



MEETING OF THE BOARD OF GOVERNORS
Committee on Budget and Finance

January 24, 2019 immediately upon the conclusion of the Joint Committee Meeting
University of North Carolina System Office
Center for School Leadership Development, Board Room
Chapel Hill, North Carolina

AGENDA

- B-1. Approval of the December 14, 2018 Minutes Temple Sloan
- B-2. 2019-20 Tuition and Fees Presentation..... Clinton Carter
- B-3. Duties and Authorities of the Board of Trustees Temple Sloan
- B-4. 2019 Non-Appropriated Capital Improvement Project Clinton Carter
- B-5. Capital Improvement Projects Clinton Carter
- B-6. Acquisition by Deed and Disposition of Property by Demolition – NCCU Clinton Carter
- B-7. Disposition of Property by Demolition – NCCU Clinton Carter
- B-8. Disposition of Property by Demolition – NCSSM..... Clinton Carter
- B-9. Disposition of Property by Easement – WSSU..... Clinton Carter
- B-10. Approval Lease and Use Agreement Modifications– UNCP Clinton Carter
- B-11. Sale of Special Obligation Bonds – UNC-Chapel Hill Clinton Carter
 - a. 2019AB Bonds – Floating Rate Note Refunding
 - b. 2019C Bond – Ed. Foundation – Facility & Field
- B-12. Report on Repairs and Renovations (R&R) Funding Presentation Robert Rucho and Clinton Carter
- B-13. Other Business
- B-14. Adjourn

DRAFT MINUTES

December 14, 2018
University of North Carolina System Office
Center for School Leadership and Development, Board Room
Chapel Hill, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair Temple Sloan. The following committee members, constituting a quorum, were also present in person or by phone: Darrell Allison, Carolyn Coward, Thomas Fetzer, James Holmes, Marty Kotis, and Robert Rucho.

Chancellor participating was Randy Woodson.

Staff members present included Clinton Carter and others from the UNC System Office.

1. Call to Order and Approval of the November 8, 2018 Minutes (Item A-1)

The chair welcomed those in attendance and called the committee to order at 8:30 a.m. on Friday, December 14, 2018, and called for a motion to approve the open session minutes of November 8, 2018.

MOTION: Resolved, that the Committee on Budget and Finance approve the minutes of November 8, 2018, as distributed.

Motion: James Holmes

Motion carried

2. 2019 Non-Appropriated Capital Improvement Project (Item A-2)

Clinton Carter introduced UNC Wilmington's 2019 non-appropriated capital improvement project item. The project is for the Southeast Dining Facility, estimated at total project cost of \$14M and requiring debt issuance of that amount. Dining receipts will be a source of funds.

With Board approval, the project will be forwarded to the General Assembly for authorization during the 2019 legislative session.

MOTION: Resolved, that the Committee on Budget and Finance approve the 2019 non-appropriated capital improvement project for UNC Wilmington and recommend it to the full Board of Governors.

Motion: Thomas Fetzer

Motion carried

3. Tuition and Fees Presentation (A-3)

Chair Sloan explained to the committee the timeline for the upcoming tuition and fees process. The committee will have a full discussion in January for a vote in March.

Mr. Carter gave a presentation that covered the background and context on tuition and fees, as well as additional information related to the 2019-20 process.

4. Authorization of Ground Lease – NCCU (Item A-4)

Akua Matherson, associate vice chancellor for Administration and Finance, presented North Carolina Central University's request to enter into a ground lease and related agreements in connection with the development of new and replacement student housing facilities on campus. The facility would consist of three buildings containing approximately 1,270 beds and approximately 350,000 gross square feet and related structure. Financing would be by private funds.

The student housing would address the demand on campus and allow both freshmen and sophomores to stay on campus.

Mr. Holmes recused himself from this item.

MOTION: Resolved, that the Committee on Budget and Finance approve NCCU's request for authorization of ground lease and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: Thomas Fetzer

Motion carried

5. Disposition of Property by Easement – ECU (Item A-5)

Mr. Carter presented East Carolina University's request for authorization to dispose of property by easement in three locations in Greenville, NC, to provide permanent utility easements. The installment of Vidant Peaking generators along Arlington Boulevard will provide improved electrical load management.

Upon approval, final action by the NC Council of State will be required.

MOTION: Resolved, that the Committee on Budget and Finance approve East Carolina University's authorization of disposition of property by easement request and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: James Holmes

Motion carried

6. Disposition of Property by Easement/Right-of-Way – ECU (Item A-6)

Mr. Carter presented East Carolina University's request for authorization to dispose of property by easement/right-of-way at the intersection of US 13 and NC Highway 43 in Greenville, NC.

The right-of-way and a permanent utility easement would complete the widening and improvement of an intersection of NC Highway 43 and Memorial Drive, improving the safety and traffic flow in the area. The value of the right-of-way and permanent utility easement was \$32,600. Proceeds from the transaction will be deposited in the Millennial Campus account.

Upon approval, final action by the NC Council of State will be required.

MOTION: Resolved, that the Committee on Budget and Finance approve ECU's request for authorization of disposition of property by easement/right-of-way and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: James Holmes

Motion carried

7. Disposition of Property by Demolition – UNC-Chapel Hill (Item A-7)

Mr. Carter presented UNC-Chapel Hill's request for authorization to dispose of property by demolition to permit razing of Phillips Annex. The demolition would ready the site for construction of the Carroll Hall addition, which will serve the School of Media and Journalism.

MOTION: Resolved, that the Committee on Budget and Finance approve UNC-Chapel Hill's request of disposition of property by demolition and recommend it to the full Board of Governors for a vote through the consent agenda.

Mrs. Coward rescused herself from this item.

Motion: Thomas Fetzer

Motion carried

8. Disposition of Property by Demolition – UNC-Chapel Hill (Item A-8)

Mr. Carter introduced UNC-Chapel Hill's request for authorization to dispose of property by demolition by ground lease located on .45 acres adjacent to 121 Hendersonville Road, Asheville, NC. UNC-Chapel Hill will lease the property and the associated structure, soon to be a 36,000 square foot medical education center and clinic, to Mountain Area Health Care Education Center (MAHEC), Inc.

Upon approval, the building and grounds will be ground leased to MAHEC for 30 years under terms that will be submitted to the governor and Council of State for approval.

MOTION: Resolved, that the Committee on Budget and Finance approve UNC-Chapel Hill's request for disposition of property by demolition and recommend it to the full Board of Governors for a vote through the consent agenda.

Motion: James Holmes

Motion carried

9. Capital Improvement Projects – Appalachian, ECU, ECSU, NCCU, NC State, UNCA, UNC-Chapel Hill, UNCG, UNCSA, and NC Arboretum (Item A-9)

Mr. Carter presented a total of 22 capital improvement projects from Appalachian State University, East Carolina University, Elizabeth City State University, North Carolina Central University, NC State University, UNC Asheville, UNC-Chapel Hill, UNC Greensboro, UNC School of the Arts, and NC Arboretum, including 4 projects for advance planning, 12 new projects for authority, and 6 projects for increased authorization.

MOTION: Resolved, that the Committee on Budget and Finance approve the capital improvement projects for Appalachian, ECU, ECSU, NCCU, NC State, UNCA, UNC-Chapel Hill, UNC Greensboro, UNC School of the Arts, and NC Arboretum and recommend them to the full Board of Governors for a vote through the consent agenda.

Upon approval, these projects will be reported to NC Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

Motion: Robert Rucho

Motion carried

10. Duties and Authorities of the Board of Trustees (Item A-10)

Chair Sloan led the discussion on the duties and authorities of the board of trustees. The committee considered and approved proposed additional delegations of power and duties to the boards of trustees related to authority for acquisitions and dispositions of real property and capital improvement projects.

MOTION: Resolved, that the Committee on Budget and Finance approve the following proposed change for inclusion in policy and direct System Office staff to draft policy language which reflects the proposed change: a) For constituent institutions with delegated authority from the Board of Governors that permit boards of trustees to authorize acquisitions and dispositions of interests in real property, other than leases, for transactions valued up to \$1M; and b) For constituent institutions without delegated authority from the Board of Governors, permit boards of trustees to authorize acquisitions and dispositions of interests in real property, other than leases, for transactions up to \$500K; provided that information about transactions completed under these revised policies will be reviewed by the Committee on Budget and Finance approximately one year after implementation of policy revisions

Motion: James Holmes

Motion carried

MOTION: Resolved, that the Committee on Budget and Finance approve the following proposed change for inclusion in policy and direct System Office staff to draft policy language which reflects the proposed change: a) for constituent institutions with delegated authority from the Board of Governors, that permit boards of trustees at constituent institutions to approve leases for a term less than or equal to 10 years with an annual value up to \$750K; and b) For constituent institutions without delegated authority permit boards of trustees to enter into leases with a term less than or equal to 10 years and annual value of up to \$500K.

Motion: Marty Kotis

Motion carried

The committee considered a proposed policy change that would allow single approval for self-liquidating projects, but it was determined that there would be no change to the policy.

MOTION: Resolved, that the Committee on Budget and Finance table the proposed policy revision to allow single approval of self-liquidating projects.

Motion: James Holmes

Motion carried

MOTION: Resolved, that the Committee on Budget and Finance approve the following proposed change for inclusion in policy and direct System Office staff to draft policy language which reflects the proposed change: a) For constituent institutions with delegated authority from the Board of Governors, that permit boards of trustees to approve non-appropriated capital improvement projects that are projected to cost \$1M or less; and b) For constituent institutions without delegated authority, that permit boards of trustees to approve non-appropriated capital improvement projects that are projected to cost \$750K or less.

Motion: James Holmes

MOTION: To amend, that the Committee on Budget and Finance approve the proposed change a) For constituent institutions with delegated authority from the Board of Governors that permit boards of trustees to authorize acquisitions and dispositions of interests in real property, other than leases, for transactions valued up to \$2M; and b) for constituent institutions without delegated authority from the Board of Governors that permit boards of trustees to authorize acquisitions and dispositions of interests in real property, other than leases, for transactions up to \$1M.

Motion: Marty Kotis

Motion failed

MOTION: Resolved, that the Committee on Budget and Finance approve the following proposed change for inclusion in policy and direct System Office staff to draft policy language which reflects the proposed change: a) For constituent institutions with delegated authority from the Board of Governors, permit boards of trustees to approve non-appropriated capital improvement projects that are projected to cost \$1M or less; and b) For constituent institutions without delegated authority, permit boards of trustees to approve non-appropriated capital improvement projects that are projected to cost \$750K or less.

Motion: James Holmes

Motion carried

There being no further business, the meeting adjourned at 9:51 a.m.

Carolyn Coward, Secretary



AGENDA ITEM

B-2. Tuition and Fee Presentation Clinton Carter

- Situation:** Campus tuition and fee proposals are presented for the Board’s review. The Board will take action at the March meeting on recommendations for tuition and fee rates for the 2019-20 academic year.
- Background:** G.S. 116-143 requires that the Board of Governors fix the tuition and fees, not inconsistent with the actions of the General Assembly, at the constituent institutions of the University of North Carolina.
- Assessment:** Campuses have submitted 2019-20 tuition and fee proposals in accordance with legislative and UNC System guidelines.
- Action:** This item is for discussion only.

2019-20 TUITION AND FEE PROPOSALS

BOG Committee on Budget and Finance

January 24, 2019

Presentation Outline

- Annual Guidance to the Institutions
- Historical Tuition and Fee Averages
- 2019-20 Tuition Proposals
- 2019-20 Fee Proposals
- Summary of 2019-20 Proposals
Compared with 2018-19 Rates
- Comparison to BOG-Approved Peers

Annual Guidance to the Institutions

■ Annual Guidance from the UNC System:

- No tuition increases are allowed for resident undergraduates.
- Combined tuition and fee rates for undergraduate residents shall remain in the bottom quartile of an institution's public peers.
- Rates for nonresident undergraduate students should be market driven and reflect the full cost of providing nonresidents with a quality education.
- Graduate and professional schools shall continue to establish rates consistent with each program's unique market and academic requirements.
- Mandatory student fee increases are capped at 3%. All fee increase proposals must be accompanied by an expenditure plan, including a description of why alternative sources or expenditure reductions are insufficient for addressing the needs of the fee-supported activity.
- No new special fees or increases to existing fees are allowed.

Historical Tuition and Fee Averages

Academic Year	Average Increases		
	Undergraduate Resident Tuition	Undergraduate Nonresident Tuition	Mandatory Fees *
2014-15	0.0%	7.8%	3.7%
2015-16	3.8%	2.6%	5.2%
2016-17	3.6%	2.6%	4.7%
2017-18	2.0%	2.0%	2.8%
2018-19	0.0%	0.9%	1.3%
2019-20	0.0%	1.1%	2.0%

* In 2018-19, NC Promise was implemented for ECSU, UNCP, and WCU. The percentages shown above for undergraduate resident and nonresident tuition do not include these campuses. The actual percentage calculation for 2018-19 (with all campuses) is -10.7% for residents and -9.3% for nonresidents.

2019-20 Tuition Proposals

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2019-20 Tuition Proposals (UG Resident)

Institution	2018-19 Tuition	2019-20 Rate Change	2019-20 Proposed Rates	%
NCSU	\$6,535.00	\$0.00	\$6,535.00	0.0%
UNC-CH	7,019.00	0.00	7,019.00	0.0%
ECU	4,452.00	0.00	4,452.00	0.0%
NC A&T	3,540.00	0.00	3,540.00	0.0%
UNCC	3,812.00	0.00	3,812.00	0.0%
UNCG	4,422.00	0.00	4,422.00	0.0%
UNCW	4,443.00	0.00	4,443.00	0.0%
ASU	4,242.00	0.00	4,242.00	0.0%
FSU	2,982.00	0.00	2,982.00	0.0%
NCCU	3,728.00	0.00	3,728.00	0.0%
UNCP	1,000.00	0.00	1,000.00	0.0%
WCU	1,000.00	0.00	1,000.00	0.0%
WSSU	3,401.00	0.00	3,401.00	0.0%
UNCA	4,122.00	0.00	4,122.00	0.0%
ECSU	1,000.00	0.00	1,000.00	0.0%
UNCSA	6,497.00	0.00	6,497.00	0.0%
Average	3,887.19	0.00	3,887.19	0.0%

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2019-20 Tuition Proposals (UG Nonresident)

Institution	2018-19 Tuition	2019-20 Rate Change	2019-20 Proposed Rates	%
NCSU	\$25,878.00	\$776.00	\$26,654.00	3.0%
UNC-CH	33,202.00	996.00	34,198.00	3.0%
ECU	20,729.00	0.00	20,729.00	0.0%
NC A&T	16,750.00	300.00	17,050.00	1.8%
UNCC	17,246.00	0.00	17,246.00	0.0%
UNCG	19,581.00	0.00	19,581.00	0.0%
UNCW	18,508.00	0.00	18,508.00	0.0%
ASU	19,049.00	0.00	19,049.00	0.0%
FSU	14,590.00	0.00	14,590.00	0.0%
NCCU	16,435.00	0.00	16,435.00	0.0%
UNCP	5,000.00	0.00	5,000.00	0.0%
WCU	5,000.00	0.00	5,000.00	0.0%
WSSU	13,648.00	0.00	13,648.00	0.0%
UNCA	20,845.00	625.00	21,470.00	3.0%
ECSU	5,000.00	0.00	5,000.00	0.0%
UNCSA	22,640.00	400.00	23,040.00	1.8%
Average	17,131.31	193.56	17,324.88	1.1%

UNC-CH is requesting a 3% increase to all undergraduate nonresident rates. The proposed rate shown above is for new students first enrolled in 2018-19 or 2019-20. Students continuously enrolled since 2017-18 would receive a \$987 increase (proposed rate is \$33,889).

