

APPENDIX O
2015-16 Capital Allocations

A. 2015-16 Allocations from the Reserve for Repairs and Renovations^A

For fiscal year 2015-16, the 2015 General Assembly appropriated \$150,000,000 to the statewide Reserve for Repairs and Renovations, of which \$50,000,000 (one-third) was allocated to the Board of Governors.

At the meeting on October 30, 2015, the Board of Governors decided to delay any recommendations for the allocation of R&R funds until their December meeting.

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B. Allocations from the Bond Project Authorizations by the 2015 General Assembly for Capital Repairs and Renovations^A

The Connect NC Bond Act of 2015 (House Bill 943) authorized capital projects funded from bond proceeds totaling \$1,020,000,000, subject to a vote of the qualified voters of the state.

The Connect NC Bond Act of 2015 identifies additional bond proceeds of \$45,000,000 be directed towards Capital Repairs and Renovations. Funds for repairs and renovations projects are appropriated to the Board of Governors for allocation to the institutions.

SECTION 1.(f) Use of Public Improvement Bond and Note Proceeds. – (1) Subject to the provisions of subdivision (2) of this subsection, the proceeds of public improvement bonds and notes, including premium thereon, if any, shall be used for the projects in the following general amounts set forth below:

| Allocations from the Bond Project Authorizations- Capital Repairs and Renovations^A | Amount |
|--|---------------------|
| | |
| Elizabeth City State University | |
| Moore Hall-Complete Building Renovation | \$ 8,500,000 |
| GR Little Library-Complete Building Renovation | 4,500,000 |
| University of North Carolina at Asheville | |
| Renovation and Addition to Owen Hall | 21,100,000 |
| University of North Carolina School of the Arts | |
| Old Library Renovation | 8,000,000 |
| Performance Place Renovations | 2,900,000 |
| | |
| Total | \$45,000,000 |

C. Capital Project Authorizations by the 2015 General Assembly for which no Board Action is required (for information only)

1. Capital Improvements Appropriations and Authorizations

The General Assembly appropriated \$5,000,000 from the General Fund for the following projects:

| | | |
|-------|---|--------------|
| NCSSM | Mathematics – Technology Upgrades and Building Repair | \$ 4,000,000 |
| NCSU | Engineering Building – Advance Planning | \$ 1,000,000 |

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2. Non-General Fund Capital Improvements Project Authorizations

In response to the Board's request, the 2015 General Assembly authorized capital projects funded from non-general fund sources totaling \$184,500,000 in House Bill 679.

SECTION 2. The capital improvements projects, and their respective costs, authorized by this act to be acquired or constructed and financed as provided in Section 1 of this act, including by revenue bonds, by special obligation bonds as authorized in Section 4 of this act, or by both, are as follows:

| Project Authorization | Amount |
|---|----------------------|
| | |
| Appalachian State University | |
| New Residence Hall – Replacement for Winkler – Supplement | \$ 32,000,000 |
| East Carolina University | |
| Renovation of Four Residence Halls | 65,000,000 |
| North Carolina Central University | |
| Deferred Maintenance and Infrastructure Improvements | 10,500,000 |
| North Carolina State University | |
| Engineering Building Oval and Campus Infrastructure | 77,000,000 |
| | |
| Total | \$184,500,000 |

SECTION 4. Pursuant to G.S. 116D-26, the Board of Governors may issue, subject to the approval of the Director of the Budget, at one time or from time to time, special obligation bonds of the Board of Governors for the purpose of paying all or any part of the cost of acquiring, constructing, or providing for the projects authorized by Section 2 of this act. The maximum principal amount of bonds to be issued shall not exceed the specified project costs in Section 2 of this act plus five percent (5%) of such amount to pay issuance expenses, fund reserve funds, pay capitalized interest, and pay other related additional costs, plus any increase in the specific project costs authorized by the Director of the Budget pursuant to Section 3 of this act.

