mr. F. Edward Broadwell, Jr., Governor James E. Holshouser, Jr., Mr. Peter Keber, and Mr. David W. Young. Board member Benjamin S. Ruffin was also in attendance. Attending from General Administration were Vice Presidents Robert O. Nelson and Leslie Winner; Associate Vice Presidents Ginger Burks, George Burnette, Shari Harris, and James O. Smith; Assistant Vice President Claudia Odom; and Associate Vice President and University Property Officer Terrance Feravich. Also in attendance were Chair of the Faculty Assembly Brenda Killingsworth, Fiscal Research Analyst Richard Bostic, Office of State Budget and Management Analysts Trey O'Quinn and Kristin Crosson, as well as Hilary Coman, project manager for the Efficiency and Effectiveness Study, and members of the press.

As designated by Board Chair Jim Phillips, Vice President Nelson convened the meeting.

The first item of business was to elect Committee officers. On the motion of Ms. Blank, seconded by Mr. Barringer, Mr. Bowden was elected Chair, Mr. Broadwell was elected Vice-Chair, and Mr. Adcock was elected Secretary by unanimous consent.

Chair Bowden then welcomed everyone to the meeting and recommended approval of the minutes from the last meeting. The minutes of the meeting of June 8, 2006 were then approved.

1. Allocation of Funds for Academic Salary Increases (EPA) for University Personnel and Personnel at the North Carolina School of Science and Mathematics: It was recommended that the General Fund appropriations for the 6% average salary increase for faculty and other employees who were exempt from the State Personnel Act (EPA) be allocated as shown below.

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

<b>University Operations</b>	<b>6% Increase Funds</b>
Appalachian State University	\$ 4,998,642
East Carolina University	
Academic Affairs	8,654,689
Health Affairs	1,844,134
Elizabeth City State University	1,019,360
Fayetteville State University	1,869,323
North Carolina A & T State University	3,817,608
North Carolina Central University	2,872,740
North Carolina School of the Arts	892,668
North Carolina State University	14,164,265
UNC-Asheville	1,340,646

UNC-Chapel Hill	
Academic Affairs	11,387,469
Health Affairs	6,670,454
Area Health Education Centers	1,826,198
UNC-Charlotte	7,065,256
UNC-Greensboro	5,910,706
UNC-Pembroke	1,804,162
UNC-Wilmington	3,908,555
Western Carolina University	3,097,242
Winston-Salem State University	2,494,243
UNC-General Administration	791,274
<b>Total</b>	<b>86,429,634</b>
<b>Agricultural Programs</b>	
Agricultural Research Service	1,619,904
Cooperative Extension Service	1,680,696
<b>Total</b>	<b>3,300,600</b>
<b>UNC Hospitals</b>	<b>352,572</b>
<b>N. C. School of Science &amp; Mathematics *</b>	<b>525,194</b>
<b>TOTAL (includes estimated fringe benefits)</b>	<b>90,608,000</b>

*\*Provided an annual average salary increase of 6% for non-teaching employees and an annual average salary increase (8%) comparable to that provided for public school teachers for all teaching employees of the N. C. School of Science and Mathematics.*

The 6% salary increase appropriation was proposed for distribution in exact proportion to the share of each institution in the General Fund salary base.

The allocations, as approved, were for expenditures in accordance with the Resolution on Faculty and Non-Faculty EPA Salary Increases 2006-07, subject to adoption of the Resolution by the Committee on Personnel and Tenure. The Board of Trustees of the North Carolina School of Science and Mathematics had the specific authority to establish policies and procedures for academic salary increases at the School.

In addition, the General Assembly appropriated \$5,000,000 to establish a University Faculty Recruiting and Retention Fund [Senate Bill 1741 (S.L. 2006-66)] to be used at the discretion of the President for salary increases for the purpose of recruiting and retaining UNC faculty members as necessary at constituent institutions.

It was recommended that these funds be allocated to UNC-General Administration, Institutional Programs to be held in reserves pending further action by the President.

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

This item included allocations from The Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, dated June 30, 2006.

It was recommended that the Vice President for Finance be delegated the authority to adjust this recommendation to reflect technical amendments to the budget if any related amendments were approved by the General Assembly. It was further recommended that the Vice President for Finance be authorized to make refinements in the interest of accuracy and completeness.

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

2. Allocations of Funds for Current Operations (attached)

This item included allocations from the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, dated June 30, 2006, Senate Bill 1741 (S.L.2006-66).

It was recommended that the Vice President for Finance be delegated the authority to adjust this recommendation to reflect technical amendments to the budget if any related amendments were approved by the General Assembly. It was further recommended that the Vice President for Finance be authorized to make refinements in the interest of accuracy and completeness.

It was recommended that the Allocation Recommendations for Current Operations appropriations for the 2006-07 fiscal year be approved.

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

3. Allocations of Funds for Capital Improvements (attached)

This item included allocations from the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, dated June 30, 2006, Senate Bill 1741 (S.L.2006-66).

It was recommended that the Vice President for Finance be delegated the authority to adjust this recommendation to reflect technical amendments to the budget if any related amendments were approved by the General Assembly. It was further recommended that the Vice President for Finance be authorized to make refinements in the interest of accuracy and completeness.

It was recommended that the Allocations of Funds for Capital Improvements appropriations be approved.

On the motion of Mr. Keber, seconded by Governor Holshouser, the recommendation was approved.

4. The Chancellor of the University of North Carolina at Chapel Hill had informed the President of the need to invoke emergency procedures as allowed by G.S. 143-129 to make

needed repairs by the quickest means possible for the following project.

Declared on May 30, 2006, UNC Chapel Hill would remove four hazardous trees with root and trunk decay as well as replace portions of stone walls that edged Raleigh Road (just South of Franklin Street). The walls had tilted, and a structural analysis had concluded that certain sections were unstable. The existing walls over two feet in height (approximately 290 linear feet) would be replaced by structurally sound walls with a stone veneer. The project, estimated to cost \$426,000, would be funded from Repairs and Renovations funds.

In accordance with emergency procedures, the State Building Commission had been notified.

5. In 2001, Winston-Salem State University Housing Foundation, LLC leased from the State of North Carolina, pursuant to a ground lease agreement 7.5 acres of land located on the campus of Winston-Salem State University and constructed a new 448-bed student housing facility. Subsequently, in 2004, Winston-Salem State University Housing Foundation, LLC, amended the ground lease to incorporate an additional 8.5 acres in order to construct a 400-bed student housing facility.

The University now requested approval to amend the ground lease in order to lease to the Foundation approximately up to, but not to exceed, six additional acres of State land on the campus of the University, in addition to extending the term of the ground lease to a term not to exceed 37 years. The Foundation would construct a new approximately 316-bed student housing facility. Upon completion of construction, the new facility would be leased by the Foundation to the University, for a lease term not to exceed 32 years from the date of completion. The cost would be consistent with the current rate structure for comparable residence halls of the University. It was anticipated that the new facility would be available for student occupancy by the fall of 2007. This leasing arrangement would enable the University to meet the long-term projected housing demands associated with campus growth to 8,000 students by 2010. University residence halls had an occupancy rate of 96% for the 2005-06 school year. Lease payments would be made from, in part, student housing receipts.

The lease of State land and the lease of the new 316 beds would be accomplished within the guidelines, procedures, and policies of the North Carolina Department of Administration and the Council of State. Construction documents for the new facility would be reviewed by the Office of State Construction and the Department of Insurance.

The financing of the construction of the new facility would be accomplished through the use of the proceeds of tax-exempt, long-term indebtedness.

It was recommended that the Board of Governors adopt the authorizing Resolution and that Winston-Salem State University's request be transmitted to the Council of State for final action.

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

6. In 2001, the Board authorized the Office of the President to execute leases valued up to \$150,000 and dispositions up to \$250,000. The following property transaction was approved under this delegation and was reported to the Committee on Budget and Finance.

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

Owner: State of North Carolina  
Disposition reason: To allow the Educational Foundation, Inc. to make improvements to Boshamer Baseball Stadium -- The associated capital improvements project was established in April 2006.  
Location: 101 Ridge Road, Chapel Hill, Orange County  
Description: Ground lease of approximately 6.9-acres of land around the current stadium to allow construction of the proposed improvements  
Term: This lease would end upon completion of construction expected in January 2008.  
Rental Income: None anticipated  
Proceeds: None anticipated  
Approvals: The UNC-CH Board of Trustees recommended this action on May 25, 2006.

7. As part of its joint Commercial Paper Program with North Carolina State University, the University of North Carolina at Chapel Hill requested authority from the Board of Governors to execute a Line of Credit Agreement in the amount of up to \$400,000,000. This Line of Credit Agreement, together with other funds available to UNC-Chapel Hill, would provide sufficient liquidity to purchase, if necessary (in the event of a failed remarketing or placement by the bond dealers), the outstanding UNC-Chapel Hill Variable Rate Bonds and outstanding Commercial Paper Bonds issued under the joint NCSU and UNC-Chapel Hill Commercial Paper Program. Therefore, this agreement would not create additional indebtedness for NCSU and UNC-Chapel Hill. As of June 30, 2006, the outstanding balance of UNC-Chapel Hill's Variable Rate Demand Bonds was \$92,230,000, and the outstanding balance of the \$500,000,000 joint Commercial Paper Program was \$133,414,000. After reviewing competitive bids, UNC-Chapel Hill was requesting that the Board enter into a Line of Credit Agreement with Wachovia Bank, National Association, in the amount of \$400,000,000.

It was recommended that the Resolution be approved authorizing the Vice President for Finance to validate the terms and enter into the Line of Credit Agreement and to execute future extensions of the Line of Credit Agreement on substantially the same material terms as the original Line of Credit Agreement.

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

At this time, Chair Bowden called for the progress report on the UNC Bond Program. A number of CM at Risk projects had reached Guaranteed Maximum Price (GMP) agreements since the last Board meeting. UNCG's Aycock Auditorium Renovation (\$16.1M) and Petty Building Comprehensive Renovation (\$12M) as well as UNC-CH's Science Complex – Phase II (\$25.1M)

had reached this milestone. In addition, construction contract awards had been made at NCA&T for Graham Hall Engineering Laboratory Renovation (\$2.6M), NCCU for Eagleson Residence Hall Renovation (\$8.3M), and UNCG for McNutt Classroom Building Renovation (\$3.8M).

The State Treasurer's Office had continued to provide excellent support for the program in making bond funds available with the institutions' needs. An additional \$200M in bonds were floated in June making the total now available \$2,175,800,000.

This year's legislative session included proposals that would change the day-to-day project processes between the University of North Carolina, the State Construction Office, and the Department of Insurance. An on-going dialog sought to streamline these processes to improve the timely delivery of capital projects that would remain soundly constructed and in compliance with North Carolina codes.

An updated project status overview reflecting bond program activity by institution was included with this report. Slightly more than 87.5% of the bond program's \$2.5B had been committed to contracts or completed work.

HUB participation data for the campuses was distributed including the participation percentages for African American contractors by campus or affiliate, the trend for HUB participation by minority classification, and finally the dollars awarded as well as percentage participation by campus as of the end of fiscal year 2005-06.

Mr. Smith and Ms. Coman brought the Committee up-to-date on the activities of the President's Advisory Committee on Efficiency and Effectiveness.

On the motion of Mr. Adcock, seconded by Mr. Keber, the Committee went into closed session to consult with the attorney to establish or instruct the staff concerning the negotiation of the price and terms of a contract concerning the acquisition of real property.

#### CLOSED SESSION

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The Committee returned to open session.

There being no further business, the meeting was adjourned.

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Mr. R. Steve Bowden  
Chair of the Committee  
on Budget and Finance

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

**Allocations of Funds – Current Operations**

While most of the funding for the Current Operations Budget of each institution comes in the continuation budgets as approved by the General Assembly, funds for expansions and improvements are appropriated to the Board of Governors for allocation to the institutions. These appropriations are included in Senate Bill 1741 (S.L.2006-66), “2006 Appropriations Act.” By statute, the Board is directed to allocate such funds in accordance with its 2006-07 Budget Priorities and in accordance with any specifications in the appropriations act and the *Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets*, dated June 30, 2006. In addition to the appropriations for the 2006-07 Budget Priorities, the General Assembly made a number of special appropriations for designated programs in University Operations, and also made appropriations for Agricultural Programs, Related Educational Programs, UNC Hospitals, and the North Carolina School of Science and Mathematics.