2019-20 Tuition Proposals (Grad Resident)

Institution	2018-19 Tuition	2019-20 Rate Change	2019-20 Proposed Rates	%
NCSU	\$8,917.00	\$178.00	\$9,095.00	2.0%
UNC-CH	10,243.00	309.00	10,552.00	3.0%
ECU	4,749.00	0.00	4,749.00	0.0%
NC A&T	4,745.00	0.00	4,745.00	0.0%
UNCC	4,337.00	0.00	4,337.00	0.0%
UNCG	5,219.00	0.00	5,219.00	0.0%
UNCW	4,719.00	0.00	4,719.00	0.0%
ASU	4,839.00	0.00	4,839.00	0.0%
FSU	3,437.97	0.00	3,437.97	0.0%
NCCU	4,740.00	0.00	4,740.00	0.0%
UNCP	4,000.00	280.00	4,280.00	7.0%
WCU	4,435.00	0.00	4,435.00	0.0%
WSSU	3,872.00	0.00	3,872.00	0.0%
UNCA	4,914.00	0.00	4,914.00	0.0%
ECSU	3,375.43	0.00	3,375.43	0.0%
UNCSA	8,796.00	400.00	9,196.00	4.5%
Average	5,333.65	72.94	5,406.59	1.4%

2019-20 Tuition Proposals (Grad Nonresident)

Institution	2018-19 Tuition	2019-20 Rate Change	2019-20 Proposed Rates	%
NCSU	\$25,405.00	\$1,016.00	\$26,421.00	4.0%
UNC-CH	27,454.00	824.00	28,278.00	3.0%
ECU	17,898.00	0.00	17,898.00	0.0%
NC A&T	17,395.00	150.00	17,545.00	0.9%
UNCC	17,771.00	0.00	17,771.00	0.0%
UNCG	18,937.00	0.00	18,937.00	0.0%
UNCW	18,548.00	0.00	18,548.00	0.0%
ASU	18,271.00	0.00	18,271.00	0.0%
FSU	14,503.38	0.00	14,503.38	0.0%
NCCU	17,694.00	0.00	17,694.00	0.0%
UNCP	15,274.00	1,069.18	16,343.18	7.0%
WCU	14,842.00	0.00	14,842.00	0.0%
WSSU	13,987.00	0.00	13,987.00	0.0%
UNCA	21,236.00	0.00	21,236.00	0.0%
ECSU	16,437.13	0.00	16,437.13	0.0%
UNCSA	22,803.00	400.00	23,203.00	1.8%
Average	18,653.47	216.20	18,869.67	1.2%

2019-20 Tuition Proposals

Estimated Revenues Generated by Tuition Increases

<u>Undergraduate</u>	2019-20
Residents (new students)	\$0
Nonresidents	\$6,780,454
<u>Graduate</u>	
Residents	\$2,571,891
Nonresidents	\$5,531,409
Total	\$14,883,754

Proposed Uses: Inflationary Adjustments, Faculty & Staff Retention, Expanded Institutional Opportunities, Student Services, Academic Support, Technology Improvements, Need-based Aid, Merit-based Aid, and Graduate Assistantships.

2019-20 Fee Proposals

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2019-20 Fee Proposals

Mandatory Fees

- Athletics
- Health Services
- Student Activities
- Educational and Technology
- Campus Security (no increase allowed)
- Debt Service (*Debt Service fees are subject to the 3% cap and are addressed by the Board when approving capital projects paid from non-appropriated sources.*)

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2019-20 Fee Proposals

Determining Mandatory Fees

- Institutions rely entirely on student fees (without any direct state appropriations) to finance a number of activities, services, and facilities.
- Authority to spend fee revenue is held by the campus or campus program for which the fee was established.

2019-20 Fee Proposals

- **Who Pays Mandatory Fees?**
 - **All** students (residents, nonresidents, undergraduates, graduates, summer school students)
 - Fees are pro-rated for part-time students
 - Distance education students pay subset of mandatory fees (education and technology, campus security, and association of student government)
- **UNC Policy Guides Use of All Student Fees (mandatory and special fees)**
 - “Fees will be charged only for limited, dedicated purposes and shall not be used to defray the costs of general academic and administrative operations of campuses...”

2019-20 Fee Proposals

Factors that Influence Fees

- Fixed cost increases (salaries, retirement, and health plan)
- Economies of scale
- Financial condition of the enterprise
- Must be used for the purpose for which the fee is authorized

2019-20 Mandatory Fee Proposals

Campus	2018-19 Mandatory Fees	2019-20 Rate Change	2019-20 Proposed Fees	%
NCSU	\$2,360.60	\$ 0.00	\$2,360.60	0.0%
UNC-CH	1,738.83	(6.37)	1,732.46	(0.4%)
ECU	2,566.00	51.00	2,617.00	2.0%
NC A&T	2,965.81	45.00	3,010.81	1.5%
UNCC	3,042.00	52.00	3,094.00	1.7%
UNCG	2,797.00	69.00	2,866.00	2.5%
UNCW	2,557.74	76.70	2,634.44	3.0%
ASU	2,972.00	90.00	3,062.00	3.0%
FSU	2,268.00	60.00	2,328.00	2.6%
NCCU	2,620.21	70.00	2,690.21	2.7%
UNCP	2,417.27	72.49	2,489.76	3.0%
WCU	2,788.00	48.00	2,836.00	1.7%
WSSU	2,413.16	50.00	2,463.16	2.1%
UNCA	2,881.00	85.50	2,966.50	3.0%
ECSU	2,193.90	65.79	2,259.69	3.0%
UNCSA	2,415.00	0.00	2,415.00	0.0%
Average	2,562.28	51.82	2,614.10	2.0%

2019-20 Fee Proposals (Athletics)

Athletics fee revenue supports:

- *Scholarships*
- *Salaries*
- *Travel*
- *Maintenance of athletic facilities*
- *Operation of athletic facilities*

Institution	2018-19 Rate	2019-20 Rate Change	2019-20 Proposed Rate	%
NCSU	\$232.00	\$0.00	\$232.00	0.0%
UNC-CH	279.00	0.00	279.00	0.0%
ECU	723.00	50.00	773.00	6.9%
NC A&T	845.00	25.00	870.00	3.0%
UNCC	824.00	0.00	824.00	0.0%
UNCG	761.00	19.00	780.00	2.5%
UNCW	749.55	25.00	774.55	3.3%
ASU	760.00	23.00	783.00	3.0%
FSU	718.00	50.00	768.00	7.0%
NCCU	847.00	0.00	847.00	0.0%
UNCP	747.52	24.00	771.52	3.2%
WCU	756.00	26.00	782.00	3.4%
WSSU	745.00	35.00	780.00	4.7%
UNCA	830.00	25.00	855.00	3.0%
ECSU	878.87	20.44	899.31	2.3%
UNCSA	N/A	N/A	N/A	N/A
Average	713.06	21.50	734.56	3.0%

2019-20 Fee Proposals (Health Services)

Health Services fee revenue supports:

- *Health and medical services and supplies for students*
- *Maintenance and operation of health centers*
- *Salaries associated with health center operations*

Institution	2018-19 Rate	2019-20 Rate Change	2019-20 Proposed Rate	%
NCSU	\$407.00	\$0.00	\$407.00	0.0%
UNC-CH	400.15	0.00	400.15	0.0%
ECU	263.00	0.00	263.00	0.0%
NC A&T	338.50	0.00	338.50	0.0%
UNCC	243.00	4.00	247.00	1.6%
UNCG	302.00	8.00	310.00	2.6%
UNCW	219.00	0.00	219.00	0.0%
ASU	325.00	0.00	325.00	0.0%
FSU	237.00	10.00	247.00	4.2%
NCCU	267.66	45.00	312.66	16.8%
UNCP	190.00	15.49	205.49	8.2%
WCU	306.00	8.00	314.00	2.6%
WSSU	267.00	0.00	267.00	0.0%
UNCA	368.00	0.00	368.00	0.0%
ECSU	255.03	10.20	265.23	4.0%
UNCSA	882.00	0.00	882.00	0.0%
Average	329.40	6.29	335.69	1.9%

2019-20 Fee Proposals (Student Activities)

Student Activities fee revenue supports:

- Maintenance and operation of student unions and intramural facilities
- Student organizations
- Newspapers, yearbooks, and entertainment programs

The rates shown are for undergraduate students. NCCU and UNC-CH charge graduate students a different rate.

Institution	2018-19 Rate	2019-20 Rate Change	2019-20 Proposed Rate	%
NCSU	\$679.32	\$0.00	\$679.32	0.0%
UNC-CH	397.97	(3.81)	394.16	(1.0%)
ECU	694.00	8.00	702.00	1.2%
NC A&T	714.25	0.00	714.25	0.0%
UNCC	632.00	18.00	650.00	2.8%
UNCG	550.00	27.00	577.00	4.9%
UNCW	687.95	11.00	698.95	1.6%
ASU	646.00	13.00	659.00	2.0%
FSU	565.00	0.00	565.00	0.0%
NCCU	476.40	25.00	501.40	5.2%
UNCP	679.84	18.00	697.84	2.6%
WCU	618.00	14.00	632.00	2.3%
WSSU	530.70	15.00	545.70	2.8%
UNCA	768.00	23.50	791.50	3.1%
ECSU	703.00	35.15	738.15	5.0%
UNCSA	748.00	0.00	748.00	0.0%
Average	630.65	12.74	643.39	2.0%

2019-20 Fee Proposals (Ed & Tech)

Educational and Technology fee revenues support:

- Specialized instructional supplies and services
- Scientific and information technology equipment

* UNCSA is rolling its Administrative Computing Fee of \$50 into the Ed & Tech fee. This will result in a net zero change for students.

Institution	2018-19 Rate	2019-20 Rate Change	2019-20 Proposed Rate	%
NCSU	\$439.28	\$0.00	\$439.28	0.0%
UNC-CH	444.86	(2.56)	442.30	(0.6%)
ECU	395.00	8.00	403.00	2.0%
NC A&T	449.06	20.00	469.06	4.5%
UNCC	592.00	30.00	622.00	5.1%
UNCG	446.00	15.00	461.00	3.4%
UNCW	494.24	40.70	534.94	8.2%
ASU	576.00	0.00	576.00	0.0%
FSU	382.00	0.00	382.00	0.0%
NCCU	428.15	0.00	428.15	0.0%
UNCP	528.91	15.00	543.91	2.8%
WCU	544.00	0.00	544.00	0.0%
WSSU	416.46	0.00	416.46	0.0%
UNCA	490.00	37.00	527.00	7.6%
ECSU	326.00	0.00	326.00	0.0%
UNCSA *	704.00	50.00	754.00	7.1%
Average	478.50	13.32	491.82	2.8%

2019-20 Fee Proposals (Campus Security)

- The Campus Security fee, approved by the Board in 2015, will remain at \$30 for 2019-20. Revenues from this fee will help to improve student safety.
- The fee revenues are predominately used for personnel, such as Title IX coordinators, campus security officers, and on-campus investigators.
- A portion (\$4) of the \$30 fee is transferred to the UNC System Office to support onsite active shooter training for campuses, as well as campus safety and emergency operations personnel.

2019-20 Fee Proposals (Debt Service)

Debt service fee revenue supports:

- Cost of principal and interest for self-liquidating capital projects approved by the Board of Governors and the General Assembly

Approval process for self-liquidating projects:

- Authorization of the project by the Board of Governors
- Self-liquidating bill approved by legislature
- Approval of the debt issuance by the Board of Governors

Institution	2018-19 Rate	2019-20 Rate Change	2019-20 Proposed Rate	%
NCSU	\$572.00	\$0.00	\$572.00	0.0%
UNC-CH	185.85	0.00	185.85	0.0%
ECU	460.00	(15.00)	445.00	(3.3%)
NC A&T	588.00	0.00	588.00	0.0%
UNCC	720.00	0.00	720.00	0.0%
UNCG	707.00	0.00	707.00	0.0%
UNCW	376.00	0.00	376.00	0.0%
ASU	634.00	54.00	688.00	8.5%
FSU	335.00	0.00	335.00	0.0%
NCCU	570.00	0.00	570.00	0.0%
UNCP	240.00	0.00	240.00	0.0%
WCU	523.00	0.00	523.00	0.0%
WSSU	423.00	0.00	423.00	0.0%
UNCA	394.00	0.00	394.00	0.0%
ECSU	0.00	0.00	0.00	0.0%
UNCSA	0.00	0.00	0.00	0.0%
Average	420.49	2.44	422.93	0.6%

2019-20 Fee Adjustments (Special Fees)

Institution	Special Fee	2018-19 Rate	2018-19 Rate Change	2019-20 Proposed Rate	%
UNCSA	Administrative Computing Fee	50.00	(50.00)	0.00	(100.0%)
UNCW	Doctorate of Nursing Practice Residency	750.00	(250.00)	500.00	(33.3%)

UNCSA is rolling its Administrative Computing fee into the Ed & Tech fee resulting in a net zero change to students.

UNCW is decreasing the DNP Residency fee (supports lodging and meals). The initial residency experience was for three days and now it has been shortened to two days.

2019-20 Fee Proposals (Application Fees)

Institution	Application Fee	2018-19 Rate	2019-20 Rate Change	2019-20 Proposed Rate	%
ECU	Undergraduate & Graduate	\$ 75.00	(\$15.00)	\$ 60.00	(20.0%)
FSU	Undergraduate & Graduate	40.00	10.00	50.00	25.0%
UNC-CH	Undergraduate	85.00	*	85.00	0.0%
UNC-CH	Graduate	90.00	5.00	95.00	5.6%
UNC-CH	Master of Accounting	105.00	(20.00)	85.00	(19.0%)
UNC-CH	School of Dentistry - Advanced Standing Program for International Dentists (ASPID)	0.00	150.00	150.00	New
UNC-CH	School of Dentistry - ASPID Interview and Bench	0.00	300.00	300.00	New
UNCC	Undergraduate	60.00	15.00	75.00	25.0%
UNCC	Undergraduate International	65.00	15.00	80.00	23.1%
UNCC	Graduate International	75.00	10.00	85.00	13.3%

** UNC-CH is not requesting an increase in the UG application fee but is asking for flexibility in the use of the revenue for the Office of Undergraduate Admissions to be able to share resources, when necessary, with the other two offices within the enrollment organization (Student Aid and Registrar) in order to recruit, admit, enroll, and support a talented and diverse student body.*

Application fees are charged to individuals submitting applications for admission as students to the UNC System to offset the cost of handling applications and to provide funds for recruiting students.

