



MEETING OF THE BOARD OF GOVERNORS  
Committee on Budget and Finance

November 16, 2022 at 2:30 p.m.  
Via Videoconference and PBS North Carolina Livestream  
East Carolina University  
Main Campus Student Center, Ballroom A  
Greenville, North Carolina

**AGENDA**

- A-1. Approval of the Minutes of October 19, 2022..... Mr. Holmes, Jr.
- A-2. Approval of Performance Weighting Component of the Funding Model ..... Ms. Haygood
- A-3. Managing Steep Enrollment Declines..... Ms. Haygood
- A-4. Exceeding the Policy Limit on Nonresident  
Freshman Enrollment – North Carolina A&T State University..... Ms. Haygood
- A-5. FY 2022-23 Maintenance Repairs and Renovations Capital Projects ..... Ms. Lynn
- A-6. State Construction Infrastructure Fund (SCIF) Program Update ..... Ms. Lynn
- A-7. Capital Improvement Projects ..... Ms. Lynn
- A-8. Adjourn

**Additional Information Available:**

Five-Year History and Performance FY17-18 through FY21-22 Actuals  
HEERF Expenditures through September 30, 2022



## **DRAFT MINUTES**

October 19, 2022 at 9:30 a.m.

Via Videoconference and PBS North Carolina Livestream

UNC System Office

140 Friday Center Drive, Board Room

Chapel Hill, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair James L. Holmes, Jr. The following committee members, constituting a quorum, were also present in person or by videoconference: Jimmy D. Clark, Reginald R. Holley, Terry Hutchens, and Lee H. Roberts.

Chancellors participating were Robin Cummings and Randy Woodson. Provost Heather Norris was present as a proxy for Chancellor Everts.

Staff members present included Jennifer Haygood, Katherine Lynn, and others from the University of North Carolina System Office.

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### **1. Call to Order and Approval of the Open Session Minutes (Item A-1)**

The chair called the meeting to order at 9:30 a.m. on Wednesday, October 19, 2022, and called for a motion to approve the minutes from the regular meeting of September 21, 2022.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the regular meeting minutes of September 19, 2022, as distributed.

**Motion:** Reginald R. Holley

**Motion carried**

### **2. Report from the Task Force on Pricing, Flexibility, and Affordability (Item A-2)**

Chair Wendy Murphy provided a report on the September 29 meeting of the Task Force on Pricing, Flexibility, and Affordability. The focus of the meeting was a discussion about student health insurance. The task force reviewed the UNC System's policy and practice, data on historical enrollment in Student Blue, trends in the cost of Student Blue compared to national data on health insurance cost, and a comparison to other public university health plans.

The task force heard from two national experts, Jake Baggott, director of student health at the University of Wisconsin-Madison, and Dr. Katrin Wesner-Harts, student health director at University of North Carolina Wilmington. Mrs. Murphy emphasized her intention to hold more task force meetings in the fall to continue analyzing student health insurance costs and to ensure the System is taking necessary steps to keep costs low.

This item was for information only.

### **3. Approval of Performance Weighting Component of the Funding Model (Item A-3)**

Senior Vice President Jennifer Haygood reviewed the Performance Weighting Component of the Funding Model, including the committee's previous approval of the new enrollment funding model, which aligns state appropriations with the goal of graduating more North Carolina undergraduates on time and with less debt. She explained that the revised enrollment change funding model provides a clearly defined state subsidy for the change in performance-weighted, resident student credit hours. The adopted model stated that, in the 2023-24 fiscal year, performance weighting would be incorporated into the funding calculation, such that a portion of the generated funding request would be based on university outcomes related to strategic goals of the UNC System and the State of North Carolina.

Ms. Haygood reviewed ongoing conversations with constituent universities and explained that, recognizing that each institution has a unique baseline, challenges, and resources available to make improvements, the performance targets will be data-driven and unique to each institution. The proposed model sets multi-year goals against which progress is measured over an established period to allow institutions sufficient time to implement strategies to affect meaningful change.

The committee had further discussion about the proposed performance weighting component. The committee requested additional information and practical examples of how the proposed methodology would be applied.

**MOTION:** Resolved, that the Committee on Budget and Finance defer action on the Performance Weighting Component of the Funding Model until the next meeting.

**Motion:** Terry Hutchens

**Motion: carried**

### **4. 2022-23 NC Promise Tuition Plan Annual Report (Item A-4)**

Ms. Haygood presented on the NC Promise Tuition Plan annual report. She contextualized the report by reminding the committee that Session Law 2016-94, Current Operations and Capital Improvements Appropriations Act of 2015 (H.B 1030) created the NC Promise Tuition Plan at Elizabeth City State University, The University of North Carolina at Pembroke, and Western Carolina University. The 2021 Appropriations Act added Fayetteville State University to the NC Promise Program beginning in FY 2022-23. The plan set resident tuition at \$500 per semester and nonresident tuition at \$2,500 per semester beginning in the fall 2018 academic semester. The State promised to buy down the difference in tuition receipts created by the lower tuition compared to the established tuition rate at the four NC Promise schools. The General Assembly appropriated \$82.5 million to offset the lower tuition receipts for FY 2022-23.