It is recommended that the Vice President for Finance be delegated the authority to adjust this recommendation to reflect technical amendments to the budget if any related amendments are approved by the General Assembly. It is further recommended that the Vice President for Finance be authorized to make refinements in the interest of accuracy and completeness.

It is recommended that the Allocation Recommendations for Current Operations appropriations for the 2006-07 fiscal year be approved.

## Recommended Allocations for the Budget Priorities – Current Operations

It is recommended that the expansion Budget Priorities for Current Operations of the Board of Governors of The University of North Carolina as set out in the *2006-07 Budget Priorities*, be allocated as follows for the 2006-07 fiscal year.

Budget Item	2006-07	
	Budget Priorities	Recommended Allocation
<b>Enrollment Changes</b>	<b>\$ 79,233,129</b>	<b>\$ 79,233,129</b>
<b>Need-Based Student Financial Aid Program</b>	<b>21,587,990</b>	<b>21,587,990</b>
<b>Academic Salary Increases</b>	<b>75,506,625</b>	<b>95,608,000</b>
<b>Expanding Teaching and K-12 Education</b>	<b>21,224,002</b>	<b>2,420,000</b>
North Carolina High Need Teacher Scholarship Loan Program	1,975,000	–
Prospective Teacher Scholars Expansion Pilot for Math and Science	1,526,620	–
Lateral Entry Scholarship Program	1,625,000	–
UNC/NCCCS Partnership Online 2+2 Joint Initiative	1,000,000	1,000,000 NR
Distance Education Professional Development for Mathematics and Science Education (ECU, ECSU, UNCW)	500,000 NR	–
Systemwide request to Increase Support for Student Teaching Field-Based Experiences	1,100,000	–
New Teacher Support and Mentoring Aimed at Retention	2,156,382	–
University-School Teacher Education Partnerships – Matching Funds	750,000	–
Lateral Entry Teacher Initiative for High Need Areas – UNCC	500,000	–
Pilot New Teacher Induction Model – ECU	1,321,000	–
Pilot New Teacher Induction Model – WCU	500,000	–
Summer Ventures in Science and Mathematics	1,250,000	–
DESTINY Lab – UNC-CH	2,000,000	500,000
Science, Technology, Engineering & Mathematics (STEM) Educ. – NCSU	2,000,000	–
Pilot Initiative to Recruit, Prepare, Mentor, and Differentially Reward Select Mathematics Teachers in High Need Schools	2,100,000	–
Mathematics and Science Education Network	670,000	670,000 NR
Initiative to Improve the Management and Leadership Skills of Principals in High Need Schools (Principals' Executive Program)	250,000	250,000 NR
<b>Expanding Nursing and Health Care</b>	<b>19,138,871</b>	<b>6,243,000</b>
Temporary Space – Pharmacy Program – ECSU	43,000	43,000 NR
Indigent Care Reimbursement – ECU	2,500,000	–
Area Health Education Centers (AHEC) Expansion – UNC-CH	3,731,506	1,300,000 NR
AHEC Expansion to Elizabeth City – UNC-CH	1,000,000	–
Translational Medicine – UNC-CH	2,500,000	2,500,000
CASTLE/CCCDP Program – UNC-CH	350,000	350,000 NR
Nurse Scholars Program Expansion	2,750,000	–
Faculty Production – Graduate Nurse Scholarship Program	1,200,000	1,200,000
AHEC – Expansion to Improve and Expand Nursing Clinical Education	600,000	–
Systemwide Request to Fund the Clinical Component of Nursing at a Higher Level	3,614,365	–
Funding for New BSN programs	850,000	850,000 NR
NR <i>Nonrecurring funds</i>		



	2006-07	
	Budget	Recommended
<u>Budget Item (continued)</u>	<u>Priorities</u>	<u>Allocation</u>
<b>Research and Jobs</b>	<b>19,318,697</b>	<b>10,800,000</b>
Biomanufacturing Research Institute & Technology Enterprise (BRITE)		
Operating Funds – NCCU	2,500,000	2,500,000
Biomanufacturing Training and Education Center (BTEC) – NCSU	2,000,000	2,000,000
Center for Rapid Prototyping – WCU	1,758,697	–
Economic Development Partnership Initiative – NCSU	900,000	–
Research Campus at Kannapolis	5,000,000	5,000,000
	1,000,000 NR	1,000,000 NR
Hickory Center for Engineering Technology	660,000	–
	1,100,000 NR	300,000 NR
Research – Development Fund	4,000,000	–
Expand HUB Contractor Academies	400,000	in DOA
<b>Assisting Focused Growth &amp; Special Needs Institutions</b>	<b>10,000,000</b>	<b>2,000,000</b> NR
<b>Expanding Summer School</b>	<b>1,455,000</b>	<b>–</b>
<b>Enhance Recruitment of Outstanding Graduate Students</b>	<b>10,475,839</b>	<b>–</b>
<b>Matching Funds/Other Programs</b>	<b>8,878,869</b>	<b>1,564,847</b>
Matching Funds – NCA&T Agricultural Programs	1,300,000	614,847
Judicial College – UNC-CH	750,000	750,000
North Carolina in the World Project – NCCIU	200,000	200,000 NR
Libraries – Joint Purchasing and Licensing of Electronic Materials	500,000	–
RESERVE – Fiscal Impact of Statutory Changes	5,900,000	–
	228,869 NR	–
<b>Improvements to Information Technology</b>	<b>32,725,000</b>	<b>–</b>
Campus IT Infrastructure Update (\$250,000 for each campus)	4,000,000	–
Data Center Consolidation and Disaster Recovery	6,000,000	–
RESERVE – Renaissance Computing Institute (RENCI) – Operations	11,525,000	–
RESERVE – Renaissance Computing Institute (RENCI) – Infrastructure	11,200,000 NR	–
<b>Subtotal 2006-07 Budget Priorities – recurring</b>	<b>285,515,153</b>	<b>211,493,966</b>
<b>Subtotal 2006-07 Budget Priorities – nonrecurring</b>	<b>14,028,869</b>	<b>7,963,000</b>
NR <i>Nonrecurring funds</i>		

Budget Item (continued)	2006-07	
	Budget Priorities	Recommended Allocation
<b>Special Appropriations (not requested by BOG)</b>		
Prospective Teacher Scholarship Loan	–	1,000,000
N.C. Teacher Academy Training of 21st Century Literacy Coaches	–	1,000,000 <sup>NR</sup>
Hunt Institute	–	500,000 <sup>NR</sup>
A+ Schools – UNCG	–	100,000 <sup>NR</sup>
Expand Future Teachers of NC Scholarship Loan Program	–	325,000
AHEC Program for Psychiatrist Recruitment	–	500,000
Aid to Private Colleges	–	7,765,125
NC LIVE for Private Colleges	–	250,000 <sup>NR</sup>
TEACCH – UNC-CH	–	348,349
Perinatal Care Network – UNC Hospitals	–	75,000 <sup>NR</sup>
Statewide Prog. For Infection Control & Epidemiology (SPICE) – UNC-CH	–	450,000 <sup>NR</sup>
Institute of Medicine – UNC-CH	–	375,000 <sup>NR</sup>
Family House at UNC Hospitals	–	1,000,000 <sup>NR</sup>
Center for Universal Design – NCSU	–	300,000 <sup>NR</sup>
NC Progress Board	–	200,000 <sup>NR</sup>
<b>Subtotal 2006-07 Special Appropriations – recurring</b>	–	<b>9,938,474</b>
<b>Subtotal 2006-07 Special Appropriations – nonrecurring</b>	–	<b>4,250,000</b>
<b>Base Budget Adjustments</b>		
NCA&T Inflationary Increases	–	163,277
NCSSM's Textbook Increase	–	52,250
Building Reserves Adjustment	–	(9,595,070) <sup>NR</sup>
<b>Subtotal 2006-07 Base Budget Adjustments – recurring</b>	–	<b>215,527</b>
<b>Subtotal 2006-07 Base Budget Adjustments – nonrecurring</b>	–	<b>(9,595,070)</b>
<b>TOTAL 2006-07 Budget – recurring</b>	<b>285,515,153</b>	<b>221,647,967</b>
<b>TOTAL 2006-07 Budget – nonrecurring</b>	<b>14,028,869</b>	<b>2,617,930</b>
NR <i>Nonrecurring funds</i>		

It is further recommended that the President be authorized to seek such concurrence as may be required of the Director of the Budget in the foregoing allocation of the Budget Priorities.

The proposed allocations, as applicable, meet all of the directives cited in the Appropriations Act of 2006 (SL 2006-66) and the related Joint Conference Committee Report of June 30, 2006.

### Recommended Allocations for Enrollment Changes

The General Assembly fully funded the Board's request for Enrollment Changes, which included \$1,271,393 to "hold harmless" one institution (NCSU) that would otherwise have been reduced.

It is recommended that the funds for enrollment changes be allocated as follows:

<b>Institution</b>	<b>Total Allocations</b>
Appalachian State University	\$ 4,679,868
East Carolina University	10,855,226
Elizabeth City State University	728,263
Fayetteville State University	1,568,998
North Carolina A & T State University	2,105,749
North Carolina Central University	6,429,976
North Carolina School of the Arts	260,206
North Carolina State University	—
The University of North Carolina at Asheville	146,061
The University of North Carolina at Chapel Hill	3,737,107
The University of North Carolina at Charlotte	10,541,427
The University of North Carolina at Greensboro	12,652,915
The University of North Carolina at Pembroke	4,042,534
The University of North Carolina at Wilmington	6,910,903
Western Carolina University	2,272,446
Winston-Salem State University	12,061,450
<b>Subtotal</b>	<b>78,993,129</b>
North Carolina School of Science & Mathematics	240,000
<b>TOTAL</b>	<b>79,233,129</b>

It is recommended that budgeted enrollments for the constituent institutions of the University for 2006-07 be established as follows:

<b>Institution</b>	<b>Budgeted Student Credit Hours</b>
Appalachian State University	390,235
East Carolina University	589,369
Elizabeth City State University	75,190
Fayetteville State University	144,081
North Carolina A & T State University	308,652
North Carolina Central University	182,277
North Carolina School of the Arts	—
North Carolina State University	706,874
The University of North Carolina at Asheville	94,852
The University of North Carolina at Chapel Hill	580,631
The University of North Carolina at Charlotte	486,646
The University of North Carolina at Greensboro	396,188
The University of North Carolina at Pembroke	138,968
The University of North Carolina at Wilmington	306,252
Western Carolina University	218,732
Winston-Salem State University	170,087
<b>TOTAL</b>	<b>4,789,034</b>

The Enrollment Changes request and allocation were based on the semester-credit-hour funding model except for the following components that remain on the FTE funding model.

<b>FTE Funding Model</b>	<b>Budgeted Full-Time Equivalent Students</b>
East Carolina University Medical School	300
North Carolina Central University Law School	513
North Carolina School of the Arts	1,080
North Carolina State University, Veterinary Medicine	335
UNC-Chapel Hill Law, Medicine, Dentistry and Pharmacy	4,020
<b>TOTAL</b>	<b>6,248</b>

In addition to fully funding the Board of Governor's request for enrollment growth, the General Assembly enacted the following special provision in response to the highest priority item on the Board's Non-Budget Legislative Agenda. As a result, the Director of the Budget will consider the University's enrollment growth in the continuation budget.

#### **FUNDS FOR ENROLLMENT INCREASES**

**SECTION 6.10.** G.S. 143-11 is amended by adding a new subsection to read:

"(a1) In developing the budget, the Director shall consider the information on student enrollment increases submitted to the Director by the State Board of Education, the State Board of Community Colleges, and the Board of Governors of The University of North Carolina. The Director shall include in the continuation budget the amount the Director proposes to fund for the enrollment increases for public schools, community colleges, and the university system."

In addition, the General Assembly enacted the following special provision regarding teacher education enrollment.