Summary of 2019-20 Proposals Compared with 2018-19 Rates

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Summary of 2019-20 Fee Proposals

Institution	Proposed 2019-20 General Fee Changes								Proposed 2019-20 Total Fees	\$ Change	% Change
	2018-19 Mandatory Fees	Athletics	Health Services	Student Activities	Ed & Tech/ Admin. Comp.	Campus Security	Debt Service				
NCSU	\$2,360.60	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$2,360.60	\$0.00	0.0%
UNC-CH	1,738.83	0.00	0.00	(3.81)	(2.56)	0.00	0.00	0.00	1,732.46	(6.37)	(0.4%)
ECU	2,566.00	50.00	0.00	8.00	8.00	0.00	(15.00)	0.00	2,617.00	51.00	2.0%
NC A&T	2,965.81	25.00	0.00	0.00	20.00	0.00	0.00	0.00	3,010.81	45.00	1.5%
UNCC	3,042.00	0.00	4.00	18.00	30.00	0.00	0.00	0.00	3,094.00	52.00	1.7%
UNCG	2,797.00	19.00	8.00	27.00	15.00	0.00	0.00	0.00	2,866.00	69.00	2.5%
UNCW	2,557.74	25.00	0.00	11.00	40.70	0.00	0.00	0.00	2,634.44	76.70	3.0%
ASU	2,972.00	23.00	0.00	13.00	0.00	0.00	54.00	0.00	3,062.00	90.00	3.0%
FSU	2,268.00	50.00	10.00	0.00	0.00	0.00	0.00	0.00	2,328.00	60.00	2.6%
NCCU	2,620.21	0.00	45.00	25.00	0.00	0.00	0.00	0.00	2,690.21	70.00	2.7%
UNCP	2,417.27	24.00	15.49	18.00	15.00	0.00	0.00	0.00	2,489.76	72.49	3.0%
WCU	2,788.00	26.00	8.00	14.00	0.00	0.00	0.00	0.00	2,836.00	48.00	1.7%
WSSU	2,413.16	35.00	0.00	15.00	0.00	0.00	0.00	0.00	2,463.16	50.00	2.1%
UNCA	2,881.00	25.00	0.00	23.50	37.00	0.00	0.00	0.00	2,966.50	85.50	3.0%
ECSU	2,193.90	20.44	10.20	35.15	0.00	0.00	0.00	0.00	2,259.69	65.79	3.0%
UNCSA	2,415.00	N/A	0.00	0.00	0.00	0.00	0.00	0.00	2,415.00	0.00	0.0%
Avg. Inc.	2,562.28	21.50	6.29	12.74	10.20	0.00	2.44	0.00	2,614.10	51.82	2.0%
Avg. Fee		734.56	335.69	643.39	491.82	30.00	422.93				

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Summary of 2019-20 UG Resident Proposals

Institution	2018-19 Total Tuition and Fees	2019-20 Proposed Changes				
		Tuition Change	Fee Change	Total Tuition and Fees	\$ Change	% Change
NCSU	\$8,895.60	\$0.00	\$ 0.00	\$8,895.60	\$ 0.00	0.0%
UNC-CH	8,757.83	0.00	(6.37)	8,751.46	(6.37)	(0.1%)
ECU	7,018.00	0.00	51.00	7,069.00	51.00	0.7%
NC A&T	6,505.81	0.00	45.00	6,550.81	45.00	0.7%
UNCC	6,854.00	0.00	52.00	6,906.00	52.00	0.8%
UNCG	7,219.00	0.00	69.00	7,288.00	69.00	1.0%
UNCW	7,000.74	0.00	76.70	7,077.44	76.70	1.1%
ASU	7,214.00	0.00	90.00	7,304.00	90.00	1.2%
FSU	5,250.00	0.00	60.00	5,310.00	60.00	1.1%
NCCU	6,348.21	0.00	70.00	6,418.21	70.00	1.1%
UNCP	3,417.27	0.00	72.49	3,489.76	72.49	2.1%
WCU	3,788.00	0.00	48.00	3,836.00	48.00	1.3%
WSSU	5,814.16	0.00	50.00	5,864.16	50.00	0.9%
UNCA	7,003.00	0.00	85.50	7,088.50	85.50	1.2%
ECSU	3,193.90	0.00	65.79	3,259.69	65.79	2.1%
UNCSA	8,912.00	0.00	0.00	8,912.00	0.00	0.0%
Average	6,449.47	0.00	51.82	6,501.29	51.82	0.8%

Summary of 2019-20 UG Nonresident Proposals

Institution	2018-19 Total Tuition and Fees	2019-20 Proposed Changes				
		Tuition Increase	Fee Increase	Total Tuition and Fees	\$ Change	% Change
NCSU	\$28,238.60	\$776.00	\$ 0.00	\$29,014.60	\$ 776.00	2.7%
UNC-CH	34,940.83	996.00	(6.37)	35,930.46	989.63	2.8%
ECU	23,295.00	0.00	51.00	23,346.00	51.00	0.2%
NC A&T	19,715.81	300.00	45.00	20,060.81	345.00	1.7%
UNCC	20,288.00	0.00	52.00	20,340.00	52.00	0.3%
UNCG	22,378.00	0.00	69.00	22,447.00	69.00	0.3%
UNCW	21,065.74	0.00	76.70	21,142.44	76.70	0.4%
ASU	22,021.00	0.00	90.00	22,111.00	90.00	0.4%
FSU	16,858.00	0.00	60.00	16,918.00	60.00	0.4%
NCCU	19,055.21	0.00	70.00	19,125.21	70.00	0.4%
UNCP	7,417.27	0.00	72.49	7,489.76	72.49	1.0%
WCU	7,788.00	0.00	48.00	7,836.00	48.00	0.6%
WSSU	16,061.16	0.00	50.00	16,111.16	50.00	0.3%
UNCA	23,726.00	625.00	85.50	24,436.50	710.50	3.0%
ECSU	7,193.90	0.00	65.79	7,259.69	65.79	0.9%
UNCSA	25,055.00	400.00	0.00	25,455.00	400.00	1.6%
Average	19,693.60	193.56	51.82	19,938.98	245.38	1.2%

Estimated Cost of Attendance for 2019-20 ***(for regular full-time undergraduate resident)***

Institution	Total Resident Tuition & Mandatory Fees	Books & Supplies(1)	Room(2)	Board(3)	Other Expenses(4)	Total Cost of Attendance
NCSU	\$8,896	\$1,082	\$6,070	\$4,190	\$2,676	\$22,914
UNC-CH	8,751	948	6,742	4,721	2,632	23,794
ECU	7,069	1,432	5,520	3,950	2,618	20,589
NC A&T	6,551	1,600	4,209	3,625	2,300	18,285
UNCC	6,906	1,250	6,560	4,750	3,159	22,625
UNCG	7,288	1,312	5,516	3,510	2,178	19,804
UNCW	7,077	1,126	5,734	3,870	3,393	21,200
ASU	7,304	700	4,620	2,794	2,650	18,068
FSU	5,310	420	4,968	4,103	2,426	17,227
NCCU	6,418	1,500	5,198	3,862	3,484	20,462
UNCP	3,490	1,505	5,095	4,212	3,241	17,543
WCU	3,836	805	5,028	4,136	2,554	16,359
WSSU	5,864	1,300	5,875	3,772	2,611	19,422
UNCA	7,089	1,200	5,446	4,214	2,400	20,349
ECSU	3,260	500	5,629	3,426	2,231	15,046
UNCSA	8,912	1,290	4,654	4,502	2,360	21,718
Average	6,501	1,123	5,429	3,977	2,682	19,713

(1) Books and Supplies reflect 2018-19 data and can vary in amounts due to book rental plans at some campuses.

(2) Room rates represent standard room – double occupancy.

(3) Board rates represent full meal plan.

(4) Other Expenses (transportation and other personal costs) reflect 2018-19 data.

Comparisons to BOG-Approved Peers

Tuition and Fees Comparison to Board-Approved Peers

Undergraduate Students		
Institution	Resident Rank	Nonresident Rank
ASU	19 of 19	7 of 19
ECU	18 of 19	10 of 19
ECSU	15 of 16	15 of 16
FSU	17 of 17	11 of 17
NC A&T	15 of 18	11 of 18
NCCU	16 of 17	8 of 17
NCSU	15 of 17	16 of 17
UNCA	14 of 15	6 of 15
UNC-CH	11 of 11	7 of 11
UNCC	16 of 18	12 of 18
UNCG	17 of 19	12 of 19
UNCP	19 of 19	18 of 19
UNCW	18 of 18	14 of 18
UNCSA	13 of 14	13 of 14
WCU	18 of 18	18 of 18
WSSU	16 of 17	15 of 17

Institutions are meeting the Board's requirement for undergraduate resident tuition to remain in the lowest quartile of public peer institutions.

Rank was determined by comparing 2018-19 tuition and fees of UNC campuses to 2017-18 tuition and fees of their public peer institutions.





UNCSA's comparison includes public and private institutions.

Source: IPEDS



THANK YOU

QUESTIONS?

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AGENDA ITEM

B-3. Duties and Authorities of the Boards of Trustees..... Temple Sloan

Situation: As requested by the Committee on University Governance, the Committee on Budget and Finance will review proposed policy revisions related to the duties and authorities of boards of trustees and receive an informational update on the status of policy revisions.

Background: In November 2017, the Committee on University Governance commenced a review of the scope of authority and functions of the boards of trustees. The committee later received suggestions from trustees concerning additional areas of delegation.

The board of trustees for each constituent institution serves both as an advisor to the Board of Governors on matters pertaining to the institution and as advisor to the chancellor concerning the management and development of the institution. Although state law vests the Board of Governors with responsibility for the general determination and governance of the University and the constituent institutions, the Board does not govern constituent institutions through direct action. Instead, the Board defines and delegates general powers and duties of the boards of trustees, as codified and defined in *The Code*, including Appendix I, and throughout the UNC Policy Manual.

In December 2018, the Committee on Budget and Finance considered and approved proposed additional delegations of powers and duties to the boards of trustees related to authority for acquisitions and dispositions of real property and capital improvement projects.

Assessment: This item describes the delegations of authority that the Committee on Budget and Finance approved in December 2018 for inclusion in policy. System Office staff are in the process of drafting multiple policy revisions incorporating these changes. The comprehensive set of revised and streamlined policies will be presented to the Committee on Budget and Finance for initial adoption in March.

Action: This item is for information only.

Status of Policy Revisions Related to Duties and Authorities of the Boards of Trustees

Background

In November 2017, the Committee on University Governance commenced a review of the scope of authority and functions of the boards of trustees. The committee later received suggestions from trustees concerning additional areas of delegation.

The board of trustees for each constituent institution serves both as an advisor to the Board of Governors on matters pertaining to the institution and as advisor to the chancellor concerning the management and development of the institution. Although state law vests the Board of Governors with responsibility for the general determination and governance of the University and the constituent institutions, the Board does not govern constituent institutions through direct action. Instead, the Board defines and delegates general powers and duties of the boards of trustees, as codified and defined in *The Code*, including Appendix I, and throughout the UNC Policy Manual.

In December 2018, the Committee on Budget and Finance considered and approved proposed additional delegations of powers and duties to the boards of trustees related to authority for acquisitions and dispositions of real property and capital improvement projects.

Status

The additional delegations of authority approved by the Committee on Budget and Finance in December 2018 require significant revisions to seven or more existing policies and regulations, which staff are currently in the process of drafting. The complete set of revisions will:

- Include necessary conforming changes, such as updated delegations for the president consistent with the delegations of authority approved for boards of trustees;
- Remove redundancies in *The Code*, policies, and regulations;
- Combine several policies and/or regulations in order to make them easier to navigate; and
- Provide additional detail related to the two new categories of delegated authority approved by the Committee on Budget and Finance in December 2018.

The comprehensive set of revised and streamlined policies will be presented to the Committee on Budget and Finance for initial adoption in March.

**Summary of Delegations of Authority to Boards of Trustees
to be Included in Revised Policies and Regulations**

Item	Proposed Delegation	Current Policy	Proposed Change	Notes	Required Revisions
1	<p>Increase authority for boards of trustees for non-lease transactions involving acquisition or disposition of real property (e.g., fee simple acquisition or disposition, demolition, easement, license).</p>	<p>The Board of Governors has already delegated to the boards of trustees authority to authorize a proposal to acquire or dispose of an interest in real property other than a lease that is valued at less than \$50,000, and to proceed to obtain the necessary approvals from appropriate state officials and agencies without first obtaining the approval of the Board of Governors.</p>	<p>a. For constituent institutions with delegated authority from the Board of Governors: Permit boards of trustees to authorize acquisitions and dispositions of interests in real property, other than leases, for transactions valued up to \$1,000,000.</p> <p>b. For constituent institutions without delegated authority from the Board of Governors: Permit boards of trustees to authorize acquisitions and dispositions of interests in real property, other than leases, for transactions valued up to \$500,000.</p>	<p>Note: Information about transactions completed under these revised policies will be reviewed by the Committee on Budget and Finance approximately one year after implementation of policy revisions.</p> <p>Note: Transactions completed in accordance with these proposed revisions must still be reviewed and approved by the State Property Office and Council of State.</p> <p>Note: As is the case with existing delegations of authority, these policy revisions would also allow the president to exercise delegated authority.</p>	<p>Proposed changes require revisions to Appendix 1 of <i>The Code</i>, and Sections 200.6, 600.1.3, and 600.1.4[R] of the UNC Policy Manual.</p>

Item	Proposed Delegation	a. Current Policy	Proposed Change	Notes	Required Revisions
2	Increase authority for boards of trustees for acquisition and disposition of real property by lease.	<p>b. For constituent institutions with delegated authority from the Board of Governors under G.S. 116-31.12 (Currently, ECU, NCSU, UNC-CH, UNCW): Currently, boards of trustees of constituent institutions with delegated authority are permitted to enter into leases with a term less than or equal to 10 years and annual value of \$150,001 to \$350,000 without seeking approval of the president, Board of Governors, State Property Office, or Council of State. The president currently has authority to enter into leases for a term less than or equal to 10 years with annual value of \$350,001 to 500,000 without Board of Governors, State Property Office, or Council of State approval.</p>	<p>a. For constituent institutions with delegated authority: Permit boards of trustees at constituent institutions with delegated authority to approve leases for a term less than or equal to 10 years with annual value up to \$750,000.</p>	<p>Note: Any changes to delegated leasing authority policies must be submitted to the State Property Office for review in accordance with G.S. 116-31.12.</p> <p>Note: As is the case with existing delegations of authority, these policy revisions would also allow the president to exercise delegated authority.</p>	Proposed changes require revisions to Appendix 1 of <i>The Code</i> and Sections 600.1.3, 600.1.3.1, 600.1.3.1[R], and 600.1.4[R] of the UNC Policy Manual.
		<p>c. For all other constituent institutions without delegated authority from the Board of Governors: Currently, boards of trustees have authority to enter into leases with a term up to 10 years and annual rent less than \$50,000 without further approval from the president or Board of Governors; however, State Property Office and Council of State approval are still required. The president currently has authority to enter into leases on behalf of constituent institutions if the term is less than or equal to 10 years and the annual value is at least \$50,000 but less than \$350,000.</p>	<p>b. For constituent institutions without delegated authority: Permit boards of trustees to enter into leases with a term less than or equal to 10 years and annual value of up to \$500,000. Transactions under this threshold would not require approval by the president or Board of Governors, but would still require State Property Office and Council of State approval.</p>		