To offset the decrease in tuition revenue, ECSU will receive \$7.8 million, FSU will receive \$12.5 million, UNCP will receive \$15.9 million, and WCU will receive \$35 million. The University of North Carolina System Office will make initial allocations to the institutions in the fall based upon fall census data and an average of fall-to-spring retention rates. Funds will be reallocated in the spring after the spring census to match actual enrollment.

This item was for information only.

## **5. Report on FY 2020 Facilities Inventory and Utilization Study (Item A-5)**

Ms. Haygood presented a report on the FY 2020 Facilities Inventory and Utilization Study. She explained the usefulness of a Systemwide facilities inventory and utilization study detailing the use of space, room characteristics, and building characteristics as a tool for space management and planning.

Ms. Haygood further explained that space utilization is typically based on class hours of instruction and seat fill and is derived from the fall 2020 scheduling data. However, the COVID-19 pandemic reduced the amount of face-to-face instruction, which greatly impacted the space utilization data. The 2020 report includes information on the university's physical assets, including age and condition of buildings, and is based on self-reported data. Vice President for Finance and Capital Planning Katherine Lynn responded to questions regarding how the data is used for space management and System-level decisions through the repairs and renovations (R&R) formula.

This item was for information only.

## **6. Proposed Amendments to the UNC Policy Manual (Item A-6)**

Ms. Haygood presented on three proposed amendments to the UNC Policy Manual. She explained that S.L. 2022-74, Appropriations Act 2021 (H.B. 103) modified G.S. 116-31.11. and increased the Board of Governors of the University of North Carolina System delegated authority for the administration of contracts for the design, construction or renovation of buildings, utilities, and other property developments funded with public money from \$2 million to \$4 million. Revisions to Section 600.1.1 of the UNC Policy Manual were necessary to address the increase in the delegated authority and to clarify the delegated authority for the establishment and administration of capital projects.

Revisions were also recommended to increase the additional delegated capital authority for the administration of design and construction projects from \$1 million to \$2 million and to provide clarification on the procedures and requirements for receiving additional delegated capital authority.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the proposed amendments to the UNC Policy Manual and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** Terry Hutchens

**Motion carried**

## **7. Capital Improvement Projects – Appalachian State University, East Carolina University, North Carolina Agricultural and Technical State University, North Carolina Central University, NC State University, University of North Carolina Asheville, University of North Carolina at Chapel Hill, and University of North Carolina at Charlotte (Item A-7)**

Vice President Katherine Lynn presented on capital improvement projects for Appalachian State University, East Carolina University, North Carolina Agricultural and Technical State University, University of North Carolina at Chapel Hill, and University of North Carolina at Charlotte. Each university had previously requested new authorizations for a total of 10 capital improvement projects. North Carolina Central University, NC State

University, and University of North Carolina Asheville had previously requested authorization for three capital improvement projects.

Ms. Lynn recommended that the committee approve the capital improvement projects. It was further recommended that these projects be reported to the North Carolina Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

**Motion:** Resolved, that the Committee on Budget and Finance approve the capital improvement projects at Appalachian State University, East Carolina University, North Carolina Agricultural and Technical State University, North Carolina Central University, NC State University, University of North Carolina Asheville, University of North Carolina at Chapel Hill, and University of North Carolina at Charlotte and recommend them to the full Board of Governors for a vote through the consent agenda.

**Motion:** Reginald Holley

**Motion carried**

#### **8. Disposition of Property by Deed – NC State University (Item A-8)**

Ms. Lynn reported that the NC State University Board of Trustees had requested authorization to dispose by deed of 1.15 acres located on Centennial Campus property to the existing North Shore development. The property will be purchased by the NC State University Endowment Board which intends to amend the existing ground lease to include the additional acreage. The estimated value is \$800,000. The NC State University Board of Trustees approved the property disposition on September 9, 2022.

Ms. Lynn recommended that the Board approve the demolition requests from the NC State University Board of Trustees.

**Motion:** Resolved, that the Committee on Budget and Finance approve the Disposition of Property by Deed at NC State University and recommend it to the full Board for a vote through the consent agenda.

**Motion:** Reginald Holley

**Motion carried**

#### **9. Disposition of Property by Lease – NC State University (Item A-9)**

Ms. Lynn reported that the NC State University Board of Trustees had requested authorization for disposition by lease of 0.3124 acres to the National Oceanic and Atmospheric Administration (NOAA) for use by the National Weather Service. The property has been leased to NOAA since 1992 and the current lease expired on September 30, 2022. The property will be leased at \$3,494.13 annually for a 15-year term. The property is located at NC State's Central Crops Research Station in Clayton, North Carolina, and is currently used for a weather tower which supports the nationwide Next Generation Weather Radar (NEXRAD) system. The weather tower is one of three in the state of North Carolina. The NC State University Board of Trustees approved the lease on September 9, 2022.

Ms. Lynn recommended that the Board approve the demolition requests from the NC State University Board of Trustees.