#### **TEACHER EDUCATION PROGRAM ENROLLMENT PLANS**

**SECTION 9.2.** The University of North Carolina Board of Governors' Task Force on Meeting Teacher Supply and Demand called for the President to develop a plan for enrollment growth in the University System's teacher education programs to respond to the State's shortage of teachers. In a presentation to the Joint Legislative Education Oversight Committee and to the Board of Governors, a commitment was made to increase the number of teacher education graduates. The University of North Carolina General Administration shall obtain plans from each constituent institution as to how they will maintain their current enrollment in the teacher education programs and achieve their growth targets to ensure such increases in those programs occur. Plans may include using enrollment growth funds for targeted admissions, enhanced student support, and advising, recruiting, increases in faculty in necessary instructional areas that lead to certification, and other methods General Administration believes will achieve those results. The University of North Carolina General Administration shall report back to the Office of State Budget and Management and the Joint Legislative Education Oversight Committee no later than December 30, 2006, on each constituent institution's plan. No later than March 31, 2007, The University of North Carolina General Administration shall submit a report on progress towards meeting this priority for the 2007-2008 academic year, based on each constituent institution's current students in the education programs, and the students who have been accepted for the 2007-2008 fiscal year who are enrolling in the education programs. The report shall also explain the distribution of enrollment growth funds by specific initiative.

#### **Recommended Allocation for Need-Based Student Financial Aid Plan**

The Board requested additional funding of \$21,587,990 to fully fund the Need-Based Student Financial Aid Plan for all undergraduate North Carolina residents. In response, the General Assembly appropriated the full amount. These funds will allow for an increase in the number of resident students receiving aid as well as offsets to increases in tuition, fees, and other student charges.

It is recommended that these funds be allocated to UNC-General Administration, Related Educational Programs for administration by the State Educational Assistance Authority.

### **Recommended Allocations for Expanding Teaching and K-12 Education**

In response to the Board's request of \$21,224,002 for Expanding Teaching and K-12 Education, the General Assembly provided \$500,000 in recurring funds and \$1,920,000 in nonrecurring funds for the following programs:

#### UNC/NCCCS Partnership Online 2+2 Joint Initiative

In response to the Board's request of \$1,000,000 for the UNC/NCCCS Partnership Online 2+2 Joint Initiative, the General Assembly appropriated \$1,000,000 in nonrecurring funds. Funds would support joint technology development including systems to track student progress between the Community Colleges and the University of North Carolina. It is recommended that these funds be allocated to UNC-General Administration, Institutional Programs and that the President be authorized to make further allocations based on legislative intent.

The following related special provision requires a report on the implementation of the UNC/NCCCS 2+2 E-Learning Initiative.

#### **UNC/NCCCS 2+2 E-LEARNING INITIATIVE**

**SECTION 9.1.** The University of North Carolina and Community Colleges System Office shall report by September 1, 2006, to the Joint Legislative Education Oversight Committee, the Office of State Budget and Management, and the Fiscal Research Division of the General Assembly on the implementation of the UNC-NCCCS 2+2 E-Learning Initiative. This report shall include:

- (1) The courses and programs within the 2+2 E-Learning Initiative;
- (2) The total number of prospective teachers that have taken or are taking part in this initiative to date broken down by the current academic period and each of the previous academic periods since the program's inception;
- (3) The total number of teachers currently in the State's classroom, by local school administrative unit, who have taken part in this initiative;
- (4) The change in the number of teachers available to schools since the program's inception;
- (5) The qualitative data from students, teachers, local school administrative unit personnel, university personnel, and community college personnel as to the impact of this initiative on our State's teaching pool; and
- (6) An explanation of the expenditures and collaborative programs between the North Carolina Community College System and The University of North Carolina, including recommendations for improvement.

DESTINY Traveling Science Lab

In response to the Board's request of \$2,000,000 for the DESTINY Traveling Science Lab, the General Assembly appropriated \$500,000. Funds would support personnel and other costs associated with the program that will no longer be supported by grant funds. It is recommended that these funds be allocated to UNC-Chapel Hill, Academic Affairs.

Mathematics and Science Education Network Pre-College Program

In response to the Board's request of \$670,000 for the Mathematics and Science Education Network Pre-College Program, the General Assembly appropriated \$670,000 in nonrecurring funds. It is recommended that nonrecurring funds of \$200,000 each be allocated to ECU and WCU, to be used to offer MSEN Pre-College program activities on these campuses. It is recommended that the remaining \$270,000 nonrecurring funding be allocated to a reserve account within UNC-General Administration, Institutional Programs and that the President be authorized to make further allocations following an assessment of current MSEN activities and programs.

Initiative to Improve the Management and Leadership Skills of Principals in High Need Schools (Principals' Executive Program)

The General Assembly appropriated \$250,000 in nonrecurring funds for the Initiative to Improve the Management and Leadership Skills of Principals in High Need Schools through the Principals' Executive Program (PEP). Funds will be used to enhance the Instructional Leadership Reform Program to provide support to high need schools and districts. PEP shall provide a customized professional development program and a coaching/mentor component that provides assistance at the school level. It is recommended that these funds be allocated to UNC-General Administration, Operating.

**Recommended Allocations for Expanding Nursing and Health Care**

In response to the Board's request of \$19,138,871 for Expanding Nursing and Health Care, the General Assembly provided \$3,700,000 in recurring funds and \$2,543,000 in nonrecurring funds for the following programs:

Temporary Space – Pharmacy Program – ECSU

In response to the Board's request of \$43,000 for Temporary Space for the ECSU Pharmacy Program, the General Assembly appropriated \$43,000 in nonrecurring funds. Funds will cover the lease costs for modular units to temporarily house the Pharmacy Program. It is recommended that these funds be allocated to Elizabeth City State University.

Area Health Education Centers (AHEC) Expansion – UNC-CH

In response to the Board's request of \$3,731,506 for the AHEC Expansion, the General Assembly appropriated \$1,300,000 in nonrecurring funds. Funds would be used to address workforce shortages, including allied health, dentistry, nursing and pharmacy. In Allied Health, these funds will add new clinical teaching sites throughout the state with an emphasis on physical therapy, speech language pathology, and occupational therapy. Funding will also provide clinical training for PharmD students at ECSU. It is recommended that these funds be allocated to UNC-Chapel Hill, AHEC.

### Translational Medicine Program

In response to the Board's request of \$2,500,000 for the Translational Medicine program at the UNC-CH School of Medicine, the General Assembly appropriated \$2,500,000. Funds would provide for translational research and thereby speed the development of new drugs, therapeutic strategies, and/or diagnostics. It is recommended that these funds be allocated to UNC-Chapel Hill, Health Affairs.

### UNC-CH Cochlear Implant Program (CASTLE/CCCDP)

In response to the Board's request of \$350,000 for the Center for the Acquisition of Spoken Language Through Listening Enrichment (CASTLE) program which is operated by the Carolina Children's Communicative Disorders Program (CCCDP) of the UNC Health Care System, the General Assembly appropriated \$350,000 in nonrecurring funds. Funds shall be used to train teachers and therapists across the state to work with deaf preschool-age children with cochlear implants and to provide oral preschool classes to these children. It is recommended that these funds be allocated to UNC-Chapel Hill, Health Affairs.

### Faculty Production – Graduate Nurse Scholarship Program

In response to the Board's request of \$1,200,000 for the Graduate Nurse Scholarship Program for Faculty Production, the General Assembly appropriated the full amount. Funds will be used to create a graduate nurse scholarship loan program to provide \$15,000 per year for up to two years for master's candidates in nursing education and up to three years for doctoral candidates. Each recipient is required to teach in either a public or private nursing education program in North Carolina for each year a scholarship loan is received, or must repay the loan. It is recommended that these funds be allocated to UNC-General Administration, Related Educational Programs.

The related special provision follows:

#### **GRADUATE NURSE SCHOLARSHIP PROGRAM FOR FACULTY PRODUCTION**

**SECTION 9.6.** Chapter 90 of the General Statutes is amended by adding the following new Article to read:

#### "ARTICLE 9H.

#### "Graduate Nurse Scholarship Program for Faculty Production.

#### **"§ 90-171.95. Graduate Nurse Scholarship Program for Faculty Production established; administration.**

(a) There is established the Graduate Nurse Scholarship Program for Faculty Production. The North Carolina Nursing Scholars Commission shall determine selection criteria, methods of selection, and shall select recipients of scholarship loans made under the Graduate Nurse Scholarship Program for Faculty Production.

(b) The Graduate Nurse Scholarship Program for Faculty Production shall be used to provide the following:

- (1) A scholarship loan for up to two years in the amount of fifteen thousand dollars (\$15,000) per year, per recipient, to students enrolled in a masters degree program in nursing education or any other area of the nursing field that would permit them to become a nursing instructor at a North Carolina community college or university.
- (2) A scholarship loan for up to three years in the amount of fifteen thousand dollars (\$15,000) per year, per recipient, to students enrolled in a doctoral degree program in nursing education or any other area of the nursing field that would permit them

to become a nursing instructor at a North Carolina community college or university.

The State Education Assistance Authority shall adopt specific rules to regulate these scholarship loans.

(c) If a recipient is awarded a scholarship loan under this program and is enrolled, or accepted for enrollment, in an eligible program, but is unable to pursue the course of study in nursing for a semester due to limited faculty resources at the institution for that semester, then the recipient shall continue to receive the scholarship loan for that semester and shall not be required to forfeit or repay the scholarship loan for that semester, provided that the recipient remains otherwise eligible for the program. This waiver shall be valid for only one semester of study and may extend a recipient's eligibility for funding under the program by no more than one semester.

(d) The Commission shall adopt stringent standards, which may include minimum grade point average, scholastic aptitude test scores, and other standards deemed appropriate by the Commission, to ensure that only the best potential students receive loans under the Graduate Nurse Scholarship Program for Faculty Production. Standards adopted by the Commission shall include provisions for ensuring that the qualifications of applicants who are or would be nontraditional students are considered fairly in providing them with opportunities to compete for the loans. Loans under the Graduate Nurse Scholarship Program for Faculty Production shall be awarded only to applicants who meet the standards set by the Commission and who agree to teach in a North Carolina public or private nursing program upon completion of the nursing education program supported by the loan.

(e) The Commission shall develop and administer the Graduate Nurse Scholarship Program for Faculty Production in cooperation with nursing schools at institutions approved by the Commission and the North Carolina Board of Nursing. The Graduate Nurse Scholarship Program for Faculty Production shall provide for participants to be exposed to a range of extracurricular activities while in school, which activities shall be aimed at instilling in students a strong motivation to remain in the practice of nursing education and to provide leadership for the nursing profession.

(f) The Commission shall make an effort to identify and encourage minority students and students who may not otherwise consider a career in nursing to apply for the Graduate Nurse Scholarship Program for Faculty Production.

(g) Upon the naming of recipients of loans from the Graduate Nurse Scholarship Program for Faculty Production, the Commission shall inform the State Education Assistance Authority (SEAA) of its decisions. The SEAA shall perform all of the administrative functions necessary to implement this Article, which functions shall include: rulemaking, dissemination of information to the public, distribution and receipt of applications for scholarship loans, and the functions necessary for the execution, payment, and enforcement of promissory notes required under this Article.

**"§ 90-171.96. Terms of loans; receipt and disbursement of funds.**

(a) All scholarship loans shall be evidenced by notes made payable to the State Education Assistance Authority that bear interest at the rate of ten percent (10%) per year beginning 90 days after completion of the nursing education program, or 90 days after termination of the scholarship loan, whichever is earlier. The scholarship loan may be terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the standards set by the Commission.

(b) The State Education Assistance Authority shall forgive the loan if, within seven years after graduation from a nursing education program, the recipient teaches in a public or private nursing education program in a public or private educational institution in North Carolina for one year for every year a scholarship loan was provided. If the recipient repays the scholarship loan by cash payments, all indebtedness shall be repaid within 10 years. The Authority may provide for accelerated repayment and for less than full-time employment options to encourage the practice of nursing education in either geographic or nursing specialty shortage areas. The Authority shall adopt specific rules to designate these geographic areas and these nursing specialty shortage areas, upon recommendations of the North Carolina Center for Nursing. The North Carolina Center for Nursing shall base its recommendations on objective information provided by interested groups or agencies and upon objective information collected by the Center. The Authority may forgive the scholarship loan if it determines that it is impossible for the recipient to teach in a public or private nursing program in North Carolina for a sufficient time to repay the loan because of the death or permanent



disability of the recipient within 10 years following graduation or termination of enrollment in a nursing education program.