Item	Proposed Delegation	Current Policy	Proposed Change	Notes	Required Revisions
3	<p>Increase authority for the boards of trustees of constituent institutions to approve non-appropriated capital improvement projects.</p>	<p>Under G.S. 116-31.11, the Board of Governors has authority to manage capital improvement projects costing \$2,000,000 or less. G.S. 116-31.11 and G.S. 116-11(13), together, permit the Board to delegate this authority to a constituent institution, if the constituent institution meets criteria for delegation in “The University of North Carolina Design and Construction Guidelines,” or to the president. Currently, Section 600.1.1 of the UNC Policy Manual requires the Board to approve non-appropriated capital improvement projects projected to cost more than \$500,000. The president currently has authority to approve capital improvement projects with projected cost between \$300,000 and \$500,000. Boards of trustees currently may approve projects valued below \$300,000.</p>	<p>a. For constituent institutions with delegated authority from the Board of Governors: Permit boards of trustees to approve non-appropriated capital improvement projects that are projected to cost \$1,000,000 or less.</p> <p>b. For constituent institutions without delegated authority from the Board of Governors: Permit boards of trustees to approve non-appropriated capital improvement projects that are projected to cost \$750,000 or less.</p>	<p>Note: Information about projects completed under these revised policies will be reviewed by the Committee on Budget and Finance approximately one year after implementation of policy revisions.</p> <p>Note: Under the proposed amendments, the Board of Governors would maintain oversight authority over all capital improvement projects authorized by a board of trustees or the president, as institutions and the president would still be required to report these projects annually to the Committee on Budget and Finance.</p> <p>Note: As is the case with existing delegations of authority, these policy revisions would also allow the president to exercise delegated authority.</p>	<p>Proposed changes require revisions to Sections 200.6 and 600.1.1 of the UNC Policy Manual.</p>



AGENDA ITEM

B-4. 2019 Non-Appropriated Capital Improvement ProjectClinton Carter

Situation: Non-appropriated capital projects are financed by the university and require legislative approval for the issuance of debt. For 2019, WCU is requesting approval for the Lower Campus Residence Halls project, estimated at a total project cost of \$67M and requiring debt issuance of \$60M.

With Board approval, this project will join the project for UNCW's Southeast Dining Facility, approved in December 2018, and be forwarded to the General Assembly for authorization during the 2019 legislative session.

Background: On an annual basis, the Board considers university proposals for projects funded from non-appropriated sources requiring the issuance of long-term debt and associated changes to student debt service fees.

If approved, a detailed financial plan will be reviewed in consultation with financial advisors and bond counsel before bonds are issued and construction contracts are awarded. The Board will receive a subsequent request for approval for the issuance of bonds for this project.

Assessment: The project complies with G.S. 143C (State Budget Act).

Action: This item requires a vote by the committee and a vote by the full Board of Governors.

2019 Non-Appropriated Capital Improvement Project

ISSUE OVERVIEW

Non-appropriated capital projects are financed by the university and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings. Legislative approval is required for the issuance of debt; these “self-liquidating” capital projects are approved by the legislature after the passage of the Appropriations Act. This project joins the UNCW Southeast Dining Facility, approved by the Board in December, on the slate of projects for legislative action. Legislative approval is not required for non-appropriated capital projects that do not require debt issuance.

Project	Total (\$)	Cash/GO Bond/ Other (\$)	Debt (\$)	Source of Funds
Western Carolina University				
Lower Campus Residence Halls	67,000,000	-	60,000,000	Housing Receipts
<i>WCU Subtotal</i>	<i>\$67,000,000</i>	<i>\$7,000,000</i>	<i>\$60,000,000</i>	

ADDITIONAL DETAIL

Western Carolina University

Project: Lower Campus Residence Halls

Total Cost: \$67,000,000

Description: This project will consist of up to three (3) residence halls, providing up to 800 beds, located on lower campus. The project will address aging residence halls and add inventory to accommodate future growth.

Funding: The funding source for this improvement project is housing receipts.



AGENDA ITEM

- B-5. Capital Improvement Projects – Appalachian, ECU, N.C. A&T, NC State, UNC-Chapel Hill, WCU, and WSSU Clinton Carter

- Situation:** Seven UNC System institutions have requested a total of eighteen capital improvement projects: one project for advance planning, eleven new projects for authority, and six projects for increased authorization.
- Background:** The Board of Governors may authorize capital construction projects and advance planning projects at UNC System institutions using available funds.
- Assessment:** Appalachian, ECU, N.C. A&T, NC State, UNC-Chapel Hill, WCU, and WSSU have requested projects that meet the statutory requirements, and it is recommended that the Board of Governors approve the projects and their methods of funding. It is further recommended that these projects be reported to the NC Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.
- 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 – Appalachian, ECU, ECSU, N.C. A&T, NC State, UNC-Chapel Hill, WCU, and WSSU

ISSUE OVERVIEW

UNC System institutions are required to request authority from the Board of Governors to proceed with non-appropriated capital 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.

Seven UNC System institutions have requested a total of eighteen capital improvement projects: one project for advance planning, eleven new projects for authority, and six projects for increased authorization.

I. ADVANCE PLANNING

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
East Carolina University					
1.	Murphy Center Dining Hall	\$2,200,000	-	\$250,000	Dining Receipts
<i>ECU Subtotal</i>		<i>\$2,200,000</i>	<i>\$0</i>	<i>\$250,000</i>	

II. NEW PROJECTS

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
Appalachian State University					
2.	Stadium Lot Connector to River St and Peacock Lot	\$916,866	-	\$916,866	Transportation & Parking Reserves
<i>ASU Subtotal</i>		<i>\$916,866</i>	<i>\$0</i>	<i>\$916,866</i>	
East Carolina University					
3.	Biology Greenhouse	\$5,000,412	\$140,000	\$4,860,412	F&A
<i>ECU Subtotal</i>		<i>\$5,000,412</i>	<i>\$140,000</i>	<i>\$4,860,412</i>	
North Carolina A&T State University					
4.	Cooper Hall HVAC Upgrade	\$807,700	-	\$807,700	Housing Receipts
5.	Craig Hall Data Center Upgrade	\$395,514	-	\$395,514	Title III
<i>N.C. A&T Subtotal</i>		<i>\$1,203,214</i>	<i>\$0</i>	<i>\$1,203,214</i>	

North Carolina State University					
6.	Dabney Water Intrusion	\$325,000	-	\$325,000	Carry-forward (92%)/ Trust Funds (8%)
7.	Power to Varsity Research Building	\$1,500,000	-	\$1,500,000	Carry-forward (67%) / Trust Funds (33%)
8.	Structural Repairs Mann Hall	\$2,000,000	-	\$2,000,000	Carry-forward
<i>NC State Subtotal</i>		<i>\$3,825,000</i>	<i>\$0</i>	<i>\$3,825,000</i>	
University of North Carolina at Chapel Hill					
9.	Fetzer Gym- Partial Renovation for Exercise and Sports Science	\$349,103	-	\$349,103	F&A
10.	Cameron Cogeneration Facility Envelope Repairs	\$475,000	-	\$475,000	Trust Funds
<i>UNC-CH Subtotal</i>		<i>\$824,103</i>	<i>\$0</i>	<i>\$824,103</i>	
Western Carolina University					
11.	Hinds University Center First Floor Partial Renovation	\$773,000	-	\$773,000	Trust Funds
<i>WCU Subtotal</i>		<i>\$773,000</i>	<i>\$0</i>	<i>\$773,000</i>	
Winston-Salem State University					
12.	Reynolds Center – HVAC Repairs & Controls Upgrades	\$670,000	-	\$670,000	Title III (77%) /R&R (23%)
<i>WSSU Subtotal</i>		<i>\$670,000</i>	<i>\$0</i>	<i>\$670,000</i>	

III. INCREASED AUTHORIZATION

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
North Carolina A&T State University					
13.	Agricultural Pavilion	\$5,969,827	\$4,528,000	\$1,441,827	Grant
<i>N.C. A&T Subtotal</i>		<i>\$5,969,827</i>	<i>\$4,528,000</i>	<i>\$1,441,827</i>	
North Carolina State University					
14.	Exterior Lighting LED Conversion Phase 1	\$2,592,681	\$2,209,681	\$383,000	Carry-forward
<i>NC State Subtotal</i>		<i>\$2,592,681</i>	<i>\$2,209,681</i>	<i>\$383,000</i>	
University of North Carolina at Chapel Hill					
15.	Medical Education Building – NC Connect Bond	\$108,600,000	78,600,000	\$30,000,000	Trust Fund (70%) / Fundraising (28%) /F&A (2%)
16.	DLAM Renovations & AAALAC Certification (swing space for Berryhill Hall/Vivarium Migration- NC Connect Bond)	\$26,730,000	21,140,000	\$5,590,000	F&A

Approved by the UNC Board of Governors on January 25, 2019

17.	Cameron Cogeneration Facility – Dry Sorbent Injection System	\$7,490,000	\$5,000,000	\$2,490,000	Trust Funds
18.	Morehead Chemistry Ventilation System	\$1,250,000	\$845,000	\$405,000	F&A
<i>UNC-CH Subtotal</i>		<i>\$144,070,000</i>	<i>\$105,585,000</i>	<i>\$38,485,000</i>	
Grand Total		\$168,045,103	\$112,462,681	\$53,632,422	

RECOMMENDATION

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

It is recommended that these projects be authorized and reported to the NC Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.



AGENDA ITEM

B-6. Acquisition of Property by Deed/Disposition of Property by Demolition – NCCU..... Clinton Carter

- Situation:** The Board of Trustees of North Carolina Central University requests authorization to acquire property by transfer of deed from the NCCU Foundation to the university. At the same time, permission is requested to dispose of property by demolition of the three single-family residences on those properties in Durham, NC.
- Background:** NCCU needs to acquire the sites and demolish these residential structures consistent with its master plan for development and to clear the path for construction of new student housing under its public-private partnership.
- Assessment:** Construction of new housing will support compliance with the university’s on-campus housing policies for freshmen and sophomores, as well as support anticipated growth.
- Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Acquisition of Property by Deed/Disposition of Property by Demolition – NCCU

ISSUE OVERVIEW

UNC System institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

The North Carolina Central University Board of Trustees is requesting authorization to acquire by deed, from the NCCU Foundation, and demolish three properties with single-family residential structures in Durham, NC. These properties are part of the footprint for a new residence hall being completed under a public-private partnership for student housing development and will be demolished by the contractor.

GRANTOR:	NCCU Foundation
GRANTEE:	State of North Carolina, North Carolina Central University
LOCATIONS:	611 Lawson St., 618 Dupree St., 620 Dupree St.
PURCHASE AMOUNT:	Approximately \$733,220
SOURCE OF FUNDS:	Institutional trust funds from auxiliary receipts

The NCCU Board of Trustees voted to acquire and demolish these properties at its November 14, 2018 meeting.

RECOMMENDATION

It is recommended that the Board of Governors approve this request. Following Board approval, final action will be required by the Council of State.



AGENDA ITEM

B-7. Disposition of Property by Demolition – NCCU Clinton Carter

- Situation:** The Board of Trustees of North Carolina Central University requests authorization to dispose of property by demolition of four existing campus structures.
- Background:** NCCU needs to demolish these structures consistent with its master plan for development and to clear the path for construction of new student housing under its public-private partnership.
- Assessment:** Construction of new housing will support anticipated growth and compliance with the university's on-campus housing policies for freshmen and sophomores.
- Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

Disposition of Property by Demolition – NCCU

ISSUE OVERVIEW

UNC System institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

The North Carolina Central University Board of Trustees is requesting authorization to demolish four existing campus structures to make way for student housing development under the university's public-private partnership development agreement. These facilities will be demolished by the contractor.

Old Human Resources Building, 519 George St. – Built in 1945, this 3,925 gsf building has an estimated replacement cost of just over \$1M and originally cost \$29,000 to construct. This building has been vacant for approximately two years.

Women's Center, 519-A George St. – Built in 1950 at approximately 1,200 gsf, information on cost is not available. This building was recently vacated in anticipation of demolition.

George Street Apartments, 521 George St. – Built in 1951, this 13,524 gsf graduate student apartment building has an estimated replacement cost of \$302,915 and originally cost \$135,000 to construct. This building was recently vacated in anticipation of demolition.

Old Chidley Hall, Alston Ave. – Built in 1951, this 59,337 gsf residence hall has an estimated replacement cost of \$18,431,918 and originally cost \$688,309 to construct. It has been vacant for about 10 years, following construction of a replacement facility.

The NCCU Board of Trustees voted to demolish these properties at its November 14, 2018 meeting.

RECOMMENDATION

It is recommended that the Board of Governors approve this request. Following Board approval, final action will be required by the Council of State.



AGENDA ITEM

B-8. Disposition of Property by Demolition – NCSSM Clinton Carter

Situation: The Board of Trustees of the North Carolina School of Science and Mathematics requests authorization to dispose of property by demolition of ten existing structures on the Morganton, NC site for the new NCSSM Western Campus.

Background: NCSSM needs to demolish these structures to prepare the site for construction of facilities authorized under the NC Connect bond program.

Assessment: Construction of the proposed new facilities will expand educational opportunities for many talented students in North Carolina in STEM (science, technology, engineering, and mathematics) fields.

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

Disposition of Property by Demolition – NCSSM

ISSUE OVERVIEW

UNC System institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

The North Carolina School of Science and Mathematics Board of Trustees is requesting authorization to demolish ten existing structures located on property currently allocated to NCSSM at the North Carolina School for the Deaf site in Morganton, NC. Demolition is expected to cost slightly more than \$1M and will be completed by the contractor under the school's NC Connect bond project.

The Infirmary buildings are designated a historic site and have already been approved for demolition by the Council of State at the November 6, 2018 meeting.

- Infirmery – 7,230 gsf, constructed in 1927
- Infirmery Addition – 2,506 gsf, constructed in 1970
- Infirmery Wards – 2,507 gsf, constructed in 1968
- Henderson Hall – 31,395 gsf, constructed in 1971
- Joiner Hall Gym – 4,469 gsf, constructed in 1958
- Rankin Hall – 38,535 gsf, constructed in 1954
- Residence 9 – 2,083 gsf, constructed in 1951
- Residence 10 – 2,386 gsf, constructed in 1951
- Garage with Residence 10 – 205 gsf, constructed in 1900
- Log Cabin (former Girl Scout Hut) – 570 gsf, constructed in 1956

The NCSSM Board of Trustees voted to demolish these properties at its September 29, 2017 meeting.

RECOMMENDATION

It is recommended that the Board of Governors approve this request. Following Board approval, final action will be required by the Council of State.

STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION

DISPOSITION OF REAL PROPERTY

Institution or Agency: North Carolina School Of Science And Mathematics Date: 01/11/2019

The Department of Administration is requested, as provided by GS §146-28 et seq., to dispose of the real property herein described by *purchase, lease, rental, or other (specify)*. Demolition

This disposition is recommended for the following reasons:

The School Of Science And Mathematics acquired property from the NC School For The Deaf for the purpose of building NCSSM's Western Campus. There are 9 buildings currently located on this property that need to be demolished in order to build the Western Campus.