**Motion:** Resolved, that the Committee on Budget and Finance approve the demolition request from NC State University and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** Reginald Holley

**Motion carried**

#### **10. Adjourn (Item A-10)**

There being no further business and without objection, the meeting adjourned at 10:39 a.m.

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Jimmy D. Clark, Secretary



## AGENDA ITEM

A-2. Approval of Performance Weighting Component of the Funding Model..... Ms. Haygood

**Situation:** The University of North Carolina System uses a formula based on completed student credit hours to request and allocate enrollment funding to institutions on an annual basis. The new formula, which was approved by the Board of Governors of the University of North Carolina System in April 2022, included a performance-based component that needs to be finalized prior to the 2023 legislative session.

**Background:** Earlier this year, the committee discussed and approved a new enrollment funding model that aligns state appropriations with the goal of graduating more North Carolina undergraduates on time and with less debt. The revised enrollment change funding model provides a clearly defined state subsidy for the change in performance-weighted, resident student credit hours.

The adopted model stated that, in the 2023-24 fiscal year, performance weighting would be incorporated into the funding calculation, such that a portion of the generated funding request would be based on university outcomes related to strategic goals of the UNC System and the State of North Carolina.

**Assessment:** The proposed performance weighting directly ties goals related to increasing undergraduate student success, increasing affordability, and improving productivity to changes in state appropriation. A summary of the performance weights that would be applied to the 2023-24 funding request based on the proposed methodology are included for reference.

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



# FUNDING MODEL PERFORMANCE WEIGHTING

Board of Governors  
Committee on Budget and Finance

November 16, 2022

## Funding Model Overview

An **incremental** funding model that provides a clearly defined State subsidy for the change in **performance-weighted, resident** student credit hours (SCHs).

<b>Step 1</b>		<b>Step 2</b>		
<b>Change in</b>				
<b>Performance-Weighted</b>		<b>Appropriation per</b>		<b>Change in</b>
<b>Student Credit Hours</b>	<b>X</b>	<b>Credit Hour</b>	<b>=</b>	<b>Appropriation</b>
<b>(PW SCH)</b>				
<i>Completed Resident SCHs only</i>		<i>based on % of national avg</i>		
<i>(all terms)</i>		<i>(Delaware study data)</i>		

**A simplified model focused on graduating more North Carolina undergraduates on time and with less debt.**



## Why is Performance-Weighting Important?

- To date, the funding model has only incentivized enrollment growth
- The purpose of performance weighting is to:
  - Clearly connect funding to strategic goals
  - Create an **incentive** within the funding model to improve performance
  - Provide financial rewards (and risks) for focusing on student outcomes

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## One Request Based on Two Factors

	2021		2022		Calculation		
	SCH	PW SCH 100%	SCH	PW SCH 100%	Step 1 PW SCH Δ	Step 2 \$/SCH	Appropriation Change
Performance Weight (PW)							
Biology	10,000	10,000	10,100	10,100	100	\$370	\$37,000
Business	30,000	30,000	30,300	30,300	300	\$340	\$102,000
Education	15,000	15,000	15,150	15,150	150	\$410	\$61,500
English	20,000	20,000	20,200	20,200	200	\$305	\$61,000
Math	15,000	15,000	15,150	15,150	150	\$270	\$40,500
Social Sciences	10,000	10,000	10,100	10,100	100	\$300	\$30,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>101,000</b>	<b>101,000</b>	<b>1,000</b>		<b>\$332,000</b>

### Scenario:

- Resident SCHs: +1%
- Performance Change: 0%

	2021		2022		Calculation Broken Down by Factor						
	SCH	PW SCH 100%	SCH	PW SCH 100%	Enrollment Δ \$		Performance Δ \$		Total		
Performance Weight (PW)					SCH Δ	\$/SCH	Enroll \$	PW Δ	\$/SCH	Perf \$	Appropriation Change
Biology	10,000	10,000	10,100	10,100	100	\$370	\$37,000	0	\$370	\$0	\$37,000
Business	30,000	30,000	30,300	30,300	300	\$340	\$102,000	0	\$340	\$0	\$102,000
Education	15,000	15,000	15,150	15,150	150	\$410	\$61,500	0	\$410	\$0	\$61,500
English	20,000	20,000	20,200	20,200	200	\$305	\$61,000	0	\$305	\$0	\$61,000
Math	15,000	15,000	15,150	15,150	150	\$270	\$40,500	0	\$270	\$0	\$40,500
Social Sciences	10,000	10,000	10,100	10,100	100	\$300	\$30,000	0	\$300	\$0	\$30,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>101,000</b>	<b>101,000</b>	<b>1,000</b>		<b>\$332,000</b>	<b>0</b>		<b>\$0</b>	<b>\$332,000</b>

To date, the model has only incentivized enrollment growth.