(c) All funds appropriated to or otherwise received by the Graduate Nurse Scholarship Program for Faculty Production for scholarships, all funds received as repayment of scholarship loans, and all interest earned on these funds shall be placed in a revolving fund. This revolving fund may be used only for scholarship loans granted under the Graduate Nurse Scholarship Program for Faculty Production."

#### New Bachelor of Science in Nursing Programs (ASU, FSU, UNCP)

In response to the Board's request of \$850,000 for the Graduate Nurse Scholarship Program for Faculty Production, the General Assembly appropriated \$850,000 in nonrecurring funds. Funds will provide startup funds for new Bachelor of Science in Nursing programs at Fayetteville State University and UNC Pembroke and a new RN to BSN program at Appalachian State University. It is recommended that \$300,000 be allocated to FSU and UNCP and \$250,000 to ASU as designated in the Joint Conference Committee Report.

The General Assembly also enacted the following special provision modifying the Nursing Scholars Program.

#### **NURSING SCHOLARS PROGRAM MODIFICATION**

**SECTION 9.9.(a)** G.S. 90-171.61 reads as rewritten:

##### **"§ 90-171.61. Nursing Scholars Program established; administration.**

(a) There is established the Nursing Scholars Program. The North Carolina Nursing Scholars Commission shall determine selection criteria, methods of selection, and shall select recipients of scholarship loans made under the Nursing Scholars Program.

(b) The Nursing Scholars Program shall be used to provide the following:

- (1) ~~A four year scholarship loan in the amount of up to of five thousand dollars (\$5,000)~~ Scholarship loans in the amount amounts of up to six thousand five hundred dollars (\$6,500) per year, for each scholarship of no more than four years per recipient, to North Carolina ~~high school seniors or other persons~~ residents interested in preparing to become a registered ~~nurse~~ nurses through a ~~associate or baccalaureate degree program~~ programs or through diploma programs.
- (2) ~~A two year scholarship loan in the amount of three thousand dollars (\$3,000) per year, per recipient, to persons interested in preparing to be a registered nurse through an associate degree nursing program or a diploma nursing program.~~
- (3) ~~A two year scholarship loan in the amount of three thousand dollars (\$3,000) per year, per recipient, for two years of baccalaureate nursing study for college juniors or community college graduates interested in preparing to be a registered nurse.~~
- (4) ~~A two year scholarship loan of three thousand dollars (\$3,000) per year, per recipient, for two years of baccalaureate study in nursing for registered nurses who do not hold a baccalaureate degree in nursing.~~
- (5) ~~A two year scholarship loan~~ Scholarship loans of six thousand five hundred dollars ~~(\$6,000)~~ (\$6,500) per year, per recipient, for two years of study leading to a master of science in nursing degree for ~~people~~ residents already holding a baccalaureate degree in nursing.

~~In addition to the awarding scholarship loans awarded pursuant to subdivisions (1) through and (5) of this subsection, the Commission may award pro rata scholarship loans to recipients enrolled at least half-time in study to become registered nurses or to attain a master of science in nursing degree.~~ in study leading to a master of science in nursing degree who already hold a baccalaureate degree in nursing and to recipients enrolled at least half time in study leading to a

~~baccalaureate degree in nursing who already are licensed as registered nurses.~~ In awarding all scholarship loans, the Commission shall give priority to full-time students over part-time students. The State Education Assistance Authority shall adopt specific rules to regulate scholarship loans to part-time ~~master of science in nursing students and part time baccalaureate degree students.~~ students.

Within current funds available or with any additional funds provided by the General Assembly for this purpose, the Commission may set aside slots for scholarship loans prescribed by ~~subdivisions (1) and (2)~~ subdivision (1) of this subsection to enable licensed practical nurses to become registered nurses. The State Education Assistance Authority shall adopt specific rules to regulate these scholarship loans.

(b1) If a recipient is awarded a scholarship loan under this program and is enrolled, or accepted for enrollment, in a baccalaureate nursing program, but is unable to pursue the course of study in nursing for a semester due to limited faculty resources at the institution for that semester, then the recipient shall continue to receive the scholarship loan for that semester and shall not be required to forfeit or repay the scholarship loan for that semester provided that the recipient remains otherwise eligible for the program. This waiver shall be valid for only one semester of study and may extend a recipient's eligibility for funding under the program by no more than one semester.

(c) The Commission shall adopt stringent standards, which may include minimum grade point average, scholastic aptitude test scores, and other standards deemed appropriate by the Commission, to ensure that only the best potential students receive and retain loans under the Nursing Scholars Program. Standards adopted by the Commission shall include provisions for ensuring that the qualifications of applicants who are or would be nontraditional students are considered fairly in providing them with opportunities to compete for the loans. Loans under the Nursing Scholars Program shall be awarded only to applicants who meet the standards set by the Commission and who agree to practice nursing in North Carolina upon completion of the nursing education program supported by the loan.

(d) The Commission shall develop and administer the Nursing Scholars Program in cooperation with nursing schools at institutions approved by the Commission and the North Carolina Board of Nursing. The Nursing Scholars Program shall provide for participants to be exposed to a range of extracurricular activities while in school, which activities shall be aimed at instilling in students a strong motivation to remain in the practice of nursing and to provide leadership for the nursing profession.

(e) The Commission may form regional review committees within North Carolina to assist it in identifying the best high school seniors and other applicants for the program. The Commission and the review committees shall make an effort to identify and encourage minority students and students who may not otherwise consider a career in nursing to apply for the Nursing Scholars Program.

(f) Upon the naming of recipients of loans from the Nursing Scholars Program, the Commission shall inform the State Education Assistance Authority (SEAA) of its decisions. The SEAA shall perform all of the administrative functions necessary to implement this Article, which functions shall include: rule-making, dissemination of information to the public, distribution and receipt of applications for scholarship loans, and the functions necessary for the execution, payment, and enforcement of promissory notes required under this Article."

**SECTION 9.9.(b)** This section applies to all scholarship loans awarded or renewed on or after July 1, 2006.

## **Recommended Allocations for Research and Jobs**

In response to the Board's request of \$19,318,697 for Research and Jobs, the General Assembly appropriated \$9,500,000 in recurring funds and \$1,300,000 in nonrecurring funds for the following items:

### **Biomanufacturing Research Institute & Technology Enterprise (BRITE) Operating Funds**

The General Assembly fully funded the Board's request of \$2,500,000 for the Biomanufacturing Research Institute & Technology Enterprise at NCCU. Funds will be used to enhance programmatic activities, including hiring faculty and staff, program development, and equipment purchases. It is recommended that these funds be allocated to North Carolina Central University, Academic Affairs.

### **Biomanufacturing Training and Education Center (BTEC)**

The General Assembly fully funded the Board's request of \$2,000,000 for the Biomanufacturing Training and Education Center at NCSU. Funds will be used for operating support, the development of curriculum, and for the procurement of equipment. It is recommended that these funds be allocated to North Carolina State University.

### **Research Campus at Kannapolis**

The General Assembly fully funded the Board's request of \$6,000,000 (\$5,000,000 – recurring and \$1,000,000 – nonrecurring) for the Research Campus at Kannapolis. This project is a public private partnership between the State of North Carolina, including several UNC institutions, and Mr. David Murdock and his companies (Dole Foods and Castle & Cooke, Inc.). It is recommended that consistent with the related special provision below, these funds be allocated to a reserve account within UNC-General Administration, Institutional Programs and that the President be authorized to make further allocations upon entering into a Memorandum of Understanding.

## **NORTH CAROLINA RESEARCH CAMPUS AT KANNAPOLIS**

**SECTION 9.14.(a)** The Director of the Office of State Budget and Management shall not release funds appropriated in this act to the Board of Governors of The University of North Carolina for the North Carolina Research Campus (NCRC) at Kannapolis until the President of The University of North Carolina certifies to the Director that The University System and the developers of NCRC have entered into a Memorandum of Understanding concerning the participation in and use of space at the North Carolina Research Campus that is approved by the President.

**SECTION 9.14.(b)** The Director of the Office of State Budget and Management shall not release funds appropriated in this act to the North Carolina Community Colleges System Office for the North Carolina Research Campus (NCRC) at Kannapolis until the President of the North Carolina Community College System certifies to the Director that the Community College System and the developers of NCRC have entered into a Memorandum of Understanding concerning the participation in and use of space at the North Carolina Research Campus that is approved by the President.

North Carolina Engineering Technology Center

The General Assembly appropriated \$300,000 in nonrecurring funds for the N.C. Engineering Technology Center. These funds will be used to help establish the Center and support the use of two adjoining buildings for the development of engineering technology programs. It is recommended that these funds be allocated to a reserve account within UNC-General Administration, Institutional Programs and that the President be authorized to make further allocations based on legislative intent.

**Recommended Allocation for Focused Growth and Special Needs Institutions**

In response to the Board's request of \$10,000,000 for increased funding for the seven focused growth institutions (ECSU, FSU, NCA&T, NCCU, UNCP, WCU and WSSU) and the two special needs institutions (NCSA and UNCA), the General Assembly provided \$2,000,000 in nonrecurring funds. As stated in the Joint Conference Committee Report, the focused growth funding is to be divided equally among those institutions. The remaining funds of \$1,000,000 will be allocated to North Carolina School of the Arts (\$453,334), UNC Asheville (\$453,334), and North Carolina School of Science and Mathematics (\$93,332) as was also designated in the Conference Report.

It is recommended that the funds be allocated as follows.

<b>Focused Growth Institutions</b>	<b>Nonrecurring Amount</b>
Elizabeth City State University	\$ 142,857
Fayetteville State University	142,857
North Carolina A & T State University	142,857
North Carolina Central University	142,857
UNC Pembroke	142,857
Western Carolina University	142,858
Winston-Salem State University	142,857
<b>Subtotal</b>	<b>1,000,000</b>
<b>Special Needs Institutions</b>	
North Carolina School of the Arts	453,334
UNC Asheville	453,334
N.C. School of Science & Mathematics	93,332
<b>Subtotal</b>	<b>1,000,000</b>
<b>TOTAL</b>	<b>2,000,000</b>

There were no appropriations in response to the Board's request for **Expanding Summer School** or **Enhancing Recruitment of Outstanding Graduate Students**.

## **Matching Funds/Other Programs**

### Matching Funds – NCA&T Agricultural Programs

The General Assembly appropriated \$614,847 for NCA&T Matching Funds for Agricultural Programs. These funds will achieve the current federal requirement of one-hundred percent matching money from the state. It is recommended that these funds be allocated to North Carolina A&T State University.

### Judicial College

The General Assembly fully funded the Board's request for \$750,000 for the Judicial College at UNC-Chapel Hill. These funds will provide training and continuing education for judicial officials in North Carolina. It is recommended that these funds be allocated to UNC-Chapel Hill, Academic Affairs.

### North Carolina in the World Project – NCCIU

In response to the Board's request for \$200,000 for the North Carolina Center for International Understanding's project, "North Carolina in the World: A Plan to Increase Student Knowledge and Skills about the World," the General Assembly appropriated \$200,000 in nonrecurring funds. It is recommended that these funds be allocated to UNC-General Administration, Operating.

The General Assembly also enacted the following special provision requiring a report on the activities and accomplishments achieved with the \$200,000 nonrecurring funds.

#### **NORTH CAROLINA IN THE WORLD PROJECT**

**SECTION 9.3.** In collaboration with the State Board of Education and the Department of Commerce, the NC Center for International Understanding shall develop a plan to ensure that public K-12 international education efforts such as teacher and student exchanges, curriculum development, and other initiatives for students, teachers, and administrators are focused on key countries and regions of strategic economic interest to North Carolina. The North Carolina Center for International Understanding shall report to the Office of State Budget and Management and the Joint Legislative Education Oversight Committee on the activities and accomplishments of the two hundred thousand dollar (\$200,000) nonrecurring appropriation for North Carolina in the World Project no later than March 31, 2007.

There were no appropriations in response to the Board's request of \$32,725,000 for **Improvements to Information Technology.**

## **Base Budget Adjustments**

The General Assembly made several base budget adjustments as shown below.

### Building Reserves Adjustment – (\$9,595,070)

Adjusts the building reserves for operating costs of new buildings due to a change in the completion dates. This change in reserves also grants additional one-time funds to campuses for supplies, equipment, and moving costs for buildings that opened in FY 2005-06, but were inadvertently cut in the 2005 Session.

### NCA&T Inflationary Increases – \$163,277

Restores inflationary increases for library book acquisition (\$145,491) and utilities (\$17,786) that were left out of the base budget submitted by the Governor in the 2005 Session.