Description of Property: *(Attach additional pages if needed.)*

See attached listing of the buildings including building name and building asset ID.

Estimated value: N/A

Where deed is filed, if known: N/A

If deed is in the name of agency other than applicant, state the name:

Rental income, if applicable, and suggested terms:

N/A

Funds from the disposal of this property are recommended for the following use:

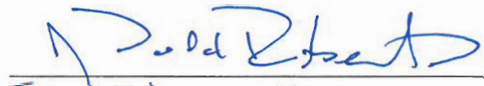
N/A

(Complete if Agency has a Governing Board.)

Action recommending the above request was taken by the Governing Board of NCSSM and is recorded in the minutes thereof on September 29, 2017.

Signature:

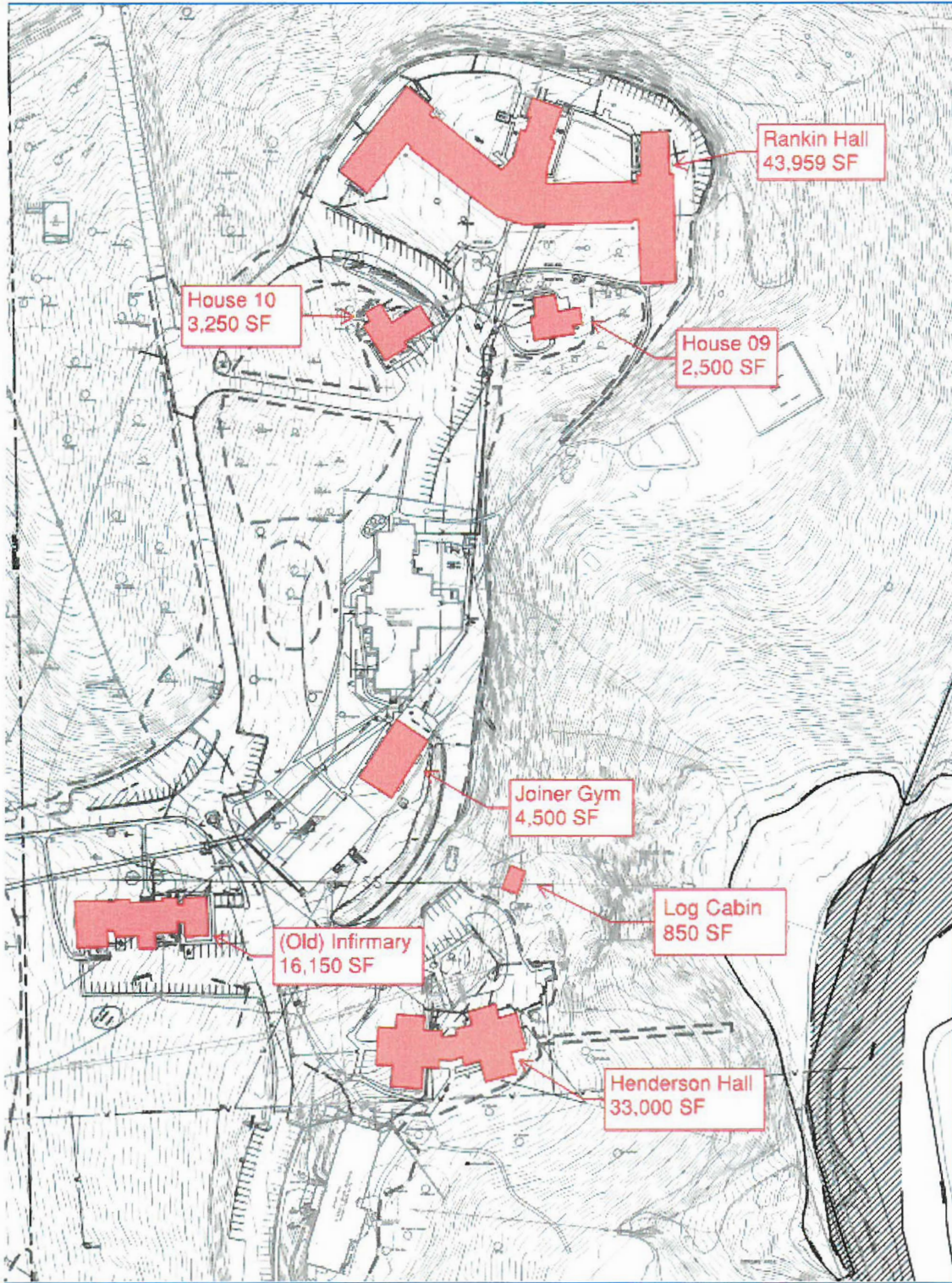
Title:


Chancellor

NCSSM Morganton Campus-Buildings Scheduled For Demolition

Building Name	Building Asset ID	NCSSM Asset ID
Infirmery/Clinic	3345	1
Addition to Infirmery	9811	14
Addition to Infirmery Wards	9863	15
Henderson Hall	5769	7
Joiner Hall Gym	5326	6
Rankin Hall	4272	4
Residence – 9	8669	8
Residence – 10	8752	9
Garage w/Residence – 10	7564	12
Scout Hut	4549	17

BUILDINGS FOR COMPLETE DEMOLITION





AGENDA ITEM

B-9. Disposition of Property by Easement – WSSU Clinton Carter

Situation: The Board of Trustees of Winston-Salem State University requests authorization to dispose of property by easement.

Background: The City of Winston-Salem currently provides 25 miles of greenways, including paved and unpaved trails, for its citizens' recreation and is extending its greenway system to provide for longer excursions and improved connections between existing trails.

Assessment: A temporary construction easement and permanent greenway easement are requested to complete the city's current project. The value of the right-of-way and permanent utility easement is \$38,175.

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

Disposition of Property by Easement – WSSU

ISSUE OVERVIEW

UNC System institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property. The Board of Trustees of Winston-Salem State University has requested authorization to dispose of property by easement.

The City of Winston-Salem will extend its greenway system to connect from Reynolds Park Road in the south to Interstate-40 just north of Lowery Street in order to provide longer paths for walking, biking, and similar outdoor excursions. A six-foot wide, asphalt-paved path will be constructed with permanent fencing along the boundary with WSSU. The easement area is extremely steep and has been difficult to maintain. A retaining wall will be constructed along a portion of this route, which will result in reduced grounds maintenance for WSSU and the path will provide a recreational amenity for the campus

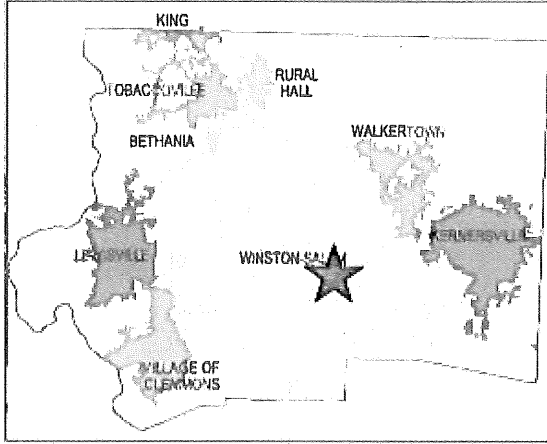
A temporary construction easement and permanent greenway easement are requested, with the permanent easement covering 46,328 square feet (just over 1 acre) and the temporary construction easement covering 27,528 square feet (slightly more than .6 acres). The value of the right-of-way and permanent utility easement is \$38,175. By statute, net proceeds of this transaction are returned to the State Treasurer.

The WSSU Board of Trustees voted to approve this action at its December 14, 2018 meeting.

RECOMMENDATION

It is recommended that the Board of Governors approve this request. Following Board approval, final action will be required by the Council of State.

WINSTON-SALEM CITY COUNCIL



EXISTING GREENWAY



LOWERY STREET

BRUSHY FORK CREEK

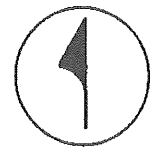
NORFOLK SOUTHERN RAILROAD

PROPOSED GREENWAY

① WINSTON-SALEM STATE UNIVERSITY

REYNOLDS PARK ROAD

MARTIN LUTHER KING JR. DRIVE



BRUSHY FORK GREENWAY, PHASE 4

NOT TO SCALE

DATE
9-27-18

AGENDA ITEM

B-10. Approval of Lease and Use Agreement Modifications – UNCP Clinton Carter

Situation: The Board of Trustees of the University of North Carolina at Pembroke (UNCP) requests that the Board authorize modification to an existing lease and its related use agreement, to permit expansion of the UNCP Foundation-developed University Courtyard Apartments.

Background: University Courtyard Apartments were constructed in 2001 through The UNCP University Foundation, LLC (Foundation), which was responsible for financing and constructing the project. UNCP currently operates the facility as university housing pursuant to the terms of a master lease between the State and the Foundation, which is scheduled to expire in June of 2036. A related use agreement further defines operating characteristics and responsibilities of the parties.

Assessment: The enrollment growth UNCP is experiencing has resulted in a need for additional on-campus housing. Undeveloped land is available to support construction of additional apartments adjacent to those existing, but is currently incorporated into the existing master lease and related use agreement. This undeveloped land needs to be released from these current agreements in order to be made available for new construction to be financed and constructed by the Foundation. Board approval is requested to change material terms in the lease and use agreements to exclude this undeveloped land. Subsequently, UNCP will seek approval from the Council of State to release the undeveloped land from the terms of the lease.

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

Approval of Lease and Use Agreement Modifications – UNCP

ISSUE OVERVIEW

The University of North Carolina at Pembroke (UNCP) requests that the Board authorize a change in material terms concerning the property specified in its existing master lease and use agreements with the UNCP University Foundation, LLC (Foundation), a nonprofit entity created for benefit of UNCP. The requested change will revise the definition of property covered under these existing documents to exclude specific undeveloped land, making it available for construction of additional apartments. In addition, the modifications will remove the undeveloped property from the purchase option in the use agreement and exclude a strip of property required to provide access across a portion of Foundation property to an adjacent private family cemetery.

Financing for the existing development includes 2001 variable rate demand bonds that are supported by a direct-pay letter of credit with Wells Fargo Bank, N.A., expiring July 1, 2019. The existing deed of trust includes the undeveloped land that secures the letter of credit, consistent with the master lease, and use agreements. UNCP's Foundation will negotiate an appropriate revision to the deed of trust in order to release the undeveloped land, will pursue taxable interim construction financing, and will restructure the debt to cover both developments prior to expiration.

The Foundation will finance and construct new student apartment housing and anticipates 96 additional beds will be made available for the Fall 2019 semester and an additional 96 for the Spring 2020 semester. Construction must begin in February in order to provide additional beds by August.

The UNCP Board of Trustees voted to approve the requested changes at its January 16, 2019 meeting.

RECOMMENDATION

It is recommended that UNCP be authorized to revise the master lease and use agreement on the existing Courtyard Apartments development to exclude a tract of undeveloped land and land involved in a proposed easement. Following Board approval, final action will be required by the Council of State concerning the proposed revisions to the existing master lease agreement.

**RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH
CAROLINA SYSTEM AUTHORIZING AMENDMENTS TO AGREEMENTS RELATED TO
STUDENT HOUSING FACILITIES AT THE UNIVERSITY OF NORTH CAROLINA AT
PEMBROKE**

WHEREAS, by Chapter 116 of the General Statutes of North Carolina, the Board of Governors (the “Board”) of the University of North Carolina System (the “UNC System”) is vested with general control and supervision of the constituent institutions of the UNC System;

WHEREAS, The University of North Carolina at Pembroke (“UNC Pembroke”) and The UNCP University Foundation LLC, an affiliated foundation of UNC Pembroke (the “UNCP Foundation”), entered into a Use Agreement dated June 21, 2017 whereby UNC Pembroke agreed to operate and manage a student housing facility known as University Courtyard (the “Use Agreement”);

WHEREAS, the UNCP Foundation and the State of North Carolina (the “State”) entered into a Lease Amendment and Restatement (the “Lease Agreement”) dated June 21, 2017 whereby the State agreed to lease from the UNCP Foundation the beds within University Courtyard and the Project Site (as defined below) pursuant to the terms within the Lease.

WHEREAS, the Use Agreement provides for an option to purchase (the “Purchase Option”) the University Courtyard and related real property (the “Project Site”) for an amount equal to the outstanding indebtedness of the 2001 Bonds, the proceeds of which were used to finance the University Courtyard (the “2001 Bonds”);

WHEREAS, the terms of the Use Agreement are incorporated by reference within the Lease Agreement;

WHEREAS, the enrollment growth experienced by UNC Pembroke has resulted in a need for additional on-campus housing;

WHEREAS, the UNCP Foundation and UNC Pembroke have identified undeveloped land on the Project Site (“Undeveloped Land”) that is available to support construction of approximately 200 beds of additional student housing adjacent to University Courtyard (the “Additional Development”);

WHEREAS, to facilitate the Additional Development (1) the Undeveloped Land would need to be excluded from (a) the definition of Project Site in the Use Agreement, (b) the description of the project site described in the Lease Agreement and Exhibit A thereto, and (c) the Purchase Option granted on that property to UNC Pembroke within the Use Agreement;

WHEREAS, an access easement (the “Easement”) would need to be granted by the UNCP Foundation across a portion of the existing Project Site in order to provide access to a family cemetery as a result of the Additional Development and, therefore, to facilitate the Additional Development, the Easement tract would need to be excluded from the (1) definition of Project Site in the Use Agreement, and (2) the description of the project site described in the Lease Agreement and Exhibit A thereto;

WHEREAS, the UNCP Foundation and UNC Pembroke are requesting the approval of the Board to consent to and allow UNC Pembroke and UNCP Foundation the authority to (1) change terms in the current Use Agreement related to the Project Site to exclude this Undeveloped Land and the land involved

in the proposed Easement in order to facilitate the Additional Development, and (2) amend the Lease Agreement to exclude the Undeveloped Land and the land involved in the proposed Easement.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. Authorization of Amended Use Agreement. The amendment to the Use Agreement, be and the same hereby is in all respects authorized, approved and confirmed, and to the extent necessary to facilitate the proposed amendment to the Use Agreement as described herein, the Chairman of the Board of Trustees of UNC Pembroke, the Chancellor and/or his designee (individually or collectively, the “*Authorized Officers*”) be and they hereby are authorized, empowered and directed to execute, approve and deliver the amendment to the Use Agreement.

Section 2. Authorization of Amended Lease Agreement. The amendment to the Lease Agreement to exclude the Undeveloped Land and the land involved in the proposed easement, be and the same hereby is in all respects approved and confirmed, and to the extent necessary to facilitate the proposed amendment to the Lease Agreement as described herein, the Authorized Officers be and they hereby are authorized, empowered and directed to consent, execute, approve and deliver, as the case may be, the amendment to the Lease Agreement.

Section 3. General Authority. The Authorized Officers are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out the amendments to the Use Agreement and comply with the provisions as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to complete the transactions contemplated by this Resolution.

Section 4. Conflicting Provisions. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 5. Effective Date. This Resolution is effective on its adoption.