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## One Request Based on Two Factors

	2021		2022		Calculation		
	SCH	PW SCH 100%	SCH	PW SCH 101%	Step 1 PW SCH Δ	Step 2 \$/SCH	Appropriation Change
Performance Weight (PW)							
Biology	10,000	10,000	10,000	10,100	100	\$370	\$37,000
Business	30,000	30,000	30,000	30,300	300	\$340	\$102,000
Education	15,000	15,000	15,000	15,150	150	\$410	\$61,500
English	20,000	20,000	20,000	20,200	200	\$305	\$61,000
Math	15,000	15,000	15,000	15,150	150	\$270	\$40,500
Social Sciences	10,000	10,000	10,000	10,100	100	\$300	\$30,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>101,000</b>	<b>1,000</b>		<b>\$332,000</b>

**Scenario:**  
 • Resident SCHs: 0%  
 • Performance Change: +1%

	2021		2022		Enrollment Δ \$			Performance Δ \$			Total Appropriation Change
	SCH	PW SCH 100%	SCH	PW SCH 101%	SCH Δ 0%	\$/SCH	Enroll \$	PW Δ 1%	\$/SCH	Perf \$	
Performance Weight (PW)											
Biology	10,000	10,000	10,000	10,100	0	\$370	\$0	100	\$370	\$37,000	\$37,000
Business	30,000	30,000	30,000	30,300	0	\$340	\$0	300	\$340	\$102,000	\$102,000
Education	15,000	15,000	15,000	15,150	0	\$410	\$0	150	\$410	\$61,500	\$61,500
English	20,000	20,000	20,000	20,200	0	\$305	\$0	200	\$305	\$61,000	\$61,000
Math	15,000	15,000	15,000	15,150	0	\$270	\$0	150	\$270	\$40,500	\$40,500
Social Sciences	10,000	10,000	10,000	10,100	0	\$300	\$0	100	\$300	\$30,000	\$30,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>101,000</b>	<b>0</b>		<b>\$0</b>	<b>1,000</b>		<b>\$332,000</b>	<b>\$332,000</b>

*Performance weighting provides an opportunity to earn funding irrespective of enrollment.*

## One Request Based on Two Factors

	2021		2022		Calculation		
	SCH	PW SCH 100%	SCH	PW SCH 101%	Step 1 PW SCH Δ	Step 2 \$/SCH	Appropriation Change
Performance Weight (PW)							
Biology	10,000	10,000	10,100	10,201	201	\$370	\$74,370
Business	30,000	30,000	30,300	30,603	603	\$340	\$205,020
Education	15,000	15,000	15,150	15,302	302	\$410	\$123,615
English	20,000	20,000	20,200	20,402	402	\$305	\$122,610
Math	15,000	15,000	15,150	15,302	302	\$270	\$81,405
Social Sciences	10,000	10,000	10,100	10,201	201	\$300	\$60,300
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>101,000</b>	<b>102,010</b>	<b>2,010</b>		<b>\$667,320</b>

**Scenario:**  
 • Resident SCHs: +1%  
 • Performance Change: +1%

	2021		2022		Enrollment Δ \$			Performance Δ \$			Total Appropriation Change
	SCH	PW SCH 100%	SCH	PW SCH 101%	SCH Δ 1%	\$/SCH	Enroll \$	PW Δ 1%	\$/SCH	Perf \$	
Performance Weight (PW)											
Biology	10,000	10,000	10,100	10,201	100	\$370	\$37,000	101	\$370	\$37,370	\$74,370
Business	30,000	30,000	30,300	30,603	300	\$340	\$102,000	303	\$340	\$103,020	\$205,020
Education	15,000	15,000	15,150	15,302	150	\$410	\$61,500	152	\$410	\$62,115	\$123,615
English	20,000	20,000	20,200	20,402	200	\$305	\$61,000	202	\$305	\$61,610	\$122,610
Math	15,000	15,000	15,150	15,302	150	\$270	\$40,500	152	\$270	\$40,905	\$81,405
Social Sciences	10,000	10,000	10,100	10,201	100	\$300	\$30,000	101	\$300	\$30,300	\$60,300
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>101,000</b>	<b>102,010</b>	<b>1,000</b>		<b>\$332,000</b>	<b>1,010</b>		<b>\$335,320</b>	<b>\$667,320</b>

*The new model provides funding based on the combination of enrollment and performance change.*

## One Request Based on Two Factors

	2021		2022		Calculation		
	SCH	PW SCH	SCH	PW SCH	Step 1 PW SCH Δ	Step 2 \$/SCH	Appropriation Change
Performance Weight (PW)		100%		101%			
Biology	10,000	10,000	9,800	9,898	(102)	\$370	(\$37,740)
Business	30,000	30,000	29,400	29,694	(306)	\$340	(\$104,040)
Education	15,000	15,000	14,700	14,847	(153)	\$410	(\$62,730)
English	20,000	20,000	19,600	19,796	(204)	\$305	(\$62,220)
Math	15,000	15,000	14,700	14,847	(153)	\$270	(\$41,310)
Social Sciences	10,000	10,000	9,800	9,898	(102)	\$300	(\$30,600)
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>98,000</b>	<b>98,980</b>	<b>(1,020)</b>		<b>(\$338,640)</b>