**NCSSM Textbook Increase – \$52,250**

Increases the budget for textbooks for the North Carolina School of Science and Mathematics. The school failed to request an increase in the 2005 Session that was sufficient to fund the increase in textbook prices.

No Board action is required since these legislative changes are made in the continuation budgets.

### Special Appropriations for University Operations

Several special appropriations in 2006-07 to the Board of Governors totaling \$14,188,474 were directed to program areas not included in the Board's Budget Priorities. These appropriations, recommended allocations, and related special provisions follow.

Program	Amount	R/NR	Institution
Prospective Teacher Scholarship Loan	\$1,000,000	R	UNC-GA., Related Educ. Prog.
N.C. Teacher Academy – Training of 21 <sup>st</sup> Century Literacy Coaches	1,000,000	NR	UNC-GA, Operating
Hunt Institute	500,000	NR	UNC-GA, Operating
A+ Schools	100,000	NR	UNC Greensboro
Expand Future Teachers of N. C. Scholarship Loan Program	325,000	R	UNC-GA., Related Educ. Prog.
AHEC Program for Psychiatrist Recruitment	500,000	R	UNC-Chapel Hill, AHEC
Aid to Private Colleges (see details on p. 17)	7,765,125	R	UNC-GA., Related Educ. Prog.
NC LIVE for Private Colleges (see details on p. 17)	250,000	NR	UNC-GA, Institutional Programs
TEACCH	348,349	R	UNC-Chapel Hill, Health Affairs
Perinatal Care Network	75,000	NR	UNC-Chapel Hill, Health Affairs
Statewide Program for Infection Control and Epidemiology (SPICE)	450,000	NR	UNC-Chapel Hill, Health Affairs
Institute of Medicine	375,000	NR	UNC-Chapel Hill, Health Affairs
Family House	1,000,000	NR	UNC-GA, Operating
Center for Universal Design	300,000	NR	NCSU, Academic Affairs
N. C. Progress Board (see spec. prov. below)	200,000	NR	UNC-GA, Operating

*R = recurring / NR = nonrecurring*

#### PROGRESS BOARD FUNDS MUST BE MATCHED

**SECTION 9.18.** Expansion budget funds appropriated to the Board of Governors of The University of North Carolina in this act for the North Carolina Progress Board shall be matched by funds from private sources on the basis of one dollar (\$1.00) of private funds for every one dollar (\$1.00) of State funds. Unmatched expansion budget funds shall revert to the General Fund at the end of the 2006-2007 fiscal year.

## **Related Educational Programs**

The General Assembly increased appropriations for Aid to Students Attending Private Colleges and Universities by \$7,765,125 on a recurring basis as outlined in the Conference Report. These funds:

- provide for an increase in the Legislative Tuition Grant from \$1,800 to \$1,900 for each full-time North Carolina undergraduate student (\$3,149,000)
- increase the need-based State Contractual Scholarship Program from \$1,150 to \$1,250 per full-time equivalent North Carolina undergraduate student (\$3,116,125)
- expand the Legislative Tuition Grant and the State Contractual Scholarship Fund to include part-time students that are lateral entry teachers or are nurses seeking additional certification (\$1,500,000)

It is recommended that these funds be allocated to UNC-General Administration, Related Educational Programs, to be administered by the State Education Assistance Authority.

As previously noted in the Special Appropriations section on page 16, the General Assembly appropriated \$250,000 in nonrecurring funds to NC LIVE for Private Colleges to fund a portion of the costs charged to private colleges for their participation in the North Carolina Libraries for Virtual Education (NC LIVE). Through agreement with North Carolina Independent Colleges and Universities, it is recommended that these funds be allocated to UNC-GA, Institutional Programs to be administered by North Carolina State University.

### **MANAGEMENT FLEXIBILITY TO REORGANIZE BUDGET CODE 16012 UNC BOARD OF GOVERNORS RELATED EDUCATIONAL PROGRAMS**

**SECTION 9.7.** Notwithstanding G.S. 143-23, for the 2006-2007 fiscal year, the General Administration of The University of North Carolina and the State Educational Assistance Authority shall, with the approval of the Office of State Budget and Management, reorganize budget code 16012, UNC Board of Governors Related Educational Programs, so that the budget reflects and segregates each specific program individually. The Office of State Budget and Management shall work with The University of North Carolina General Administration and the State Educational Assistance Authority to ensure that each program represented in code 16012 is identified and budgeted separately.

### **UNC BOARD OF GOVERNORS MEDICAL AND DENTAL SCHOLARSHIPS**

**SECTION 9.10.(a)** Section 9.9(a) of S.L. 2005-276 reads as rewritten:

**"SECTION 9.9.(a)** The current Board of Governors' Dental Scholarship Program, under the purview of the Board of Governors of The University of North Carolina, shall make any awards to students admitted after July 1, 2005, as scholarship loan awards. The Board of Governors' Dental Scholarship Program is administered by the Board of Governors of The University of North Carolina. The Board of Governors' Dental Scholarship Program shall be used to provide a four-year scholarship loan of relevant tuition and fees, mandatory medical insurance, required laptop computers for first-year students, required dental equipment, and an annual payment of five thousand dollars (\$5,000) per year to students who have been accepted for admission to the School of Dentistry at the University of North Carolina at Chapel Hill. The Board may adopt standards, including minimum grade point average and DAT scores, for awarding these scholarship loans to ensure that only the most qualified students receive them. The Board shall make an effort to identify and encourage minority and economically disadvantaged youth to enter the program. All scholarship

loans shall be evidenced by notes made payable to the Board that shall bear interest at the rate of ten percent (10%) per year beginning September 1 after completion of the program, or immediately after termination of the scholarship loan, whichever is earlier. The scholarship loan may be terminated by the recipient withdrawing from school or by the recipient not meeting the standards set by the Board. The Board shall forgive the loan if, within seven years after graduation, the recipient practices dentistry in North Carolina for four years. An extension of the seven-year period for satisfaction of the service requirements for the scholarship loan may be granted subject to the approval on the finding of extenuating circumstances by the State Education Assistance Authority. Such extenuating circumstances may include, but are not be limited to, participation in a dental residency program. The Board shall also forgive the loan if it finds that it is impossible for the recipient to practice dentistry in North Carolina for four years, within seven years after graduation, because of the death or permanent disability of the recipient. All unused funds appropriated to or otherwise received by the Board for scholarships, all funds received as repayment of scholarship loans, and all interest earned on these funds shall revert to the General Fund at the end of each fiscal year."

**SECTION 9.10.(b)** Section 9.10(a) of S.L. 2005-276 reads as rewritten:

**"SECTION 9.10.(a)** The current Board of Governors' Medical Scholarship Program, under the purview of the Board of Governors of The University of North Carolina, shall make any awards to students admitted after July 1, 2005, as scholarship loan awards. The Board of Governors' Medical Scholarship Program is administered by the Board of Governors of The University of North Carolina. The Board of Governors' Medical Scholarship Program shall be used to provide a four-year scholarship loan of relevant tuition and fees, mandatory medical insurance, required laptop computers, and an annual payment of five thousand dollars (\$5,000) per year to students who have been accepted for admission to either Duke University School of Medicine, Brody School of Medicine at East Carolina University, the University of North Carolina at Chapel Hill School of Medicine, or the Wake Forest University School of Medicine. The Board may adopt standards, including minimum grade point average and MCAT scores, for awarding these scholarship loans to ensure that only the most qualified students receive them. The Board shall make an effort to identify and encourage minority and economically disadvantaged youth to enter the program. All scholarship loans shall be evidenced by notes made payable to the Board that shall bear interest at the rate of ten percent (10%) per year beginning September 1 after completion of the program, or immediately after termination of the scholarship loan, whichever is earlier. The scholarship loan may be terminated by the recipient withdrawing from school or by the recipient not meeting the standards set by the Board. The Board shall forgive the loan if, within seven years after graduation, the recipient practices medicine in North Carolina for four years. An extension of the seven-year period for satisfaction of the service requirements of the scholarship loan may be granted subject to the approval of the State Education Assistance Authority. Such extenuating circumstances may include, but not be limited to, participation in a medical residency program. The Board shall also forgive the loan if it finds that it is impossible for the recipient to practice medicine in North Carolina for four years, within seven years after graduation, because of the death or permanent disability of the recipient. All unused funds appropriated to or otherwise received by the Board for scholarships, all funds received as repayment of scholarship loans, and all interest earned on these funds shall revert to the General Fund at the end of each fiscal year."

**SECTION 9.10.(c)** This section is effective when it becomes law and applies to all scholarship loans issued after July 1, 2005.



## Appropriations Made to Other State Agencies for the Benefit of The University of North Carolina

The Joint Conference Committee Report on the Continuation, Expansion, and Capital Budgets identifies appropriations to other State agencies for The University and its programs as follows:

### Department of Administration

#### Expand HUB Contractor Academies

The Board of Governors requested \$400,000 to continue to expand the HUB Contractor Academy program. The General Assembly appropriated \$400,000 (\$72,536 – recurring and \$277,464 – nonrecurring) to the Department of Administration to provide funding for an Engineer and the costs associated with the training expenses for the HUB Contractor Academy program. HUB Academies provide opportunities for minority contractors to learn strategies for successful participation in public construction projects. Senate Bill 1741 also contained the related special provision below.

#### **HUB CONTRACTOR ACADEMY PROGRAM SPACE**

**SECTION 17.3.** For the 2006-2007 fiscal year the Department of Administration shall work in conjunction with The University of North Carolina System for the continued provision of space for the HUB Contractor Academy Program to conduct training sessions. The Department of Administration shall determine whether the HUB academies should continue to hold training sessions in facilities provided by The University of North Carolina System or seek other sites for this purpose for the 2007-2008 fiscal year and future years.

### Department of Public Instruction

#### Learn & Earn

The General Assembly appropriated \$1,433,360 in nonrecurring funds to the Department of Public Instruction to expand the Learn and Earn initiative into an additional 19 high schools and provide planning grants to 20 additional high schools. The related special provision in Senate Bill 1741 follows:

#### **LEARN AND EARN HIGH SCHOOLS**

**SECTION 7.11.** Section 7.32 of S.L. 2005-276 is amended by adding the following new subsections:

"**SECTION 7.32.(e)** Enrollment fees and tuition for The University of North Carolina courses in which Learn and Earn students are enrolled are allowable uses of these funds. Tuition costs may include laboratory fees assessed to all students enrolled in the course or a similar course."

**SECTION 7.32.(f)** Textbooks required for college courses in which Learn and Earn students are enrolled may be purchased with these funds.

**SECTION 7.32.(g)** Payment of fees from these funds by local school administrative units to partnering community colleges and universities are restricted to technology or course fees. Funds appropriated in this act shall not be used to support the cost of athletic or other student activity or campus fees not required by enrollment in a specific course.

**SECTION 7.32.(h)** The State Board of Education shall allot funds for university enrollment, tuition and fees, and textbooks on the basis of and after verification of the credit hour enrollment of Learn and Earn students in university courses. The State Board of Education shall allot funds for community college fees and textbooks on the basis of and after verification of the credit hour enrollment of Learn and Earn students in community college courses."

## Transfers in Continuation Budgets by the 2006 Session

The Appropriations Act of 2006 enacted the following special provisions related to transfers between UNC and other state agencies.

### A+ SCHOOLS – BUDGET TECHNICAL CORRECTION

**SECTION 9.3A.** Recurring funds in the amount of one hundred thousand dollars (\$100,000) appropriated to the Department of Public Instruction for the 2006-2007 fiscal year in S.L. 2005-276 as pass-through funds for A+ Schools shall be transferred to the Board of Governors of The University of North Carolina to provide pass-through funds for A+ Schools for the same purpose of providing support for the program that assists schools in implementing comprehensive school reform by integrating arts into the curriculum.

### TEACHER ACADEMY TRANSFER

**SECTION 9.17.(a)** G.S. 116-11(12b) reads as rewritten:

"(12b) The Board of Governors of The University of North Carolina shall ~~create a Board of Directors for~~ designate the UNC programs that will comprise the UNC Center for School Leadership Development. The Board of Governors shall determine the powers and duties of the Board of Directors. The Board of Governors shall submit to the Governor and the General Assembly a single, unified recommended budget for the continued operation and expansion of the programs in the Center for School Leadership Development."