PASSED, ADOPTED, AND APPROVED this 25th day of January, 2019.

STATE OF NORTH CAROLINA)
)
COUNTY OF ORANGE)

SS:

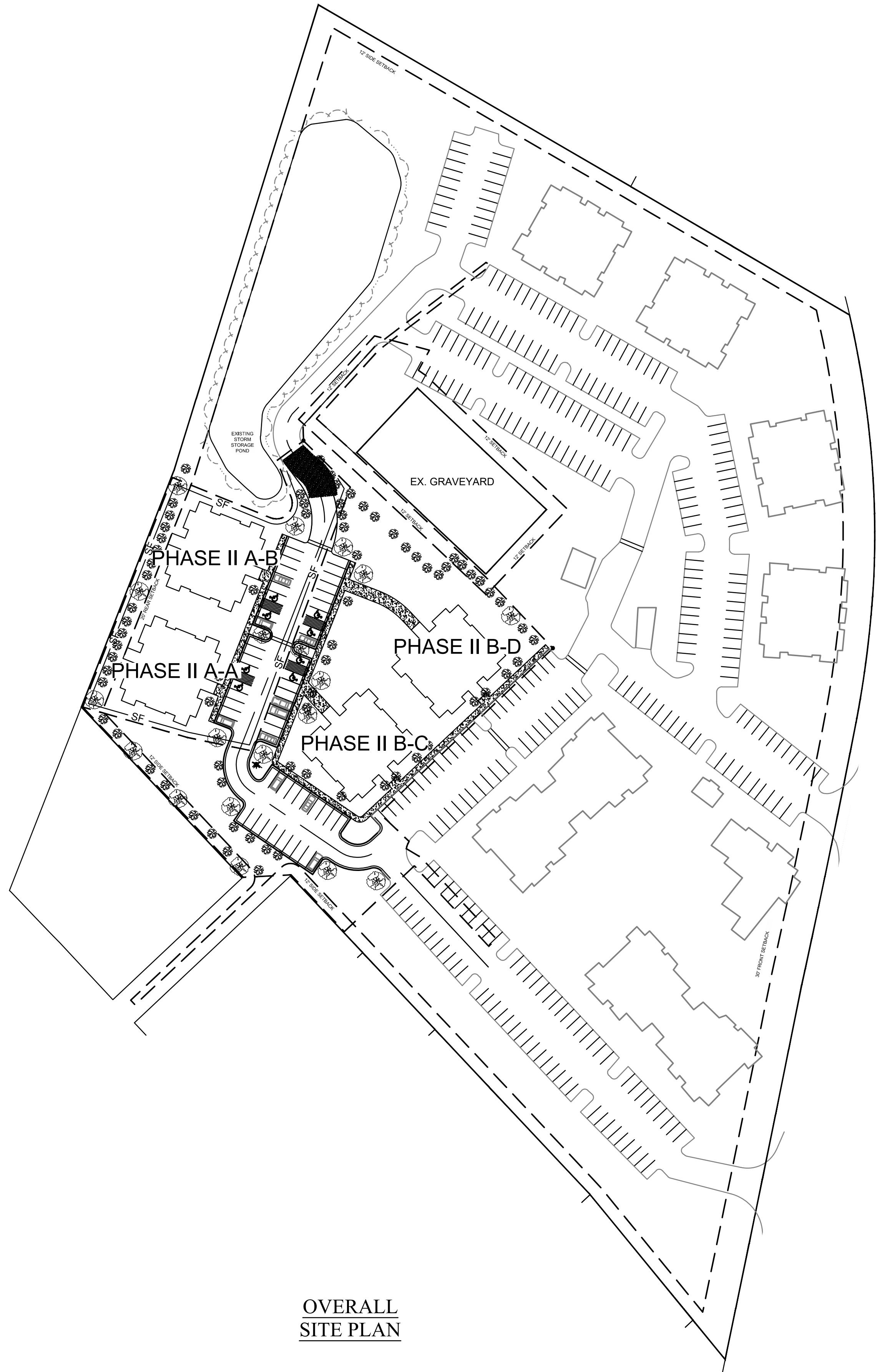
SECRETARY'S CERTIFICATE
OF AUTHENTICATION

I, ANDREA POOLE, Senior Associate Vice President and Secretary of the University of North Carolina System, *DO HEREBY CERTIFY* that (1) the foregoing is a full, true and correct copy of the approving resolution adopted by the Board of Governors of the University of North Carolina System at its meeting on January 25, 2019 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Governors of the University of North Carolina System held on January 25, 2019 was sent to each member of the Board, and (3) a quorum was present at the meeting on January 25, 2019 at which time the foregoing Resolution was adopted.

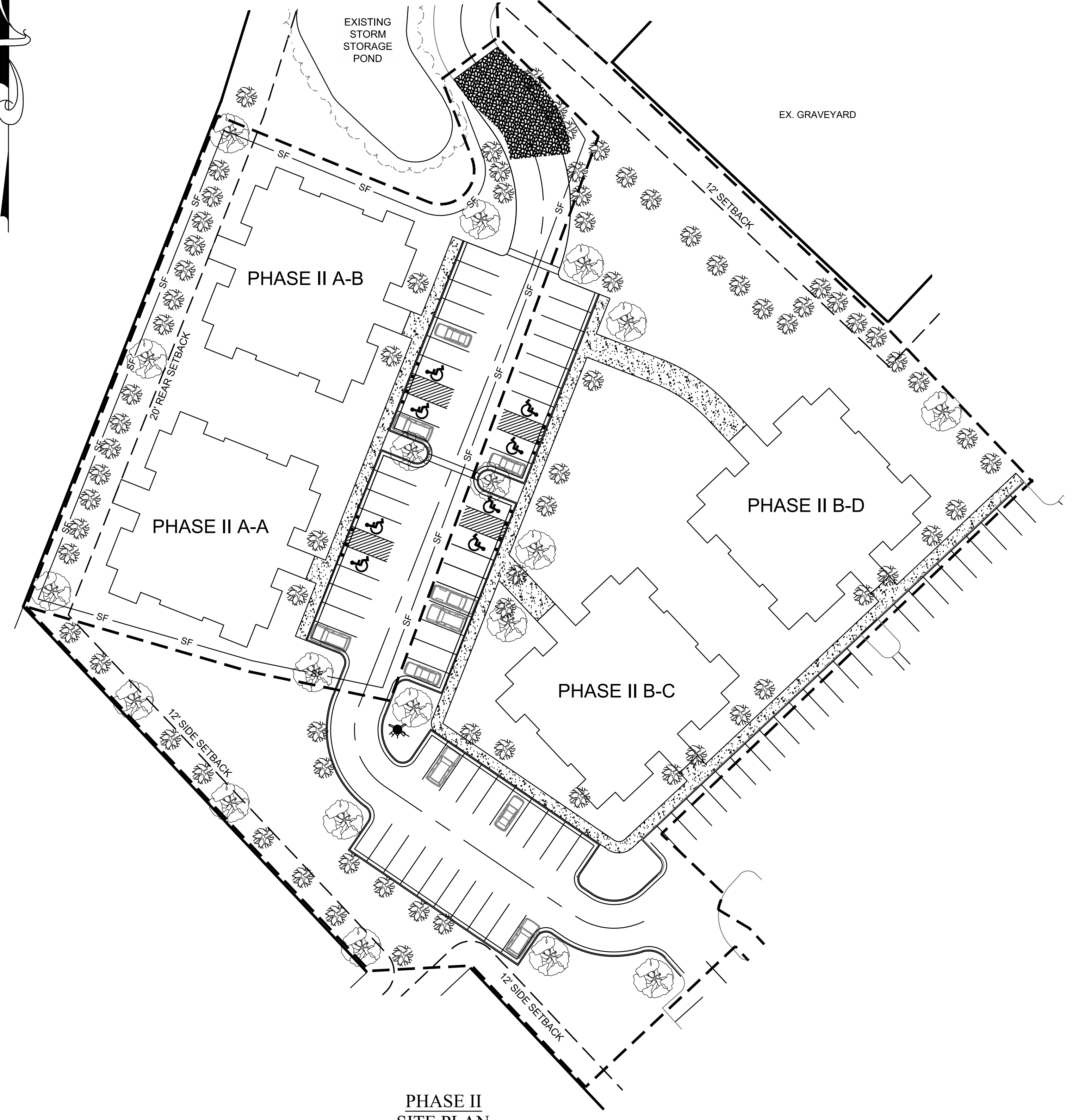
WITNESS, my hand and the seal of the University of North Carolina System this ____ day of _____, 2019.

[SEAL]

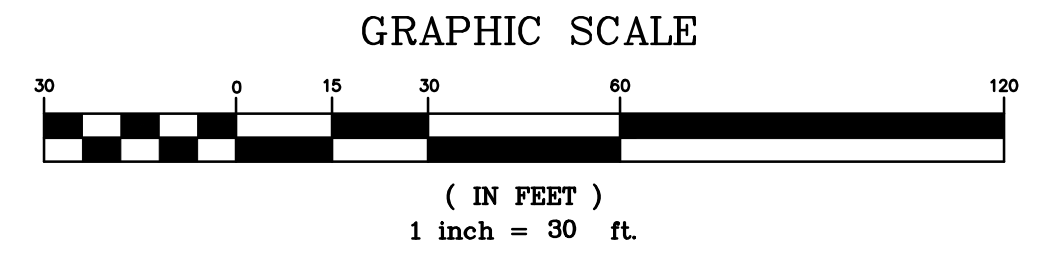
ANDREA POOLE, Senior Associate Vice President
and Secretary of the University of North
Carolina System



OVERALL SITE PLAN



PHASE II SITE PLAN



PRELIMINARY
FOR REVIEW PURPOSES ONLY

LL&J
LOCKLEAR & LOCKLEAR
CONSULTING ENGINEERS
P.O. Box 3119
Pembroke, NC 28372
Telephone: (910)774-9306
Fax: (866)649-7235

LOCKLEAR & LOCKLEAR
P-0754

NORTH CAROLINA
REGISTERED PROFESSIONAL ENGINEER
NA
JAN E. LOCKLEAR

NORTH CAROLINA
REGISTERED PROFESSIONAL ENGINEER
NA
JOY LOCKLEAR

PROJECT INFORMATION:
UNCP COURTYARD PHASE II

REV#	DATE	DESCRIPTION
1		
2		
3		
4		
5		

DATE: 7/21/17
DRAWN BY: GMB
CHECKED BY: JEL
SHEET TITLE

OVERALL SITE PLAN
SHEET NUMBER
C1.0A
PROJECT# 17-06802

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**STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
DISPOSITION OF REAL PROPERTY**

Institution or Agency: UNC Pembroke

Date: 01-17-2019

The Department of Administration is requested, as provided by GS § 146-28 et seq., to dispose of the real property herein described by *purchase, lease, rental, or other (specify)*. Modify an existing lease.

This is a request to "release" approx. 2.6 acres from the existing lease so phase II may begin.

This disposition is recommended for the following reasons:

To construct apartments creating approx. 192 beds for student housing for phase II on property (University Courtyard) currently leased by UNCP from the UNCP University Foundation LLC.

Description of Property: *(Attach additional pages if needed.)*

567 University Road; Undeveloped property, approximately 2.6 acres, located at University Courtyard Apartments, west of UNC Pembroke's main campus. PIN #933483739000

Estimated value: _____

Where deed is filed, if known: Robeson County

If deed is in the name of agency other than applicant, state the name:

Rental income, if applicable, and suggested terms:

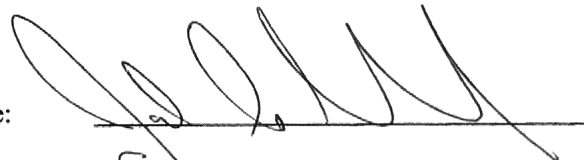
Funds from the disposal of this property are recommended for the following use:

(Complete if Agency has a Governing Board.)

Action recommending the above request was taken by the Governing Board UNC Pembroke and is recorded in the of minutes thereof on 01-16-2019.

Signature:

Title:



General Counsel
Assistant Secretary Board of Trustees

AGENDA ITEM

B-11a. Sale of Special Obligation Bonds (FRN-2019AB) – UNC-Chapel Hill..... Clinton Carter

Situation: The University of North Carolina at Chapel Hill (“UNC-Chapel Hill”) requests that the Board authorize UNC-Chapel Hill to refinance the University of North Carolina at Chapel Hill General Revenue Refunding Bonds, Series 2016A and the University of North Carolina at Chapel Hill General Revenue Refunding Bonds, Series 2016B (collectively, the “2016 Bonds”), the proceeds of which were used to refinance various special obligation bond projects for UNC-Chapel Hill.

Background: The Board of Governors is authorized to issue special obligation bonds and bond anticipation notes for capital improvements projects that have been approved by the General Assembly and to refund special obligation bonds previously issued by the Board for such purposes. All projects in this request have been previously approved by the Board of Governors and were approved by the General Assembly.

Assessment: The Board issued the 2016 Bonds to refund special obligation bonds previously issued by the Board. The 2016 Bonds were issued as “floating rate notes” under which the interest rate on the 2016 Bonds adjusts on the basis of changes in the London Inter-bank Offered Rate (LIBOR). The 2016 Bonds were placed with Bank of America, N.A. and have a mandatory purchase date of March 1, 2019.

This request would authorize UNC-Chapel Hill to refund the 2016 Bonds while maintaining the original maturity dates. UNC-Chapel Hill anticipates that the interest rate on the special obligation bonds will be calculated on the basis of LIBOR, with a mandatory purchase date in three years.

UNC-Chapel Hill currently has an issuer credit rating of “Aaa” with a stable outlook by Moody’s Investor Service, an issuer credit rating of “AAA” with a stable outlook by Standard & Poor’s Global Ratings, and an issuer credit rating of “AAA” with a stable outlook by Fitch Ratings. The transaction is expected to have no impact on UNC-Chapel Hill’s credit ratings.

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

Sale of Special Obligation Bonds (FRN-2019AB) – UNC-Chapel Hill

ISSUE OVERVIEW

The Board of Governors is authorized to issue special obligation bonds for capital improvements projects that have been approved by the General Assembly. Although a specific source of funding is used by a campus when retiring these bonds, special obligation bonds are generally payable from all campus revenues excluding tuition, State appropriations, and restricted reserves.

The Board previously issued the University of North Carolina at Chapel Hill General Revenue Refunding Bonds, Series 2016A and the University of North Carolina at Chapel Hill General Revenue Refunding Bonds, Series 2016B (collectively, the “2016 Bonds”) to refinance various special obligation bond projects for the University of North Carolina at Chapel Hill (“UNC-Chapel Hill”) that had been previously approved by the Board and the General Assembly.

The 2016 Bonds were issued as “floating rate notes” under which the interest rate on the 2016 Bonds adjusts on the basis of changes in LIBOR. The 2016 Bonds were placed with Bank of America, N.A. and have a mandatory purchase date of March 1, 2019.