- Scenario:**
- Resident SCHs: -2%
  - Performance Change: +1%

	2021		2022		Calculation Broken Down by Factor						
	SCH	PW SCH	SCH	PW SCH	Enrollment Δ \$			Performance Δ \$			Total Appropriation Change
Performance Weight (PW)		100%		101%	SCH Δ	\$/SCH	Enroll \$	PW Δ	\$/SCH	Perf \$	
Biology	10,000	10,000	9,800	9,898	(200)	\$370	(\$74,000)	98	\$370	\$36,260	(\$37,740)
Business	30,000	30,000	29,400	29,694	(600)	\$340	(\$204,000)	294	\$340	\$99,960	(\$104,040)
Education	15,000	15,000	14,700	14,847	(300)	\$410	(\$123,000)	147	\$410	\$60,270	(\$62,730)
English	20,000	20,000	19,600	19,796	(400)	\$305	(\$122,000)	196	\$305	\$59,780	(\$62,220)
Math	15,000	15,000	14,700	14,847	(300)	\$270	(\$81,000)	147	\$270	\$39,690	(\$41,310)
Social Sciences	10,000	10,000	9,800	9,898	(200)	\$300	(\$60,000)	98	\$300	\$29,400	(\$30,600)
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>98,000</b>	<b>98,980</b>	<b>(2,000)</b>		<b>(\$664,000)</b>	<b>980</b>		<b>\$325,360</b>	<b>(\$338,640)</b>

*Improved performance can offset enrollment declines...*

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## One Request Based on Two Factors

	2021		2022		Calculation		
	SCH	PW SCH	SCH	PW SCH	Step 1 PW SCH Δ	Step 2 \$/SCH	Appropriation Change
Performance Weight (PW)		100%		99%			
Biology	10,000	10,000	10,200	10,098	98	\$370	\$36,260
Business	30,000	30,000	30,600	30,294	294	\$340	\$99,960
Education	15,000	15,000	15,300	15,147	147	\$410	\$60,270
English	20,000	20,000	20,400	20,196	196	\$305	\$59,780
Math	15,000	15,000	15,300	15,147	147	\$270	\$39,690
Social Sciences	10,000	10,000	10,200	10,098	98	\$300	\$29,400
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>102,000</b>	<b>100,980</b>	<b>980</b>		<b>\$325,360</b>

- Scenario:**
- Resident SCHs: +2%
  - Performance Change: -1%

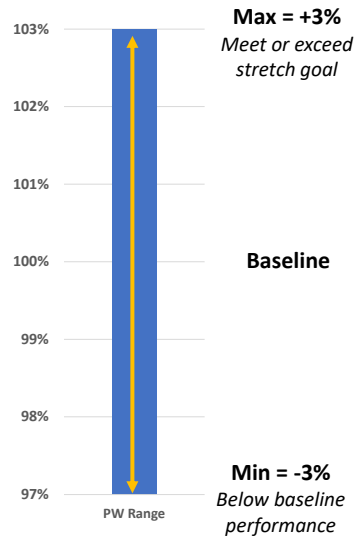
	2021		2022		Calculation Broken Down by Factor						
	SCH	PW SCH	SCH	PW SCH	Enrollment Δ \$			Performance Δ \$			Total Appropriation Change
Performance Weight (PW)		100%		101%	SCH Δ	\$/SCH	Enroll \$	PW Δ	\$/SCH	Perf \$	
Biology	10,000	10,000	10,200	10,302	200	\$370	\$74,000	(102)	\$370	(\$37,740)	\$36,260
Business	30,000	30,000	30,600	30,906	600	\$340	\$204,000	(306)	\$340	(\$104,040)	\$99,960
Education	15,000	15,000	15,300	15,453	300	\$410	\$123,000	(153)	\$410	(\$62,730)	\$60,270
English	20,000	20,000	20,400	20,604	400	\$305	\$122,000	(204)	\$305	(\$62,220)	\$59,780
Math	15,000	15,000	15,300	15,453	300	\$270	\$81,000	(153)	\$270	(\$41,310)	\$39,690
Social Sciences	10,000	10,000	10,200	10,302	200	\$300	\$60,000	(102)	\$300	(\$30,600)	\$29,400
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>102,000</b>	<b>103,020</b>	<b>2,000</b>		<b>\$664,000</b>	<b>(1,020)</b>		<b>(\$338,640)</b>	<b>\$325,360</b>

*...likewise, declining performance can offset enrollment growth.*

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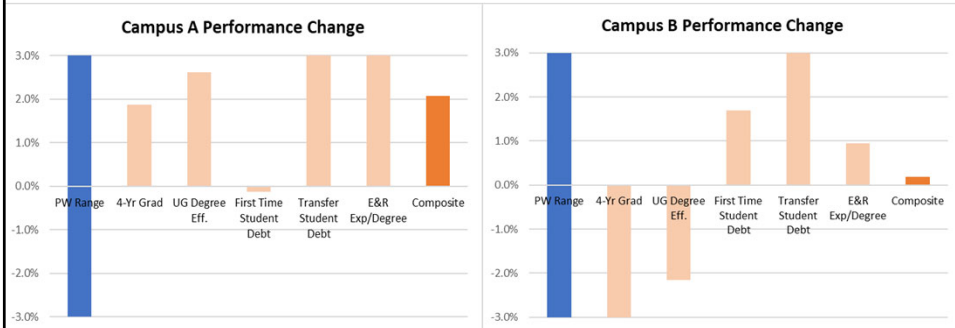
## Performance Compared to Baseline and Stretch Goal for Each Metric