**SECTION 9.17.(b)** For fiscal year 2006-2007, all funds appropriated to The University of North Carolina for the operations of the Principal's Executive Program, the Principal Fellows Program, NC TEACH, the Model Teacher Education Consortium, and the Math Science Education Network shall be combined into a single appropriation for the Center for School Leadership Development; provided that no funds which have been designated for scholarships, scholarship loans, or stipends for teachers or school administrators may be used for an administrative purpose.

**SECTION 9.17.(c)** G.S. 116-30.01 is recodified as G.S. 115C-296.4 and reads as rewritten:

**"§ 115C-296.4. North Carolina Teacher Academy Board of Trustees.**

(a) The North Carolina Teacher Academy Board of Trustees shall establish a statewide network of high quality, integrated, comprehensive, collaborative, and substantial professional development for teachers, which shall be provided through summer programs. This network shall include professional development programs that focus on teaching strategies for teachers assigned to at-risk schools.

(b) ~~The Board of Governors of The University of North Carolina shall delegate to the Board of Trustees all the powers and duties the Board of Governors considers necessary or appropriate for the effective discharge of the functions of the North Carolina Teacher Academy.~~

(c) The Board of Trustees shall consist of 20 members appointed as follows:

- (1) The Superintendent of Public Instruction or the Superintendent's designee;
- (2) One member of the State Board of Education appointed by the Chair of the State Board;
- (3) ~~One member of the Board of Governors of The University of North Carolina appointed by the Chair of the Board of Governors;~~
- (4) ~~The Director of the North Carolina Center for the Advancement of Teaching;~~
- (5) ~~Two deans of Schools of~~ One dean of a School of Education from one of the constituent institutions, appointed by the ~~President of The University of North Carolina;~~ Governor;
- (6) Four public school teachers appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, one of whom teaches in preschool through grade 2, one of whom

teaches in grades 3 through 5, one of whom teaches in grades 6 through 8, and one of whom teaches on grades 9 through 12;

- (7) Four public school teachers appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, one of whom teaches in preschool through grade 2, one of whom teaches in grades 3 through 5, one of whom teaches in grades 6 through 8, and one of whom teaches on grades 9 through 12;
- (8) ~~Two~~ Three public school teachers appointed by the Governor;
- (9) One superintendent of a local school administrative unit appointed by the Governor;
- (10) Two public school principals appointed by the Governor; and
- (11) The President of the North Carolina Association of Independent Colleges and Universities, or a designee.

(12) Two at-large members appointed by the Governor.

(d) Members appointed prior to September 1, 1995, shall serve until June 30, 1997, except that the terms of members appointed pursuant to subdivisions (6) and (7) of subsection (d) of this section shall expire June 30, 1995. Subsequent appointments shall be for four-year terms, except that two of the members appointed by the 1995 General Assembly pursuant to subdivision (6) of subsection (d) of this section and two of the members appointed by the 1995 General Assembly pursuant to subdivision (7) of subsection (d) of this section shall serve for two-year terms. The two new members under subdivision (c)(12) of this section shall serve initial terms beginning January 1, 2007, and ending June 30, 2010. The additional member appointed under subdivision (c)(8) of this section shall serve a term beginning January 1, 2007, and ending June 30, 2010. The designation of two deans serving under subdivision (c)(5) of this section shall expire December 31, 2006, and the Governor shall make a new appointment under that subdivision for a term beginning January 1, 2007, and ending June 30, 2010.

Members may serve two consecutive four-year terms.

Legislative appointments shall be made in accordance with G.S. 120-121. A vacancy in a legislative appointment shall be filled in accordance with G.S. 120-122.

The Board of Trustees shall elect a new chair every two years from its membership. The chair may serve two consecutive two-year terms as chair.

(e) The chief administrative officer of the Teacher Academy shall be ~~a~~ an executive director appointed by the Board of Trustees.

~~(f) The Board of trustees shall collaborate and coordinate its programming with NCCAT [North Carolina Center for the Advancement of Teaching]."~~

**SECTION 9.17.(d)** The North Carolina Teacher Academy and all resources, assets, liabilities, operations, and personnel are transferred and shall be located administratively under the State Board of Education but shall exercise its powers and duties independently of the State Board of Education through its own board of trustees. This transfer shall have all of the elements of a Type II transfer, as that term is defined in G.S. 143A-6(b). Where a conflict arises regarding the transfer, the conflict shall be resolved by the Governor, and the decision of the Governor shall be final.

**SECTION 9.17.(e)** G.S. 126-5 (c1) is amended by adding a new subdivision to read:

"(26) The Executive Director, associate and assistant directors, and instructional staff of the North Carolina Teacher Academy."

**SECTION 9.17.(f)** The North Carolina Teacher Academy shall report annually on or before October 1 to the Joint Legislative Education Oversight Committee its expenditures for the prior fiscal year. The first report shall be due no later than October 1, 2006, covering expenditures for the 2005-2006 fiscal year.

**SECTION 9.17.(g)** Subsections (a) and (b) of this section become effective July 1, 2006. Subsections (c) through (e) of this section become effective January 1, 2007, except that the General Assembly and the Governor may make appointments prior to that date for terms to begin January 1, 2007. The remainder of this section is effective when it becomes law.

## Other Budget-Related Special Provisions

The following special provision from Senate Bill 1741 (S.L. 2006-66) allows NCSSM to become a constituent institution of the University of North Carolina, effective July 1, 2007.

### NC SCHOOL OF SCIENCE AND MATH/HIGH SCHOOL CONSTITUENT INSTITUTION

**SECTION 9.11.(a)** G.S. 116-2 reads as rewritten:

#### "§ 116-2. Definitions.

As used in this Article, unless the context clearly indicates a contrary intent:

- (1) "Board" means the Board of Governors of the University of North Carolina.
- (2) "Board of trustees" means the board of trustees of a constituent institution.
- (3) "Chancellor" means the chancellor of a constituent institution.
- (4) "Constituent institution" or "institution" means one of the 16 public ~~senior institutions,~~ institutions of higher education, to wit, the University of North Carolina at Chapel Hill, North Carolina State University at Raleigh, the University of North Carolina at Greensboro, the University of North Carolina at Charlotte, the University of North Carolina at Asheville, the University of North Carolina at Wilmington, Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina School of the Arts, Pembroke State University, redesignated effective July 1, 1996, as the "University of North Carolina at Pembroke", Western Carolina University, and Winston-Salem State ~~University~~, University, and the constituent high school, the North Carolina School of Science and Mathematics.
- (5) "President" means the President of the University of North Carolina.
- (6) "Vending facilities" has the same meaning as it does in G.S. 143-12.1."

**SECTION 9.11.(b)** G.S. 116-4 reads as rewritten:

#### "§ 116-4. Constituent institutions of the University of North Carolina.

~~On July 1, 1972, the~~ The University of North Carolina shall be composed of the following ~~institutions:~~ institutions of higher education: the University of North Carolina at Chapel Hill, North Carolina State University at Raleigh, the University of North Carolina at Greensboro, the University of North Carolina at Charlotte, the University of North Carolina at Asheville, the University of North Carolina at Wilmington, Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina School of the Arts, Pembroke State University, redesignated effective July 1, 1996, as the "University of North Carolina at Pembroke", Western Carolina University and Winston-Salem State ~~University~~, University, and the constituent high school, the North Carolina School of Science and Mathematics."

**SECTION 9.11.(c)** G.S. 116-12 reads as rewritten:

#### "§ 116-12. Property and obligations.

All property of whatsoever kind and all rights and privileges held by the Board of Higher Education and by the Boards of Trustees of Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina School of the Arts, Pembroke State University, redesignated effective July 1, 1996, as the "University of North Carolina at Pembroke", Western Carolina University and Winston-Salem State University, as said property, rights and privileges may exist immediately prior to July 1, 1972, shall be, and hereby are, effective July 1, 1972, transferred to and vested in the Board of Governors of the University of North Carolina. All obligations of whatsoever kind of the Board of Higher Education and of the Boards of Trustees of Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina School of the Arts, Pembroke State University, redesignated effective July 1, 1996, as the "University of North Carolina at Pembroke", Western Carolina University and

Winston-Salem State University, as said obligations may exist immediately prior to July 1, 1972, shall be, and the same hereby are, effective July 1, 1972, transferred to and assumed by the Board of Governors of the University of North Carolina. Any property, real or personal, held immediately prior to July 1, 1972, by a board of trustees of a constituent institution for the benefit of that institution or by the University of North Carolina for the benefit of any one or more of its six institutions, shall from and after July 1, 1972, be kept separate and distinct from other property held by the Board of Governors, shall continue to be held for the benefit of the institution or institutions that were previously the beneficiaries and shall continue to be held subject to the provisions of the respective instruments, grants or other means or process by which any property right was acquired. All property of whatsoever kind and all rights and privileges held by the Board of Trustees of the North Carolina School of Science and Mathematics, as said property, rights and privileges may exist immediately prior to July 1, 2007, shall be and hereby are, effective July 1, 2007, transferred to and vested in the Board of Governors of The University of North Carolina. All obligations of whatsoever kind of the Board of Trustees of the North Carolina School of Science and Mathematics as said obligations may exist immediately prior to July 1, 2007, shall be, and the same hereby are, effective July 1, 2007, transferred to and assumed by the Board of Governors of The University of North Carolina. In case a conflict arises as to which property, rights or privileges were held for the beneficial interest of a particular institution, or as to the extent to which such property, rights or privileges were so held, the Board of Governors shall determine the issue, and the determination of the Board shall constitute final administrative action. Nothing in this Article shall be deemed to increase or diminish the income, other revenue or specific property which is pledged, or otherwise hypothecated, for the security or liquidation of any obligations, it being the intent that the Board of Governors shall assume said obligations without thereby either enlarging or diminishing the rights of the holders thereof."

**SECTION 9.11.(d)** G.S. 116-17 reads as rewritten:

**"§ 116-17. Purchase of annuity or retirement income contracts for faculty members, officers and employees.**

Notwithstanding any provision of law relating to salaries and/or salary schedules for the pay of faculty members, administrative officers, or any other employees of universities, ~~colleges-colleges,~~ constituent institutions, and other institutions of higher learning as named and set forth in this Article, and other State agencies qualified as educational institutions under section 501(c)(3) of the United States Internal Revenue Code, the governing boards of any such universities, ~~colleges-colleges,~~ constituent institutions, and other institutions of higher learning may authorize the business officer or agent of same to enter into annual contracts with any of the faculty members, administrative officers and employees of said institutions ~~of higher learning~~ which provide for a reduction in salary below the total established compensation or salary schedule for a term of one year. The financial officer or agent shall use the funds derived from the reduction in the salary of the faculty member, administrative officer or employee to purchase a nonforfeitable annuity or retirement income contract for the benefit of said faculty member, administrative officer or employee of said universities, colleges and ~~institutions of higher learning-institutions.~~ A faculty member, administrative officer or employee who has agreed to a salary reduction for this purpose shall not have the right to receive the amount of the salary reduction in cash or in any other way except the annuity or retirement income contract. Funds used for the purchase of an annuity or retirement income contract shall not be in lieu of any amount earned by the faculty member, administrative officer or employee before his election for a salary reduction has become effective. The agreement for salary reductions referred to herein shall be effected under any necessary regulations and procedures adopted by the various governing boards of the various institutions ~~of higher learning~~ and on forms prepared by said governing boards. Notwithstanding any other provision of this section or law, the amount by which the salary of any faculty member, administrative officer or employee is reduced pursuant to this section shall not be excluded, but shall be included, in computing and making payroll deductions for social security and retirement system purposes, and in computing and providing matching funds for retirement system purposes.

In lieu of the annuity and related contracts provided for under this section, interests in custodial accounts pursuant to Section 401(f), Section 403(b)(7), and related sections of the Internal Revenue

Code of 1986 as amended may be purchased for the benefit of qualified employees under this section with the funds derived from the reduction in the salaries of such employees."