This request would authorize the Board to issue two series of special obligation bonds on behalf of UNC-Chapel Hill (collectively, the “2019 Bonds”) to refund the 2016 Bonds in advance of the mandatory purchase date while maintaining the original maturity dates for the 2016 Bonds. UNC-Chapel Hill has elected to sell the 2019 Bonds on a negotiated basis to Bank of America Merrill Lynch and Wells Fargo Securities, who were selected through a competitive RFP process. UNC-Chapel Hill anticipates that the 2019 Bonds will be calculated on the basis of LIBOR and will have a mandatory purchase date in three years. To reduce liquidity risk associated with the mandatory purchase date, UNC-Chapel Hill expects the 2019 Bonds to include a term-out provision that will allow UNC-Chapel Hill to repay or restructure the 2019 Bonds over a period of up to three years following the mandatory purchase date.

UNC-Chapel Hill currently has an issuer credit rating of “Aaa” with a stable outlook by Moody’s Investor Service, an issuer credit rating of “AAA” with a stable outlook by Standard & Poor’s Global Ratings, and an issuer credit rating of “AAA” with a stable outlook by Fitch Ratings. The transaction is expected to have no impact on UNC-Chapel Hill’s credit ratings.

Parker Poe is bond counsel, and Prager & Co. is the financial advisor.

It is recommended that the president of the University, or her designee, be authorized to sell the special obligation bonds through the attached resolution.

**RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH
CAROLINA SYSTEM AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION BONDS
TO REFINANCE SPECIAL OBLIGATION BOND PROJECTS FOR
UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

WHEREAS, by Chapter 116 of the General Statutes of North Carolina, the Board of Governors (the “Board”) of the University of North Carolina System (the “UNC System”) is vested with general control and supervision of the constituent institutions of the UNC System;

WHEREAS, the Board is authorized by Chapter 116D of the General Statutes of North Carolina (the “Act”) to issue, subject to the approval of the Director of the Budget, at one time or from time to time, (1) special obligation bonds of the Board for the purpose of paying all or any part of the cost of acquiring, constructing, or providing special obligation projects and (2) refunding bonds for the purpose of refunding any bonds by the Board under the Act or under any Article of Chapter 116 of the General Statutes of North Carolina, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the bonds refunded;

WHEREAS, the Board has previously issued The University of North Carolina at Chapel Hill General Revenue Refunding Bonds, Series 2016A and The University of North Carolina at Chapel Hill General Revenue Refunding Bonds, Series 2016B (collectively, the “2016 Bonds”), the proceeds of which were used to refinance various special obligation bond projects for the University of North Carolina at Chapel Hill (“UNC-Chapel Hill”) in accordance with the Act;

WHEREAS, the 2016 Bonds were privately-placed with Bank of America, N.A. and are subject to mandatory purchase on March 1, 2019;

WHEREAS, in order to refund the 2016 Bonds prior to the mandatory purchase date, UNC-Chapel Hill has requested the Board to issue special obligation bonds under the Act (the “2019AB Bonds”), the proceeds of which are to be used to refund the 2016 Bonds and to pay the costs of issuing the 2019AB Bonds, in an aggregate principal amount not to exceed \$151,000,000;

WHEREAS, based on the foregoing, the Board has determined to issue the 2019AB Bonds under the General Trust Indenture dated as of January 15, 2001 (the “General Indenture”) between the Board and The Bank of New York, now known as The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and Series Indenture, Number 16 between the Board and the Trustee (the “Sixteenth Series Indenture”);

WHEREAS, the 2019AB Bonds and other obligations issued under the General Indenture are payable solely from any funds of UNC-Chapel Hill or the Board in each Fiscal Year remaining after satisfying obligations of UNC-Chapel Hill or the Board under a trust indenture, trust agreement or bond resolution providing for the issuance of debt of the Board with respect to UNC-Chapel Hill as of the date of the General Indenture, including Unrestricted General Fund balances and Unrestricted Quasi-Endowment Fund balances shown as such on the UNC-Chapel Hill financial statements, but excluding (1) appropriations by the General Assembly of the State from the State General Fund, (2) tuition payments by UNC-Chapel Hill students, (3) funds whose purpose has been restricted by the gift, grant or payee thereof and (4) revenues generated by Special Facilities (as defined in the General Indenture) (the “Available Funds”); and

WHEREAS, the Board anticipates that the 2019AB Bonds will be purchased and publicly offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Bank, National Association (collectively, the “Underwriters”) pursuant to the terms of a bond purchase agreement (the “Purchase Agreement”) between the Board and the Underwriters; and

WHEREAS, there have been made available to the Board forms of the following documents (the “Board Documents”), which the Board proposes to approve, ratify, execute and deliver, as applicable, to effectuate the financing:

1. the General Indenture;
2. the Sixteenth Series Indenture;
3. the Purchase Agreement;
4. the Preliminary Official Statement (the “Preliminary Official Statement”) relating to the 2019AB Bonds, which after the inclusion of certain pricing and other information will become the final Official Statement (the “Official Statement”) relating to the 2019AB Bonds; and
5. the 2019 Bonds in the form set forth in the Sixteenth Series Indenture; and

WHEREAS, the issuance of the 2019AB Bonds does not directly or indirectly or contingently obligate the State or any agency or political subdivision of the State to levy or to pledge any taxes for the 2019AB Bonds in compliance with Section 116D-23 of the Act;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. **Authorization of 2019AB Bonds.** That the Board hereby authorizes the issuance of the 2019AB Bonds in an aggregate principal amount not to exceed \$151,000,000 under the General Indenture and the Sixteenth Series Indenture to pay the costs of refunding the 2016 Bonds and the costs incurred in connection with the issuance of the 2019AB Bonds. The 2019AB Bonds are expected to be issued in two series of bonds, but are authorized to be issued in any combination of series and as tax-exempt bonds and taxable bonds as the Senior Vice President for Finance and Administration and Chief Financial Officer of the UNC System, or his designee, in consultation with the Vice Chancellor for Finance and Operations at UNC-Chapel Hill, determine to be in the best interest of the UNC System and UNC-Chapel Hill.

Section 2. **Sufficiency of Available Funds.** That the Board hereby finds that sufficient Available Funds are reasonably expected to be available to pay the principal of and interest on the 2019AB Bonds.

Section 3. **Selection of Financing Team Members.** That the Board authorizes the Vice Chancellor for Finance and Operations at UNC-Chapel Hill, in consultation with the Senior Vice President for Finance and Administration and Chief Financial Officer of the UNC System, to select the professionals necessary to undertake the financing as contemplated in this Resolution.

Section 4. **Authorization of Board Documents.** That the form and content of the Board Documents be and the same hereby are in all respects authorized, approved and confirmed, and the Chairman of the Board, the President of the UNC System, the Senior Vice President for Finance and

Administration and Chief Financial Officer of the UNC System, the Secretary and the Assistant Secretary of the Board and the Senior Associate Vice President and Secretary of the UNC System (the “*Authorized Officers*”), be and they hereby are each authorized, empowered and directed to execute and deliver the Board Documents for and on behalf of the Board, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board’s approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Board Documents the Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Board Documents as executed.

Section 5. ***Authorization of Purchase Agreement.*** That the Chairman of the Board, the President of the UNC System and the Senior Vice President for Finance and Administration and Chief Financial Officer of the UNC System, or their respective designees, be and they hereby are each authorized, empowered and directed to execute and deliver the Purchase Agreement for and on behalf of the Board, including necessary counterparts, in a form and substance consistent with the terms of this Resolution and that from and after the execution and delivery of the Purchase Agreement the Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Agreement as executed.

Section 6. ***Authorization of Preliminary Official Statement and Official Statement.*** That the form, terms and content of the Preliminary Official Statement be and the same hereby are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement by the Underwriters in connection with the sale of the Bonds is hereby in all respects authorized, approved, ratified and confirmed. The Chairman of the Board, the President of the UNC System and the Senior Vice President for Finance and Administration and Chief Financial Officer of the UNC System, or their respective designees, be and they hereby are each authorized, empowered and directed to deliver the Official Statement for and on behalf of the Board in substantially the form and content of the Preliminary Official Statement presented to the Board, but with such changes, modifications, additions or deletions therein as to them seem necessary, desirable or appropriate, their execution of the Purchase Agreement to constitute conclusive evidence of the Board’s approval of any and all such changes, modifications, additions or deletions therein, and the use of the Official Statement by the Underwriters in connection with the sale of the Bonds with investors is hereby authorized, approved and confirmed.

Section 7. ***General Authority.*** From and after the execution and delivery of the documents hereinabove authorized, the Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to the issuance and on-going administration of the 2019AB Bonds. Any provision in this Resolution that authorizes more than one officer to take certain actions will be read to permit such officers to take the authorized actions either individually or collectively.

Section 8. ***Conflicting Provisions.*** All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 9. ***Effective Date.*** This Resolution is effective immediately on the date of its adoption.

PASSED, ADOPTED, AND APPROVED this 25th day of January, 2019.

STATE OF NORTH CAROLINA)
)
COUNTY OF ORANGE)

SECRETARY’S CERTIFICATE
OF AUTHENTICATION

I, ANDREA POOLE, Senior Associate Vice President and Secretary of the University of North Carolina System, *DO HEREBY CERTIFY* that (1) the foregoing is a full, true and correct copy of the approving resolution adopted by the Board of Governors of the University of North Carolina System at its meeting on January 25, 2019 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Governors of the University of North Carolina System held on January 25, 2019 was sent to each member of the Board, and (3) a quorum was present at the meeting on January 25, 2019 at which time the foregoing Resolution was adopted.

WITNESS, my hand and the seal of the University of North Carolina System this ____ day of _____, 2019.

[SEAL]

ANDREA POOLE, Senior Associate Vice President
and Secretary of the University of North
Carolina System

AGENDA ITEM

B-11b. Sale of Special Obligation Bonds (Ed. Fdn./Facility & Field-2019C) – UNC-Chapel Hill..... Clinton Carter

Situation: The University of North Carolina at Chapel Hill (“UNC-Chapel Hill”) requests that the Board authorize UNC-Chapel Hill to finance all or a portion of the costs of an indoor football practice facility and renovation of Fetzer Field (the “Special Obligation Bond Project”).

Background: The Board of Governors is authorized to issue special obligation bonds and bond anticipation notes for capital improvements projects that have been approved by the General Assembly. All projects in this request have been previously approved by the Board of Governors and were approved by the General Assembly under S.L. 2017-141.

Assessment: The Educational Foundation, Inc. (the “Ram’s Club”) has completed the Special Obligation Bond Project and has requested that UNC-Chapel Hill now acquire the Special Obligation Bond Project from the Ram’s Club. UNC-Chapel Hill asks that the Board issue the University of North Carolina at Chapel Hill General Revenue Bond, Series 2019C (the “2019C Bond”) in the amount of \$30 million, which would be delivered to the Ram’s Club in exchange for the Special Obligation Bond Project. All principal and interest on the 2019C Bond would be due at its maturity. The expectation is that the Ram’s Club will forgive repayment of the 2019C Bond when the Ram’s Club has discharged its related financing for the Special Obligation Bond Project. This request would authorize UNC-Chapel Hill to finance the Special Obligation Bond Project approved under S.L. 2017-141.

UNC-Chapel Hill currently has an issuer credit rating of “Aaa” with a stable outlook by Moody’s Investor Service, an issuer credit rating of “AAA” with a stable outlook by Standard & Poor’s Global Ratings, and an issuer credit rating of “AAA” with a stable outlook by Fitch Ratings. The transaction is expected to have no impact on UNC-Chapel Hill’s credit ratings.

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

Sale of Special Obligation Bond (Ed. Fdn./Facility & Field-2019C) – UNC- Chapel Hill

ISSUE OVERVIEW

The Board of Governors is authorized to issue special obligation bonds for capital improvements projects that have been approved by the General Assembly. Although a specific source of funding is used by a campus when retiring these bonds, special obligation bonds are generally payable from all campus revenues excluding tuition, State appropriations, and restricted reserves.

The University of North Carolina at Chapel Hill (“UNC-Chapel Hill”) requests that the Board authorize UNC-Chapel Hill to finance all or a portion of the costs of an indoor football practice facility and renovation of Fetzer Field (the “Special Obligation Bond Project”). The Board previously approved the Special Obligation Bond Project, which was authorized by the General Assembly under S.L. 2017-141.

The Educational Foundation, Inc. (the “Ram’s Club”) has provided for the construction, financing, and delivery of the Special Obligation Bond Project on behalf of UNC-Chapel Hill, using proceeds of a construction line of credit established with Branch Banking & Trust Company. The Ram’s Club will issue a long-term, tax-exempt bond (the “Ram’s Club Indebtedness”) to provide permanent financing for the Special Obligation Bond Project and other projects the Ram’s Club has undertaken on behalf of UNC-Chapel Hill.

UNC-Chapel Hill requests that the Board issue the University of North Carolina at Chapel Hill General Revenue Bond, Series 2019C (the “2019C Bond”) in the amount of \$30 million, which will be delivered to the Ram’s Club as consideration for UNC-Chapel Hill’s acquisition of the Special Obligation Bond Project. All principal and interest on the 2019C Bond will be due at its maturity.

The expectation is that the debt will be repaid from fundraising and unrestricted resources of the Ram’s Club. To provide additional liquidity support for the Ram’s Club Indebtedness, the Ram’s Club would have the option to put the 2019C Bond to UNC-Chapel Hill if those funds were insufficient to meet the debt service obligations on the Ram’s Club Indebtedness.

UNC-Chapel Hill currently has an issuer credit rating of “Aaa” with a stable outlook by Moody’s Investor Service, an issuer credit rating of “AAA” with a stable outlook by Standard & Poor’s Global Ratings, and an issuer credit rating of “AAA” with a stable outlook by Fitch Ratings. The transaction is expected to have no impact on UNC-Chapel Hill’s credit ratings.

Parker Poe is bond counsel, and Prager & Co. is the financial advisor.

It is recommended that the president of the University, or the president’s designee, be authorized to sell the special obligation bonds through the attached resolution.

**RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH
CAROLINA SYSTEM AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION BONDS
TO FINANCE A SPECIAL OBLIGATION BOND PROJECT FOR
UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

WHEREAS, by Chapter 116 of the General Statutes of North Carolina, the Board of Governors (the “Board”) of the University of North Carolina System (the “UNC System”) is vested with general control and supervision of the constituent institutions of the UNC System;

WHEREAS, the Board is authorized by Chapter 116D of the General Statutes of North Carolina (the “Act”) to issue, subject to the approval of the Director of the Budget, at one time or from time to time, (1) special obligation bonds of the Board for the purpose of paying all or any part of the cost of acquiring, constructing, or providing special obligation projects and (2) refunding bonds for the purpose of refunding any bonds by the Board under the Act or under any Article of Chapter 116 of the General Statutes of North Carolina, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the bonds refunded;

WHEREAS, the Board is authorized pursuant to S.L. 2017-141 of the 2017 Session Laws of the North Carolina General Assembly to issue a special obligations bond (the “2019C Bond”) under the Act to finance the Indoor Practice Facility and Fetzer Field (the “Special Obligation Bond Project”) on the campus of the University of North Carolina at Chapel Hill (“UNC-Chapel Hill”);

WHEREAS, pursuant to a lease arrangement, The Educational Foundation, Inc. will complete the Special Obligation Bond Project and, upon completion, UNC-Chapel Hill will acquire the Special Obligation Bond Project from The Educational Foundation, Inc.;

WHEREAS, UNC-Chapel Hill has requested the Board to issue the 2019C Bond and sell the such 2019C Bond to The Educational Foundation, Inc. in exchange for the Special Obligation Bond Project;

WHEREAS, based on the foregoing, the Board has determined to issue the 2019C Bond under the General Trust Indenture dated as of January 15, 2001 (the “General Indenture”) between the Board and The Bank of New York, now known as The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and Series Indenture, Number 17 between the Board and the Trustee (the “Seventeenth Series Indenture”);

WHEREAS, the 2019C Bond and other obligations issued under the General Indenture are payable solely from any funds of UNC-Chapel Hill or the Board in each Fiscal Year remaining after satisfying obligations of UNC-Chapel Hill or the Board under a trust indenture, trust agreement or bond resolution providing for the issuance of debt of the Board with respect to UNC-Chapel Hill as of the date of the General Indenture, including Unrestricted General Fund balances and Unrestricted Quasi-Endowment Fund balances shown as such on the UNC-Chapel Hill financial statements, but excluding (1) appropriations by the General Assembly of the State from the State General Fund, (2) tuition payments by UNC-Chapel Hill students, (3) funds whose purpose has been restricted by the gift, grant or payee thereof and (4) revenues generated by Special Facilities (as defined in the General Indenture) (the “Available Funds”); and

WHEREAS, there have been made available to the Board forms of the Seventeenth Series Indenture and the 2019C Bond (the “*Board Documents*”), which the Board proposes to approve, ratify, execute and deliver, as applicable, to effectuate the financing;

WHEREAS, the issuance of the 2019C Bond does not directly or indirectly or contingently obligate the State or any agency or political subdivision of the State to levy or to pledge any taxes for the 2019C Bond in compliance with Section 116D-23 of the Act;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. **Authorization of 2019C Bond.** That the Board hereby authorizes the issuance of the 2019C Bond in an aggregate principal amount not to exceed \$30,000,000 under the General Indenture and the Seventeenth Series Indenture to acquire the Special Obligation Bond Project from The Educational Foundation, Inc.

Section 2. **Sufficiency of Available Funds.** That the Board hereby finds that sufficient Available Funds are reasonably expected to be available to pay the principal of and interest on the 2019C Bond.

Section 3. **Selection of Financing Team Members.** That the Board authorizes the Vice Chancellor for Finance and Operations at UNC-Chapel Hill, in consultation with the Senior Vice President for Finance and Administration and Chief Financial Officer of the UNC System, to select the professionals necessary to undertake the financing as contemplated in this Resolution.

Section 4. **Authorization of Board Documents.** That the form and content of the Board Documents be and the same hereby are in all respects authorized, approved and confirmed, and the Chairman of the Board, the President of the UNC System, the Senior Vice President for Finance and Administration and Chief Financial Officer of the UNC System, the Secretary and the Assistant Secretary of the Board and the Senior Associate Vice President and Secretary of the UNC System (the “*Authorized Officers*”), be and they hereby are each authorized, empowered and directed to execute and deliver the Board Documents for and on behalf of the Board, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board’s approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Board Documents the Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Board Documents as executed.

Section 5. **General Authority.** From and after the execution and delivery of the documents hereinabove authorized, the Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to the issuance and on-going administration of the 2019C Bond. Any provision in this Resolution that authorizes more than one officer to take certain actions will be read to permit such officers to take the authorized actions either individually or collectively.

Section 6. ***Conflicting Provisions.*** All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 7. ***Effective Date.*** This Resolution is effective immediately on the date of its adoption.

PASSED, ADOPTED, AND APPROVED this 25th day of January, 2019.

STATE OF NORTH CAROLINA)
)
COUNTY OF ORANGE)

SECRETARY’S CERTIFICATE
OF AUTHENTICATION

I, ANDREA POOLE, Senior Associate Vice President and Secretary of the University of North Carolina System, *DO HEREBY CERTIFY* that (1) the foregoing is a full, true and correct copy of the approving resolution adopted by the Board of Governors of the University of North Carolina System at its meeting on January 25, 2019 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Governors of the University of North Carolina System held on January 25, 2019 was sent to each member of the Board, and (3) a quorum was present at the meeting on January 25, 2019 at which time the foregoing Resolution was adopted.

WITNESS, my hand and the seal of the University of North Carolina System this ____ day of _____, 2019.

[SEAL]

ANDREA POOLE, Senior Associate Vice President
and Secretary of the University of North
Carolina System



AGENDA ITEM

B-12. Report on Repairs and Renovations (R&R) Funding Presentation..... Robert Rucho and Clinton Carter

Situation: Repairs and Renovations (R&R) funding is authorized by the General Assembly annually, depending on available funding, and distributed to the campuses following Board action. Historically, funding levels have not permitted all needs to be fully addressed, resulting in a substantial backlog of deferred maintenance.

Background: Growing interest in developing strategies to reduce or retire the backlog and the need to examine the current allocation models used to determine distribution of available funding resulted in the establishment of a working committee to permit more detailed analysis. In conjunction with the biennial budget process, campuses submitted R&R needs, including prioritization of their six highest priority “targeted” renovations, slated to address multiple individual deficiencies in more efficient and cost-effective, comprehensive renovations. With this input, the committee has considered funding strategies.

Assessment: The committee will share information on funding strategies in January and on distribution models in March.

Action: This item is for discussion only.

Repairs and Renovations (R&R)

*Board of Governors
Committee on Budget and Finance
January 24, 2019*

R&R Overview

- How large is the need?
- What is our capacity for work that can be timely executed?
- How can we pay for it?
- **NOTE >> This report does not address a distribution formula to institutions. Rather it focuses solely on establishing the basis for a legislative request...**

How large is the need?

■ Three Primary Methods of Determination:

- Campus Submissions
- Industry Standards
- FCAP (Third-Party)

■ Campus Submissions (Self-Reported)

- \$4.4B Total – appropriated buildings only
 - \$1.3B traditional R&R (\$172M annually)
 - ◆ Roof, electrical, HVAC, plumbing, minor renovations, etc.
 - \$3.1B targeted R&R (\$150M/yr over 30 yrs)
 - ◆ Comprehensive renovations

How large is the need?

■ Industry Standard – 1.5% to 3.0% of Estimated Replacement Cost (APPA)

- \$15.3B – ERC appropriated buildings (2018)
- Annual R&R funding needs – \$225M

■ Facilities Condition Assessment Program (FCAP)

- 2018 appropriated areas all needs – \$3.8B
- 2018 appropriated areas, “Life Safety,
Critical, ADA” – \$395M current year

How large is the need?

■ Large by any measure

- UNC System institutions – \$172M (traditional only)
- Industry standard – \$225M annually
- FCAP – \$395M (2018)

■ Historical R&R funding

- Average \$30.8M annually (last 10 years)
- Average \$45.4M annually (last 26 years)

How much work can be timely executed?

■ Institutional Constraints and Abilities

- Staffing levels
- Disruption to campus activities
- Swing space during dislocation

■ Market

- Available contractors and subcontractors
- Available labor force and materials

■ Max Capacity – 18.7% of Traditional R&R

- Self-assessed maximums (8.0% min floor)
- High of 27.0%, Low of 8.0%

How can we pay for it?

■ State Appropriations

- Cash reserve balances
- Pay-As-You-Go general fund (PayGo)
- Long-term borrowings (Debt)

■ Carry-forward

- Requesting increase this legislative session
- Each 2.5% generates ~\$60M

How can we pay for it?





■ \$172M Annual Target (traditional R&R only)

■ Legislative Request


- General Fund Appropriations
 - ◆ \$75M – \$100M
- Carry-forward to 7.5% (from 2.5%)
 - ◆ \$58.6M per each additional 2.5%

■ \$104.4M minimum funding across all sources (minimum annual capacity)

THANK YOU

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QUESTIONS?

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**UNC System
Repair & Renovations (R&R) Capacity & Allocation Build-Up**

	Appropriations (2018-19 Actual)	# of Students (Fall 2017)	Current Tuition (U/G, Resident)	Current Fees (U/G)	Current Tuition & Fees	Total Traditional R&R (adjusted)	FCAP Reported Traditional R&R (2018)	Maximum % Annual Capacity (as reported)	Maximum \$ Annual Capacity (adjusted)	Minimum % Annual Capacity (adjusted)	Minimum \$ Annual Capacity (adjusted)	MIDPOINT % Annual Capacity (adjusted)	TARGETED \$ (MIDPOINT \$ Annual Capacity (adjusted))	Annual R&R Funding from Legislature	Maximum Carryforward (Additional 5.0%)	Total Annual R&R Funded Activity	Annual Difference from TARGET \$
ASU	\$134,672,993	18,811	\$4,242	\$2,971	\$7,213	\$40,768,287	\$24,329,268	21.0%	\$8,561,340	8.0%	\$3,261,463	14.5%	\$5,911,402	\$2,342,646	\$6,733,650	\$9,076,296	\$3,164,894
ECU	\$288,513,554	29,131	\$4,452	\$2,565	\$7,017	\$236,306,735	\$66,125,376	22.0%	\$51,987,482	8.0%	\$18,904,539	15.0%	\$35,446,010	\$13,578,765	\$14,425,678	\$28,004,443	(\$7,441,567)
ECSU	\$31,154,712	1,411	\$1,000	\$2,193	\$3,193	\$21,804,753	\$14,794,551	19.0%	\$4,142,903	8.0%	\$1,744,380	13.5%	\$2,943,642	\$1,252,955	\$1,557,736	\$2,810,690	(\$132,951)
FSU	\$52,116,162	6,226	\$2,982	\$2,267	\$5,249	\$19,029,500	\$12,522,519	25.0%	\$4,757,375	8.0%	\$1,522,360	16.5%	\$3,139,868	\$1,093,482	\$2,605,808	\$3,699,290	\$559,422
N.C. A&T	\$92,553,482	11,877	\$3,540	\$2,965	\$6,505	\$65,222,091	\$15,740,911	15.0%	\$9,783,314	8.0%	\$5,217,767	11.5%	\$7,500,540	\$3,747,821	\$4,627,674	\$8,375,496	\$874,955
NCCU	\$83,243,559	8,097	\$3,728	\$2,619	\$6,347	\$14,985,206	\$22,187,929	25.0%	\$3,746,302	8.0%	\$1,198,816	16.5%	\$2,472,559	\$861,087	\$4,162,178	\$5,023,265	\$2,550,706
NC State	\$409,514,050	34,432	\$6,535	\$2,360	\$8,895	\$207,391,000	\$51,635,327	25.0%	\$51,847,750	8.0%	\$16,591,280	16.5%	\$34,219,515	\$11,917,196	\$20,475,703	\$32,392,899	(\$1,826,616)
UNCA	\$38,750,625	3,852	\$4,122	\$2,880	\$7,002	\$53,354,525	\$12,059,410	10.0%	\$5,335,453	8.0%	\$4,268,362	9.0%	\$4,801,907	\$3,065,882	\$1,937,531	\$5,003,413	\$201,506
UNC-CH	\$458,470,592	29,911	\$7,019	\$1,738	\$8,757	\$239,015,700	\$88,529,678	16.7%	\$39,843,917	8.0%	\$19,121,256	12.3%	\$29,482,587	\$13,734,429	\$22,923,530	\$36,657,959	\$7,175,372
UNCC	\$225,576,692	29,317	\$3,812	\$3,041	\$6,853	\$61,711,256	\$18,756,011	27.0%	\$16,662,039	8.0%	\$4,936,900	17.5%	\$10,799,470	\$3,546,080	\$11,278,835	\$14,824,915	\$4,025,445
UNCG	\$149,931,774	19,922	\$4,422	\$2,796	\$7,218	\$60,859,800	\$17,722,323	18.0%	\$10,954,764	8.0%	\$4,868,784	13.0%	\$7,911,774	\$3,497,154	\$7,496,589	\$10,993,742	\$3,081,968
UNCP	\$53,715,428	6,252	\$1,000	\$2,416	\$3,416	\$22,750,000	\$4,208,633	15.0%	\$3,412,500	8.0%	\$1,820,000	11.5%	\$2,616,250	\$1,307,271	\$2,685,771	\$3,993,042	\$1,376,792
UNCW	\$120,327,946	16,487	\$4,443	\$2,557	\$7,000	\$45,430,420	\$2,634,486	20.0%	\$9,086,084	8.0%	\$3,634,434	14.0%	\$6,360,259	\$2,610,543	\$6,016,397	\$8,626,941	\$2,266,682
UNCSA	\$30,424,499	1,014	\$6,497	\$2,364	\$8,861	\$36,450,000	\$13,013,146	11.0%	\$4,009,500	8.0%	\$2,916,000	9.5%	\$3,462,750	\$2,094,506	\$1,521,225	\$3,615,731	\$152,981
WCU	\$89,730,641	11,034	\$1,000	\$2,777	\$3,777	\$106,936,800	\$10,546,003	8.0%	\$8,554,944	8.0%	\$8,554,944	8.0%	\$8,554,944	\$6,144,851	\$4,486,532	\$10,631,383	\$2,076,439
WSSU	\$64,717,512	5,098	\$3,401	\$2,412	\$5,813	\$8,115,000	\$16,330,891	20.0%	\$1,623,000	8.0%	\$649,200	14.0%	\$1,136,100	\$466,308	\$3,235,876	\$3,702,183	\$2,566,083
NCSSM	\$21,468,048					\$36,080,000	\$3,631,359	8.0%	\$2,886,400	8.0%	\$2,886,400	8.0%	\$2,886,400	\$2,073,245	\$1,073,402	\$3,146,648	\$260,248
Total Campuses	\$2,344,882,269	232,872	\$3,887	\$2,558	\$6,445	\$1,276,211,073	\$394,767,821	18.9%	\$237,195,066	8.0%	\$102,096,886	13.3%	\$169,645,976	\$73,334,222	\$117,244,113	\$190,578,335	\$20,932,359
NCArb	\$2,277,920					\$3,292,000		10.0%	\$329,200	8.0%	\$263,360	9.0%	\$296,280	\$189,166	\$113,896	\$303,062	\$6,782
UNCTV	\$9,343,756					\$20,091,086		10.0%	\$2,009,109	8.0%	\$1,607,287	9.0%	\$1,808,198	\$1,154,483	\$467,188	\$1,621,671	(\$186,527)
System Office	\$35,895,503					\$5,605,900	\$474,141	10.0%	\$560,590	8.0%	\$448,472	9.0%	\$504,531	\$322,129	\$1,794,775	\$2,116,904	\$1,612,373
Total All	\$2,392,399,448					\$1,305,200,059	\$395,241,962	18.7%	\$240,093,965	8.0%	\$104,416,005	13.2%	\$172,254,985	\$75,000,000	\$119,619,972	\$194,619,972	\$22,364,988

General Assumptions:

Minimum DSCR	1.20x	
Interest Rate	2.50%	
Term (Amortization)	20 years	
Minimum R&R Annual % Allocation	8.00%	
Target R&R Annual % Allocation	10.00%	
Additional Carryforward (Above the 2.5% Cap)	5.00%	(7.5% total)
Annual R&R Funding from Legislature	\$75,000,000	