- Weighting is based on how campus performance compares to its baseline and stretch goals. If performance:
  - Improves: weight >1
  - Remains at baseline: weight = 1
  - Declines: weight < 1
- Performance weight applies to **all** resident SCHs
- Achieving all stretch goals over the three-year cycle would result in funding equivalent to a 3% enrollment increase.
- Each 1% of performance weighting = ~ \$20 million systemwide



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## Performance Cycle Year 1 Examples



Campus A	2020	2023	2021	Campus B	2020	2023	2021
	Baseline	Stretch	Actual		Baseline	Stretch	Actual
Four-Year Graduation Rate	67.30%	71.15%	69.71%	Four-Year Graduation Rate	51.90%	57.56%	45.36%
Undergraduate Degree Efficiency	25.8	27.22	27.04	Undergraduate Degree Efficiency	22.8	24.56	21.54
First Time Student Debt at Graduation	\$9,788	\$9,201	\$9,812	First Time Student Debt at Graduation	\$12,076	\$11,351	\$11,664
Transfer Student Debt at Graduation	\$9,832	\$9,242	\$8,991	Transfer Student Debt at Graduation	\$14,333	\$13,473	\$12,350
Education and Related Expenses per Degree	\$69,561		\$62,569	Education and Related Expenses per Degree	\$70,376		\$67,554
(% change in inflation-adjusted terms)		-8.77%	-12.17%	(% change in inflation-adjusted terms)		-19.28%	-7.55%

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## **UNC System Performance Weighting Component of the Funding Model**

The University of North Carolina System strategic plan set ambitious goals for access, student success, and economic impact. The Board of Governors of the University of North Carolina System has also set goals for the president on metrics including on-time graduation and degree efficiency, student debt among bachelor's degree completers, and education and related expenses per degree.

In recognition that student enrollment has a greater positive impact on the state if students are graduating on-time and with less debt, the Board of Governors adopted a new enrollment funding model that weights credit hours based on the performance of the institution, such that a portion of the generated funding is based on university outcomes related to strategic goals of the UNC System and the State of North Carolina.

- It is proposed that, effective with the 2023-24 fiscal year, that all resident credit hours be weighted by a performance rate specific to the performance of the institution based on metrics as approved by the Board of Governors.
- To promote alignment and simplicity, it is proposed that the metrics be directly tied to existing goals set for the president by the Board or as part of the UNC System strategic plan, and effective with the 2024-25 fiscal year that at least one of the metrics shall be selected by the institution in accordance with the unique mission and goals of that institution.
- It is proposed that the performance goals be multi-year goals against which progress is measured over an established period to allow sufficient time for the institution to implement strategies to effect meaningful change.
- In recognition that each institution is starting at a different baseline and may have different challenges and resources to make improvements, the performance targets will be data-driven and unique to each institution.
- It is further proposed that on a periodic basis the Board of Governors should set a minimum and maximum performance range that would determine the amount of funding that can be earned or lost in a single year, and that the range effective for the 2023-24 fiscal year be +/- three percent.

## 2023-24 Proposed Performance Weighting Based on 2021 Performance Outcomes

	Minimum Score	Maximim Score	Prior Year Score	Current Year Score	Performance Change
ASU	97%	103%	100%	100.18%	0.18%
ECU	97%	103%	100%	101.03%	1.03%
ECSU	97%	103%	100%	102.75%	2.75%
FSU	97%	103%	100%	100.46%	0.46%
NCA&T	97%	103%	100%	101.77%	1.77%
NCCU	97%	103%	100%	101.11%	1.11%
NC State	97%	103%	100%	102.07%	2.07%
UNCA	97%	103%	100%	100.18%	0.18%
UNC-CH	97%	103%	100%	102.15%	2.15%
UNCC	97%	103%	100%	102.11%	2.11%
UNCG	97%	103%	100%	101.44%	1.44%
UNCP	97%	103%	100%	102.46%	2.46%
UNCW	97%	103%	100%	101.43%	1.43%
UNCSA	97%	103%	100%	100.96%	0.96%
WCU	97%	103%	100%	101.19%	1.19%
WSSU	97%	103%	100%	100.32%	0.32%
<b>Average</b>	<b>97%</b>	<b>103%</b>	<b>100%</b>	<b>101.35%</b>	<b>1.35%</b>



## AGENDA ITEM

A-3. Managing Steep Enrollment Declines ..... Ms. Haygood

**Situation:** Multiple University of North Carolina System institutions have experienced enrollment declines that exceed levels that can be readily absorbed by institutional budgets. Significant short-term losses in funding will likely have an adverse effect on long-term System goals.