**SECTION 9.11.(e)** The catch line of G.S. 116-30.2 reads as rewritten:

**"§ 116-30.2. Appropriations to special responsibility constituent institutions and to the North Carolina School of Science and Mathematics institutions."**

**SECTION 9.11.(f)** G.S. 116-30.2(b) is repealed.

**SECTION 9.11.(g)** G.S. 116-31(d) reads as rewritten:

"(d) ~~Effective~~ Except as provided in G.S. 116-65, effective July 1, 1973, each of the 16 ~~constituent~~ institutions of higher education set out in G.S. 116-2(4) shall have board of trustees composed of 13 persons chosen as follows:

- (1) Eight elected by the Board of Governors,
- (2) Four appointed by the Governor, and
- (3) The president of the student government ex officio.

The Board of Trustees of the North Carolina School of Science and Mathematics shall be established in accordance with G.S. 116-233."

**SECTION 9.11.(h)** G.S. 116-40.22(c) reads as rewritten:

"(c) Tuition and Fees. – Notwithstanding any provision in Chapter 116 of the General Statutes to the contrary, in addition to any tuition and fees set by the Board of Governors pursuant to G.S. 116-11(7), the Board of Trustees of the institution may recommend to the Board of Governors tuition and fees for program-specific and institution-specific needs at that institution without regard to whether an emergency situation exists and not inconsistent with the actions of the General Assembly. The institution shall retain any tuition and fees set pursuant to this subsection for use by the institution. Notwithstanding this subsection, neither the Board of Governors of The University of North Carolina nor its Board of Trustees shall impose any tuition or mandatory fee at the North Carolina School of Science and Mathematics without the approval of the General Assembly."

**SECTION 9.11.(i)** G.S. 116-143 reads as rewritten:

**"§ 116-143. State-supported institutions of higher education required to charge tuition and fees."**

The Board of Governors of ~~the~~ The University of North Carolina shall fix the tuition and fees, not inconsistent with actions of the General Assembly, at the institutions of higher education enumerated in G.S. 116-4 in such amount or amounts as it may deem best, taking into consideration the nature of each institution and program of study and the cost of equipment and maintenance; and each institution shall charge and collect from each student, at the beginning of each semester or quarter, tuition, fees, and an amount sufficient to pay other expenses for the term.

In the event that said students are unable to pay the cost of tuition and required academic fees as the same may become due, in cash, the said several boards of trustees are hereby authorized and empowered, in their discretion, to accept the obligation of the student or students together with such collateral or security as they may deem necessary and proper, it being the purpose of this Article that all students in State institutions of higher learning shall be required to pay tuition, and that free tuition is hereby abolished. Notwithstanding this section, neither the Board of Governors of The University of North Carolina nor its Board of Trustees shall impose any tuition or mandatory fee at the North Carolina School of Science and Mathematics without the approval of the General Assembly.

Inasmuch as the giving of tuition and fee waivers, or especially reduced rates, represent in effect a variety of scholarship awards, the said practice is hereby prohibited except when expressly authorized by statute or by the Board of Governors of ~~the~~ The University of North Carolina; and, furthermore, it is hereby directed and required that all budgeted funds expended for scholarships of any type must be clearly identified in budget reports.

Notwithstanding the above provision relating to the abolition of free tuition, the Board of Governors of ~~the~~ The University of North Carolina may, in its discretion, provide regulations under which a full-time faculty member of the rank of full-time instructor or above, and any full-time staff member of ~~the~~ The University of North Carolina may during the period of normal employment enroll for not more than one course per semester in ~~the~~ The University of North Carolina free of charge for tuition, provided such enrollment does not interfere with normal employment obligations and further provided that such enrollments are not counted for the purpose of receiving general fund appropriations."

**SECTION 9.11.(j)** G.S. 116-230.1 reads as rewritten:

**"§ 116-230.1. Policy.**

It is hereby declared to be the policy of the State to foster, encourage, promote, and provide assistance in the development of skills and careers in science and mathematics among the people of the State."

**SECTION 9.11.(k)** G.S. 116-231 reads as rewritten:

**"§ 116-231. Reestablishment of the North Carolina School of Science and Mathematics as an ~~Affiliated School~~ a Constituent High School of The University of North Carolina.**

The North Carolina School of Science and Mathematics is hereby reestablished, as ~~an affiliated~~ constituent high school of The University of North Carolina, and shall be governed by the Board of Governors as prescribed in this Chapter and a Board of Trustees as prescribed in this Article."

**SECTION 9.11.(l)** G.S. 116-232 reads as rewritten:

**"§ 116-232. Purposes.**

The purposes of the School shall be to foster the educational development of North Carolina high school students who are academically talented in the areas of science and mathematics and show promise of exceptional development and global leadership through participation in a residential educational setting emphasizing instruction in the areas of science and mathematics; ~~to develop, evaluate, and disseminate experimental instructional programs; and to serve all schools of the State through research and outreach activities and to provide instruction, methods, and curricula designed to improve teaching and learning in North Carolina and the nation with an emphasis on distance education and programs that expand pathways for students into careers in science and mathematics.~~"

**SECTION 9.11.(m)** The introductory language of G.S. 116-233(a) reads as rewritten:

"(a) ~~There~~ Notwithstanding the provisions of G.S. 116-31(d), there shall be a Board of Trustees of the School, which shall consist of 27 members as follows:  
..."

**SECTION 9.11.(n)** G.S. 116-234 reads as rewritten:

**"§ 116-234. Board of Trustees; meetings; rules of procedure; officers.**

(a) The Board of Trustees shall meet at least ~~four~~ three times a year and may hold special meetings at any time, at the call of the chairman or upon petition addressed to the chairman by at least four of the members of the Board.

(b) ~~The~~ Notwithstanding the provisions of G.S. 116-32, the Board of Trustees shall elect a chairman and a vice-chairman; no ex officio member may hold such an office.

(c) The Board of Trustees shall determine its own rules of procedure and may delegate to such committees as it may create such of its powers as it deems appropriate.

(d) Members of the Board of Trustees, other than ex officio members under G.S. 116-233(a)(3), shall receive such per diem compensation and necessary travel and subsistence expenses while engaged in the discharge of their official duties as is provided by law for members of State boards and commissions. Ex officio members under G.S. 116-233(a)(3) shall be reimbursed for travel expenses as provided by G.S. 138-6."

**SECTION 9.11.(o)** The catch line of G.S. 116-235 reads as rewritten:

**"§ 116-235. Board of Trustees; additional powers and duties."**

**SECTION 9.11.(p)** G.S. 116-235 is amended by adding a new subsection to read:

"(a) In addition to the powers enumerated in Chapter 116, Article I, Part 3, the Board of Trustees shall have the powers and duties set out in this section."

**SECTION 9.11.(q)** G.S. 116-235(a) reads as rewritten:

~~"(a)(1)~~ Academic Program. –

- (1) The Board of Trustees shall establish the standard course of study for the School. This course of study shall set forth the subjects to be taught in each grade and the texts and other educational materials on each subject to be used in each grade.
- (2) The Board of Trustees shall adopt regulations governing class size, the instructional calendar, the length of the instructional day, and the number of instructional days in each term."

**SECTION 9.11.(r)** G.S. 116-235(b) reads as rewritten:

"(b) Students. –

- (1) Admission of Students. – The School shall admit students in accordance with criteria, standards, and procedures established by the Board of Trustees. To be eligible to be considered for admission, an applicant must be either a legal resident of the State, as defined by G.S. 116-143.1(a)(1), or a student whose parent is an active duty member of the armed services, as defined by G.S. 116-143.3(2), who is abiding in this State incident to active military duty at the time the application is submitted, provided the student shares the abode of that parent; eligibility to remain enrolled in the School shall terminate at the end of any school year during which a student becomes a nonresident of the State. The Board of Trustees shall ensure, insofar as possible without jeopardizing admission standards, that an equal number of qualified ~~rising high school juniors~~ applicants is admitted to the program and to the residential summer institutes in science and mathematics from each of North Carolina's congressional districts. In no event shall the differences in the number of ~~rising high school juniors~~ qualified applicants offered admission to the program from each of North Carolina's congressional districts be more than two and one-half percentage points from the average number per district who are offered admission.
- (2) School Attendance. – Every parent, guardian, or other person in this State having charge or control of a child who is enrolled in the School and who is less than 16 years of age shall cause such child to attend school continuously for a period equal to the time which the School shall be in session. No person shall encourage, entice, or counsel any child to be unlawfully absent from the School. Any person who aids or abets a student's unlawful absence from the School shall, upon conviction, be guilty of a Class 1 misdemeanor. The ~~Director~~ Chancellor of the School shall be responsible for implementing such additional policies concerning compulsory attendance as shall be adopted by the Board of Trustees, including regulations concerning lawful and unlawful absences, permissible excuses for temporary absences, maintenance of attendance records, and attendance counseling.
- (3) Student Discipline. – Rules of conduct governing students of the School shall be established by the Board of Trustees. The ~~Director~~ Chancellor, other administrative officers, and all teachers, substitute teachers, voluntary teachers, teacher aides and assistants, and student teachers in the School may use reasonable force in the exercise of lawful authority to restrain or correct pupils and maintain order.

**SECTION 9.11.(s)** G.S. 116-235(c) through G.S. 116-235(h) is repealed.

**SECTION 9.11.(t)** G.S. 116-236 is repealed.

**SECTION 9.11.(u)** G.S. 116-237 is repealed.

**SECTION 9.11.(v)** G.S. 116-238 is repealed

**SECTION 9.11.(w)** G.S. 66-58(c)(3) reads as rewritten:

"(c) The provisions of subsection (a) shall not prohibit:

...

- (3) The business operation of endowment funds established for the purpose of producing income for educational purposes; for purposes of this section, the phrase "operation of endowment funds" shall include the operation by ~~public postsecondary educational~~ constituent institutions of The University of North Carolina of campus stores, the profits from which are used exclusively for awarding scholarships to defray the expenses of students attending the institution; provided, that the operation of the stores must be approved by the board of trustees of the institution, and the merchandise sold shall be limited to educational materials and supplies, gift items and miscellaneous personal-use articles. Provided further that, notwithstanding this subsection, profits from a campus store operated by the endowment of the North Carolina School of Science and Mathematics are used exclusively for student activities, athletics, and other programs to enhance student life. Provided further that sales at campus stores are limited to employees of the institution and members of their immediate families, to duly enrolled students of the campus at which a campus store is located and their immediate families, to duly enrolled students of other



campuses of the University of North Carolina other than the campus at which the campus store is located, to other campus stores and to other persons who are on campus other than for the purpose of purchasing merchandise from campus stores. It is the intent of this subdivision that campus stores be established and operated for the purpose of assuring the availability of merchandise described in this Article for sale to persons enumerated herein and not for the purpose of competing with stores operated in the communities surrounding the campuses of the University of North Carolina."

**SECTION 9.11.(x)** G.S. 66-58(g) is repealed.

**SECTION 9.11.(y)** G.S. 126-5(c1)(8) reads as rewritten:

"(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

...

- (8) Instructional and research staff, physicians, and dentists of The University of North ~~Carolina~~ Carolina, including the faculty of the North Carolina School of Science and Mathematics.

..."

**SECTION 9.11.(z)** G.S. 126-5(c1)(11) is repealed.

**SECTION 9.11.(aa) RESERVED**

**SECTION 9.11.(bb) RESERVED**

**SECTION 9.11.(cc)** G.S. 143-597(a) is amended by adding a new subdivision to read:

"(7) The North Carolina School of Science and Mathematics."

**SECTION 9.11.(dd)** This section becomes effective July 1, 2007.

In addition to the special provisions in the Budget Appropriations Act (Senate Bill 1741) which were previously cited, the following are noted for information. No Board actions are required.

Section	Special Provision
6.15	Education Lottery Fund Revenue and Appropriations
7.21	Salary Supplement for Math and Science Teachers Pilot Program
9.4	Study the Feasibility of Adding North Carolina Wesleyan College to UNC System
9.8	Transfers of Appropriation
9.12	Expand Tuition Waiver Program for UNC Faculty & Staff
9.13	Tuition and Contractual Grants for Teaching/Nursing
9.15	NC Center for the Advancement of Teaching
9.16	Principal Fellows Program

## **Allocations of Funds – Capital Improvements**

### **A Capital Improvements Appropriations and Authorizations**

The General Assembly appropriated \$139,980,000 from the General Fund for the following projects, in addition to authorizing the issuance of certificates of participation totaling \$45,827,400 for the Construction of the UNC Charlotte Center City Classroom Building.