SECTION 5. The General Assembly authorizes planning of the Plant Sciences Building at North Carolina State University to be funded at a maximum cost of fourteen million dollars (\$14,000,000) during the 2015-2017 fiscal biennium in accordance with the following: (1) Notwithstanding G.S. 143C-8-12, the sum of five million dollars (\$5,000,000) in funds carried forward pursuant to G.S. 116-30.3 and G.S. 116-30.3B and available for expenditure during the 2015-2016 fiscal year shall be used for this purpose. If less than five million dollars (\$5,000,000) of these funds are available, then funds carried forward pursuant to G.S. 116-30.3 and G.S. 116-30.3B and available for expenditure during the 2016-2017 fiscal year shall be used for this purpose. (2) The remaining nine million dollars (\$9,000,000) shall be funded with receipts or from other non-General Fund sources available to North Carolina State University, and those funds are hereby appropriated for that purpose.

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D. Bond Project Authorizations by the 2015 General Assembly for which no Board action is required (for information only)

The Connect NC Bond Act of 2015 (House Bill 943) authorized capital projects funded from bond proceeds totaling \$1,020,000,000, subject to a vote of the qualified voters of the state.

SECTION 1.(f) Use of Public Improvement Bond and Note Proceeds. – (1) Subject to the provisions of subdivision (2) of this subsection, the proceeds of public improvement bonds and notes, including premium thereon, if any, shall be used for the projects in the following general amounts set forth below:

| Project Authorization | Amount |
|---|------------------------|
| Appalachian State University | |
| New Health Sciences Building | \$ 70,000,000 |
| East Carolina University | |
| Life Sciences & Biotech. Building | 90,000,000 |
| Fayetteville State University | |
| Lyons Science Bldg. Renovation | 10,000,000 |
| North Carolina A&T State University | |
| Engineering Building | 90,000,000 |
| North Carolina Central State University | |
| New Business School | 30,000,000 |
| North Carolina State University | |
| Engineering Building | 75,000,000 |
| Plant Sciences Building-NCSU/Agriculture Partnership | 85,000,000 |
| University of North Carolina at Chapel Hill | |
| Medical Education Bldg. Replacement | 68,000,000 |
| University of North Carolina at Charlotte | |
| New Sciences Building | 90,000,000 |
| University of North Carolina at Greensboro | |
| Nursing School Building | 105,000,000 |
| University of North Carolina at Pembroke | |
| New Business School | 23,000,000 |
| University of North Carolina at Wilmington | |
| Allied Health and Human Services/Nursing Building | 66,000,000 |
| Western Carolina University | |
| Science/STEM Building | 110,000,000 |
| Winston-Salem State University | |
| Sciences Building | 50,000,000 |
| North Carolina School of Science & Mathematics | |
| North Carolina School of Technology and Engineering | 58,000,000 |
| Total | \$1,020,000,000 |

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E. Other Actions by the 2015 General Assembly

In addition, the following capital improvements-related special provisions from the Appropriations Act of 2015 (S.L. 2015-241) are noted for information.

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| 31.2 | Capital Projects/General Fund | Appropriates \$4M to NCSSM for upgrades and building repair and \$1M to NCSU for engineering building advance planning. |
| 31.5 | Repairs and Renovations Reserve Allocation | Allocates R&R money (one-third to UNC). Requires a portion to be used in each fiscal year for the installation of sprinklers in residence halls. Requires a portion to be used in each fiscal year for campus public safety improvements. Requires that the BOG consider the availability of non-state resources and carryforward funds available and include information in any report submitted. |
| 31.9 | Require Non-General Fund Resources to be Used for Advanced Planning of University Capital Projects | Prohibits UNC from making a capital funds request unless the University has first completed advanced planning of the project with funds other than GF appropriations. |
| 31.13 | Debt Affordability Study for UNC | Creates GS 116D-55 to require the Board to study the debt affordability of UNC and report to OSBM, Gov Ops, DST, and UNCGA. |
| 31.14 | Authorize State Agencies to Undertake Small Repairs and Renovations Projects with Funds Available | Authorizes State agencies to undertake R&R projects with total cost <\$300K, paid for with available funds. |
| 31.17 | Amends Require UNC Carryforward Funds to be Used for Repairs and Renovations | Allows for temporary increase in carryforward not to exceed 5% of General Fund appropriation for FY 2015-16. The BOG is required to submit a report on expenditures for repairs and renovations no later than October 1, 2017 and a report on any expenditures for advanced planning no later than 30 days after the funds are spent. |