**Background:** Higher education is facing significant turbulence nationally and in North Carolina. The UNC System is working to manage enrollment declines through strategic realignment. However, three institutions, University of North Carolina Asheville, The University of North Carolina at Greensboro, and The University of North Carolina at Pembroke have experienced multi-year losses that exceed 4.5 percent of their General Fund appropriation. Funding reductions of this magnitude are historically rare.

**Assessment:** It is recommended that the Board of Governors of the University of North Carolina System limit the maximum reduction in appropriation associated with enrollment declines over the past two years to 4.5 percent of the current year certified budget.

**Action:** This item requires a vote by the committee.



## ***MANAGING STEEP ENROLLMENT DECLINES***

**Board of Governors  
Committee on Budget and Finance**

**November 16, 2022**

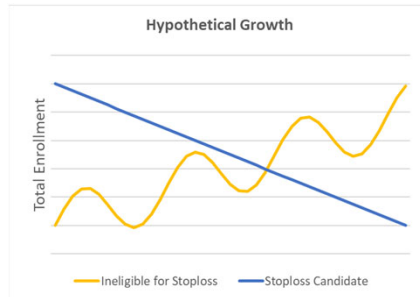
### ***Managing Steep Enrollment Declines***

- Higher education is facing significant turbulence.
- Institutions facing large, multi-year enrollment declines must adapt by implementing new strategies and “right sizing” their operations.
- Absorbing significant funding losses in the short-term without harming long-term goals can be difficult.
- Strategic realignment to absorb resource reductions is more feasible over a multi-year period.
- Historically, large multi-year enrollment losses have been rare in our System.



## *Enrollment Declines Over a Two-Year Horizon*

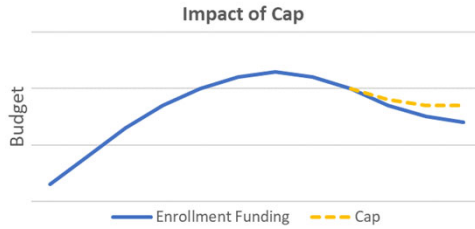
- **Proposal:** Limit the maximum loss over two years.
- Focusing on multi-year changes ensures the provision only applies to institutions with the most significant declines.
- Institutions would continue to carry the risk of single-year volatility.



## *Proposed Plan*

- Cap the reduction in appropriation associated with enrollment declines at **-4.5%** of the current year certified budget.
- The cap would be based on two years of enrollment funding.
- The proposed plan would have no impact on the performance component of the funding model.

## Cap Example



Certified Budget	2021		2022		Total	% Change	2021		Capped 2022		Capped % Change	Capped Losses
	Enrollment Change	Enrollment Change	Enrollment Change	Enrollment Change			Enrollment Change	Enrollment Change	Year Change	Year Change		
\$100,000,000	(\$2,000,000)	(\$4,000,000)	(\$6,000,000)	-6.0%			(\$2,000,000)	(\$2,500,000)	(\$4,500,000)	-4.5%	(\$1,500,000)	

## Preliminary Analysis

	Certified	Total 2-year		Total 2-year		Capped Losses
	Appropriation FY23	Change (Est.)*	% Change	Change with Cap	% Change	
ASU	\$ 150,108,008	\$ 5,580,486	3.7%	\$ 5,580,486	3.7%	\$ -
ECU	318,859,870	(6,454,224)	-2.0%	(6,454,224)	-2.0%	-
ECSU	37,533,622	976,124	2.6%	976,124	2.6%	-
FSU	55,163,966	(1,772,534)	-3.2%	(1,772,534)	-3.2%	-
NCA&T	110,032,073	(1,302,081)	-1.2%	(1,302,081)	-1.2%	-
NCCU	87,098,420	(2,862,790)	-3.3%	(2,862,790)	-3.3%	-
NCSU	437,943,639	3,275,270	0.7%	3,275,270	0.7%	-
UNCA	47,646,984	(2,693,935)	-5.7%	(2,144,114)	-4.5%	(549,821)
UNC-CH	499,703,885	8,621,922	1.7%	8,621,922	1.7%	-
UNCC	265,761,673	(6,507,995)	-2.4%	(6,507,995)	-2.4%	-
UNCG	181,788,127	(11,206,906)	-6.2%	(8,180,466)	-4.5%	(3,026,441)
UNCP	78,320,733	(3,889,970)	-5.0%	(3,524,433)	-4.5%	(365,537)
UNCW	147,888,777	2,749,952	1.9%	2,749,952	1.9%	-
UNCSA	34,894,255	(335,747)	-1.0%	(335,747)	-1.0%	-
WCU	133,784,234	(2,502,685)	-1.9%	(2,502,685)	-1.9%	-
WSSU	65,004,094	(2,548,616)	-3.9%	(2,548,616)	-3.9%	-
<b>Total</b>	<b>\$ 2,651,532,360</b>	<b>\$ (20,873,729)</b>	<b>-0.8%</b>	<b>\$ (16,931,931)</b>	<b>-0.6%</b>	<b>\$ (3,941,798)</b>

\*Total of 2021 enrollment change funding plus estimated 2022 enrollment change funding based on preliminary data. 2022 figures will be finalized in January based on Fall End-of-Term SCH data.