Appalachian State University College of Education Building – Planning	\$ 1,820,000
Fayetteville State University Science and Technology Complex – Planning	1,000,000
NC Agricultural and Technical State University General Classroom Facility – Planning	1,000,000
NC School of the Arts Library – Planning	1,000,000
NC State Engineering Complex III – Construction	61,000,000
UNC-Chapel Hill Genomics Science Building – Planning and Site Development	28,391,775
UNC Charlotte Center City Classroom Building	45,827,400
UNC-Greensboro Academic Classroom and Office Building – Planning	2,300,000
UNC Hospitals at Chapel Hill – Master Facilities Plan	3,000,000
UNC-Pembroke Residence Hall – Planning	1,000,000
UNC-Wilmington School of Nursing – Construction	27,000,000
Western Carolina University School of Health/Gerontology Building – Planning	2,400,000
Winston Salem State University Student Activities Center – Planning	768,225
Dental Schools – Planning	7,000,000
Reserve for Capital Cost Overruns	2,300,000

### **B. Reserve for Repairs and Renovations**

The 2006 General Assembly appropriated \$222,229,189 to the Statewide Reserve for Repairs and Renovations, of which \$102,225,427 (46%) was allocated by special provision to the Board of Governors. The University's 2006 allocation for repairs and renovations has been supplemented from two sources. A settlement of legal claims against the designer and contractors involved in the mold infestation of residence halls at North Carolina Central University totaling \$1,500,000 has been added to funds appropriated by the legislature. A total of \$2,300,000 has been added as a transfer to ECSU, NCCU, and UNCA from a legislatively-created reserve for cost overruns as a partial offset to the designated items made in the 2006 appropriations bill.

Of the funds allocated to the Board of Governors, the General Assembly designated by special provision the following allocations:

- (1) Parking and road repairs and improvements at Elizabeth City State University - \$1,900,000
- (2) Replacement and repair of steam lines and steam tunnels at North Carolina Central University - \$6,400,000
- (3) Planning for eligible repair and renovation projects at Rhodes Hall at the University of North Carolina at Asheville - \$416,000

In 1994, the Board of Governors adopted a formula for the allocation of repair and

renovation appropriations to the campuses. The formula takes into account the institutional mission, size, and condition of campus facilities in determining institutional allocations, with the principal responsibility for the selection of specific projects resting with the Chancellors. High priority projects that would not otherwise be funded through institutional allocations are deducted from the available funds prior to applying the formula to determine campus allocations. The Board's formula has been updated to reflect the recommendations resulting from the 2004 review of the model and uses the most recent data available.

It is recommended that the following allocations be made from the Reserve for Repairs and Renovations. It is recommended that Chancellors identify specific projects to be financed from the institutional allocations and present those projects to the President to be transmitted to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division of the Legislative Services Office for their joint review, as required by legislation.

It is further recommended that allocations to an institution may be transferred as needed among projects within that institution upon the request of the Chancellor and the approval of the President.

***Allocations Prior to Applying the Formula:***

**The University of North Carolina Center for Public Television**

Roof replacement - Bryan Center	\$ 600,000
Roof Repairs - Network-wide	75,000
Heating, Ventilating and Air-conditioning System Replacement - Concord, Farmville	40,000
Elevator Repairs	40,000
Electrical Distribution Improvements - Bryan Center	75,000

**The University of North Carolina-General Administration**

Electrical Infrastructure Improvements – Connection to UNC-CH Electrical Distribution System	244,727
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**The North Carolina Arboretum**

Improvements to Smoke Detectors/Fire Alarms	35,000
Replace Chiller, Install New Controls System, and Electrical Repairs – Visitor Education Center	270,000
Energy Conservation Measures	55,000
Repairs/Renovations – Visitor Education Center, Support Facilities, and Outdoor Classrooms	110,000

**Highlands Biological Station**

Fire Alarm System Improvements - Valentine Residence Hall, Coker Building, Biodiversity Lab, Howell Cottage, Nature Center, Weyman Dining Hall, Wright-Deacon Cottage	81,000
Sewer Infrastructure Replacement	350,000

<b>North Carolina Center for the Advancement of Teaching</b>	
Boiler Replacement	\$ 100,000
<b>Elizabeth City State University</b>	
Parking and Road Repairs and Improvements - Supplement	720,000
<b>North Carolina Central University</b>	
Replacement and Repair of Steam Lines and Steam Tunnels	3,484,900
Replacement and Repair of Steam Lines and Steam Tunnels - Supplement	1,300,000
<b>The University of North Carolina at Asheville</b>	
Repair and Renovation Projects at Rhodes Hall - Supplement	280,000
<b>North Carolina School of Science and Mathematics</b>	
Sprinklers – Residential Areas	925,000
Electronic Access System Upgrades for Student Safety	350,000
Infrastructure Repairs and Upgrades	483,500
Chilled Water System (Phase II)	455,800
Exterior and Interior Repairs – Watts Hall and Hill House	150,000
Science Lab Repairs and Upgrades	30,000
<b>Sub-Total – Allocations Prior to Applying the Formula</b>	<b>10,254,927</b>
 <b><i>Allocations Applying the Formula:</i></b>	
Appalachian State University	4,907,000
East Carolina University	10,031,200
Elizabeth City State University	2,394,300
Fayetteville State University	2,394,300
North Carolina A&T State University	4,880,700
North Carolina Central University	2,915,100
North Carolina School of the Arts	2,394,300
North Carolina State University	20,353,100
The University of North Carolina at Asheville	2,394,300
The University of North Carolina at Chapel Hill	21,496,000
The University of North Carolina at Charlotte	5,060,700
The University of North Carolina at Greensboro	5,496,600
The University of North Carolina at Pembroke	2,394,300
The University of North Carolina at Wilmington	2,971,400
Western Carolina University	3,292,900
Winston-Salem State University	2,394,300
<b>Sub-Total – Campus Allocations</b>	<b>95,770,500</b>
<b>TOTAL ALLOCATIONS</b>	<b>106,025,427</b>

**C. Nonappropriated Capital Improvements Project Authorizations**

In response to the Board's request, the 2006 General Assembly authorized nonappropriated capital projects totaling \$529,046,000. The projects are listed below.

**Appalachian State University**

Central Dining Facility - Phase II	\$ 4,850,000
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**East Carolina University**

Mendenhall Student Center and Ledonia Wright Cultural Center - Expansion and Renovation	39,000,000
Todd Dining Hall - Renovation	2,100,000
Brody School of Medicine - Renovations	1,200,000
Brody School of Medicine-Health Science Campus-Renovations	6,000,000

**Elizabeth City State University**

Residence Hall - Heating, Ventilating and Air Conditioning Improvements	1,500,000
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**North Carolina State University**

Derr Track - Renovation and Expansion - Phase II	2,500,000
Partners VI Building and Parking Deck	40,000,000
Centennial Campus Infrastructure	10,000,000
Residence Halls - Renovation - Supplement	11,500,000
Thompson Theater - Renovation and Expansion - Supplement	4,500,000

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

Food Service Facilities - Renovation and Expansion	3,500,000
Science Complex - Phase II	92,200,000
Carmichael Auditorium - Renovation and Expansion	15,000,000
Research Resource Facility - Phase II	12,400,000
Residence Halls - Improvements	2,000,000
Woollen Gymnasium - Renovation	4,500,000
Boshamer Baseball Stadium - Improvements	14,000,000
Cogeneration Warehouse	500,000
Steam Infrastructure Improvements	55,700,000
Electrical Infrastructure Improvements	29,530,000
Bell Tower Development - Phase I	10,000,000
Global Education & International Studies Center - Improvements	2,500,000
Residence Halls - Improvements - Supplement	2,500,000
Botanical Garden Visitor Education Center - Supplement	5,000,000
Educational Foundation Office Building - Supplement	12,000,000
Cobb Residence Hall - Renovation - Supplement	5,116,000
Residence College - Phase II - Supplement	8,000,000
Rizzo Center - Expansion - Supplement	5,300,000

**The University of North Carolina at Charlotte**

Prospector Hall - Renovation - Phase II	4,000,000
Residence Halls - Phase IX	38,800,000
Student Union - Supplement	10,000,000

**The University of North Carolina at Greensboro**

Residence Hall - Acquisition	\$ 29,500,000
Parking Deck Addition - Supplement	1,000,000

**The University of North Carolina at Pembroke**

University Center Expansion - Supplement	2,000,000
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**The University of North Carolina at Wilmington**

Residence Halls - Improvements	4,900,000
University Union Building - Expansion and Renovation - Supplement	12,000,000

**Western Carolina University**

Residence Hall - Renovation and Expansion	1,000,000
Dodson Cafeteria Replacement - Supplement	12,250,000
New Student Recreation Center - Supplement	6,200,000

**Winston-Salem State University**

Residence Hall - Renovation	4,500,000
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**D. Other Actions by the 2006 General Assembly****REVISIONS TO UNC BOND PROGRAM PROJECTS**

In response to the Board's request, the General Assembly authorized scope changes for projects in the UNC Higher Education Bond Program on the campuses of North Carolina State University, The University of North Carolina at Chapel Hill, and Western Carolina University.

	<b>Decrease</b>	<b>Increase</b>
<b>North Carolina State University</b>		
Williams Hall Laboratory Building Comprehensive Renovation	\$ 6,445,000	
Polk Hall Laboratory Building Comprehensive Renovation		\$ 101,362
1911 Classroom Building Comprehensive Renovation		2,663,757
Park Shops – Comprehensive Renovation and Use Conversion for General Academic Use		3,679,881
<b>UNC – Chapel Hill</b>		
Caldwell and Howell Halls-Comprehensive Renovation of Classrooms and Lecture Halls	845,246	
Hill and Davie Hall-Comprehensive Renovation of Classrooms and Lecture Halls	1,324,729	
Hamilton Hall-Comprehensive Renovation of Classrooms and Lecture Halls		845,246
Greenlaw Hall-Comprehensive Renovation of Classrooms and Lecture Halls		1,324,729
<b>Western Carolina University</b>		
Forsyth Classroom and Computer Labs Renovation	3,200,000	
Stillwell Lab Building Comprehensive Renovation		3,200,000

## REVISIONS TO PROJECTS APPROVED IN 2004

During the 2004 Session, the General Assembly authorized, in House Bill 1264 (Session Law 2004-179), the construction of UNC capital projects to be funded from certificates of participation. At the request of the Board, the 2006 General Assembly amended previous law to properly define the scope of four UNC projects. It is recommended that the constituent institutions be authorized to proceed with the projects as directed by the General Assembly. The changes are shown below.

Project	Project Amount
<del>Land acquisition, site</del> Site preparation, <del>and</del> engineering, architectural, and other consulting <del>services for facilities for development of the</del> services, <del>and the</del> <u>construction of a research building on the joint</u> Millennial Campus of North Carolina Agricultural and Technical State University and the University of North Carolina at Greensboro.	\$10,000,000
Land acquisition, site preparation, <del>and</del> engineering, architectural, and other consulting <del>services for an Optometry School facility</del> services, <del>and construction of</del> <u>a Nursing and Allied Health Building</u> at the University of North Carolina at Pembroke.	10,000,000
To Western Carolina University for land acquisition, site preparation, <del>and</del> engineering, architectural, and other consulting <del>services—services, and</del> <u>construction of a building</u> for Western Carolina University and the Mountain Area Health Education Consortium for the North Carolina Center for Health and Aging to be operated as a consortium among Western Carolina University, the University of North Carolina at Asheville, and the Mountain Area Health Education Consortium.	10,000,000
<del>Property acquisition in Piedmont Triad Research Park for Winston-Salem State University programming related to biotechnology education and research; and</del> <del>land</del> Land acquisition, site preparation, <del>and</del> engineering, architectural, and other consulting <del>services for</del> services, <del>and construction of</del> <u>a Center for Design Innovation in the Piedmont Triad Research Park</u> to be operated jointly by Winston-Salem State University and the North Carolina School of the Arts.	10,000,000

### E. Delegation to Reflect Technical Amendments

It is recommended that the Vice President for Finance be delegated the authority to adjust this recommendation to reflect technical amendments to the budget if any related amendments are approved by the General Assembly. It is further recommended that the Vice President for Finance be authorized to make refinements in the interest of accuracy and completeness.

### F. Additional Information

The table on the following page, *General Assembly Funding - Ten Year History*, a summary by institution of capital improvements appropriations from 1997 through 2006, is provided as supplementary information.