

AGENDA ITEM

A-4. Capital Improvement Projects..... Katherine Lynn

Situation: East Carolina University has requested one new project, and Fayetteville State University, University of North Carolina Asheville, University of North Carolina at Chapel Hill, University of North Carolina Pembroke, and Winston-Salem State University have requested increased authorization for eight projects. In addition, North Carolina Agricultural and Technical State University and Western Carolina University have requested approval of a fund source change to replace 2016 Connect NC bond funds.

Background: The University of North Carolina Board of Governors may authorize capital construction projects at University of North Carolina System institutions using available funds.

Assessment: ECU, FSU, UNC Asheville, UNC-Chapel Hill, UNC Pembroke, and Winston-Salem State are requesting projects that meet statutory requirements. It is recommended that the Board approve the projects and the method of funding. It is further recommended that these projects be reported to the North Carolina Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

North Carolina A&T and WCU are requesting approval to replace the 2016 Connect NC bond funds with non-appropriated funds to support two active capital improvement projects. The North Carolina Department of State Treasurer is closing all outstanding bonds, including the 2016 Connect NC bond, and the remaining bond funds are no longer available. It is recommended that the Board delegate to the president the authority to approve a change in fund source upon verification of the alternate fund source and availability of funds.

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Capital Improvement Projects – East Carolina University, Fayetteville State University, University of North Carolina Asheville, University of North Carolina at Chapel Hill, University of North Carolina Pembroke, and Winston-Salem State University

ISSUE OVERVIEW

University of North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with non-appropriated projects using available funds (non-general funds). Non-appropriated capital projects are funded by the institution and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings.

Six UNC System institutions have requested nine capital improvement projects: one new project and eight projects for increased authorization.

In addition, the North Carolina Department of State Treasurer is closing the 2016 Connect NC bond. Two UNC System institutions have active capital improvement projects that will not be able to complete construction without authorization to substitute a non-appropriated fund source.

I. NEW PROJECTS

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
East Carolina University					
1.	Todd Dining Hall Crawlspace Reconditioning ¹	\$1,850,000	\$250,000	\$1,600,000	Trust Funds (Dining)
<i>ECU Subtotal</i>		<i>\$1,850,000</i>	<i>\$250,000</i>	<i>\$1,600,000</i>	
Grand Total		\$1,850,000	\$250,000	\$1,600,000	

¹ Previous authorization reflects advance planning authority delegated to Boards of Trustees.

II. INCREASED AUTHORIZATION

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
Fayetteville State University					
1.	Health & Wellness Center	\$14,300,000	\$13,900,000	\$400,000	Appropriations - 38%/Trust Funds (HEERF) - 62%
<i>FSU Subtotal</i>		<i>\$14,300,000</i>	<i>\$13,900,000</i>	<i>\$400,000</i>	
University of North Carolina Asheville					
2.	Lipinsky Renovation	\$41,150,000	\$36,150,000	\$5,000,000	SCIF Appropriations - 88%/Trust Funds (Donations, Gifts, and Grants) - 12%
<i>UNC Asheville Subtotal</i>		<i>\$41,150,000</i>	<i>\$36,150,000</i>	<i>\$5,000,000</i>	

II. INCREASED AUTHORIZATION (cont.)

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
University of North Carolina at Chapel Hill					
3.	Administrative Office Building Roof	\$1,300,000	\$750,000	\$550,000	Carry-forward
4.	Phillips Hall - Windows Replacement	\$1,850,000	\$950,000	\$900,000	SCIF R&R - 51%/Carry-forward - 49%
<i>UNC-Chapel Hill Subtotal</i>		<i>\$3,150,000</i>	<i>\$1,700,000</i>	<i>\$1,450,000</i>	
University of North Carolina Pembroke					
5.	Health Sciences Center	\$92,000,000	\$91,000,000	\$1,000,000	SCIF Appropriations - 99%/Trust Funds (Dining) - 1%
<i>UNC Pembroke Subtotal</i>		<i>\$92,000,000</i>	<i>\$91,000,000</i>	<i>\$1,000,000</i>	
Winston-Salem State University					
6.	Hauser Hall - Renovation and Expansion	\$23,600,000	\$22,100,000	\$1,500,000	SCIF Appropriations - 94%/Trust Funds (Title III) - 6%
7.	Hill Hall Lighting	\$1,065,000	\$740,000	\$325,000	SCIF Appropriations - 69%/Carry-forward - 31%
8.	New Chiller at Central Chiller Plant	\$3,847,000	\$1,700,000	\$2,147,000	SCIF Appropriations - 48%/Carry-forward - 52% (Fund source change)
<i>Winston-Salem State Subtotal</i>		<i>\$28,512,000</i>	<i>\$24,540,000</i>	<i>\$3,972,000</i>	
Grand Total		\$179,112,000	\$167,290,000	\$11,822,000	

III. CONNECT NC BOND FUND SOURCE CHANGE

Institution/Project Title		Connect NC Bond Funds	Expenditures	Balance	Replacement Funding Source
North Carolina Agricultural and Technical State University					
1.	Engineering Building (Martin Engineering Research and Innovation Complex)	\$90,000,000	\$88,481,210	\$1,518,790	Approval of fund source delegated to President
<i>N.C. A&T Subtotal</i>		<i>\$90,000,000</i>	<i>\$88,481,210</i>	<i>\$1,518,790</i>	
Western Carolina University					
2.	Science/STEM Building (Apodoca Science Building)	\$110,000,000	\$105,921,063	\$4,078,937	Approval of fund source delegated to President
<i>WCU Subtotal</i>		<i>\$110,000,000</i>	<i>\$105,921,063</i>	<i>\$4,078,937</i>	
Total		\$200,000,000	\$194,402,273	\$5,597,727	

RECOMMENDATION

All projects and associated funding sources are in compliance with G.S. 143C-8-12 (State Budget Act).

It is recommended that the new capital projects and increased authorizations be authorized and reported to the NC Office of State Budget and Management as non-appropriated projects that will be funded and operated entirely with non-General Fund and non-State Capital and Infrastructure Fund monies.

For the Connect NC Bond projects, it is recommended that the Board delegate to the president or his designee the authority to approve the change in fund source upon verification of the fund source and availability of funds with the constituent institution.

IV. REPORTING

The following projects are being reported to the Board of Governors and Fiscal Research Division in compliance with GS 143C-8-13 (d) which permits Chancellors to authorize Repairs and Renovation projects less than \$600,000 in thirteen allowable categories.

Institution/Project Title	Amount	Fund Source	R&R Category	
Fayetteville State University				
1.	Washington Drive Site Improvements	\$200,000	General Fund Appropriations	(11)-Improvements to roads, walks, drives, and utilities infrastructure
North Carolina A&T State University				
2.	Sports Hall of Fame-Phase 1-Corbett Gym	\$499,999	Trust Funds (Athletics)	(9) Improvements and renovations to improve use of existing space
3.	Graduate Education Center	\$300,000	Grants	(9) Improvements and renovations to improve use of existing space