## AGENDA ITEM

- A-4. Exceeding the Policy Limit on Nonresident  
Freshman Enrollment – North Carolina Agricultural and & Technical State University ..... Ms. Haygood

**Situation:** North Carolina Agricultural and Technical State University’s out-of-state freshmen enrollment has exceeded the limits established by the Board of Governors of the University of North Carolina System Policy for the second consecutive year.

**Background:** Section 700.1.3 of the UNC Policy Manual, *Policy on Non-Resident Undergraduate Enrollment*, states that any constituent institution, except the University of North Carolina School of the Arts, that exceeds its out-of-state freshman enrollment limitation for two consecutive fiscal years shall have its state operating budget reduced. This reduction shall be made in the second fiscal year in which the two consecutive fiscal year condition is violated; the reduction shall be made, on a nonrecurring basis, immediately after the Board approves the annual enrollment report. The budget reduction shall be based on the number of out-of-state freshmen enrolled in excess of the constituent institution’s limitation and the established method used for calculating the operating requirements for regular term enrollment changes.

**Assessment:** It is recommended that the funds be reallocated to the Board’s UNC Need-Based Grant Financial Aid Program.

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

## **Exceeding the Policy Limit on Nonresident Freshman Enrollment – North Carolina Agricultural and Technical State University**

Fall 2022 enrollment indicates that North Carolina Agricultural and Technical State University has nonresident first-time undergraduate enrollment – for two consecutive years – that exceeds the cap, an over-enrollment of 171 nonresident students. Section 700.1.3 of the UNC Policy Manual, *Policy on Non-Resident Undergraduate Enrollment*, as shown below, requires a budgetary adjustment at the institution.

Effective with the fall semester 2022, the following caps are established for students classified as nonresidents for tuition purposes in the fall first-time undergraduate class. The cap shall be equal to the percentage of the total number of first-time undergraduate students enrolled in the fall of the prior academic year.

- A. The cap shall be 18 percent for Appalachian State University, East Carolina University, NC State University, University of North Carolina Asheville, University of North Carolina at Chapel Hill, University of North Carolina at Charlotte, The University of North Carolina at Greensboro, The University of North Carolina at Pembroke, University of North Carolina Wilmington, and Western Carolina University.
- B. The cap shall be 25 percent for Fayetteville State University and Winston-Salem State University.
- C. The cap shall be 35 percent for North Carolina Agricultural and Technical State University<sup>1</sup> and North Carolina Central University.
- D. The cap shall be 50 percent for Elizabeth City State University.

Any constituent institution that exceeds their nonresident enrollment cap prescribed in section II., above, for two consecutive fiscal years shall have its State operating budget reduced. This reduction shall be made in the second fiscal year in which the two consecutive fiscal year condition is violated; the reduction shall be made, on a non-recurring basis, immediately after the Board of Governors reviews final fall semester enrollment figures. The budget reduction shall be based on the number of non-resident students for tuition purposes in the entering fall first-time class enrolled in excess of the specified institutional percent limitation and the established method used for calculating the operating requirements for regular term enrollment changes.

<sup>1</sup>Does not include undergraduate engineering students enrolled at North Carolina A&T State University per Board of Governors action, January 11, 2002

The required budget adjustment and first-time undergraduate enrollment information follows:

<b>First-Time Undergraduate Enrollment for N.C. A&amp;T State University</b>								
Fall 2021 Census Enrollment			Fall 2022 Census Enrollment			Fall Out-of-State Cap based on Fall 2021 Cohort		
In-State	Out-of- State	Total	In-State	Out-of- State	Total	Allowable Percentage	Actual Percentage	Enrollment Exceeding Cap
1,942	811	2,753	1,762	1,134	2,896	35%	41%	171

For the 2022-23 fiscal year, the budget for N.C. A&T State University will be reduced by \$1,976,546 pursuant to Board of Governors Policy 700.1.3. It is recommended that the funds be reallocated to the Board’s UNC Need-Based Grant Financial Aid Program for resident undergraduate students.



## AGENDA ITEM

A-5. FY 2022-23 Maintenance Repairs and Renovations Capital Projects..... Ms. Lynn

**Situation:** In accordance with G.S. 143C-8-13 (b)(2), the Board of Governors of the University of North Carolina System shall report to the Fiscal Research Division on the initial allocation of repairs and renovations (R&R) funds prior to the expenditure of funds.

**Background:** On September 22, 2022, the Board of Governors Committee on Budget and Finance approved the allocation of \$60 million in FY 2022-23 maintenance repairs and renovations funds based on the previously approved R&R allocation model. The Board of Governors must approve the maintenance R&R projects so that particular projects can be reported to the Fiscal Research Division.

Each University of North Carolina System constituent institution submitted their list of priority maintenance R&R projects to be funded from their allocation of the FY 2022-23 R&R funds. The compiled list of maintenance R&R capital projects is attached. Any remaining unassigned R&R funds from the constituent institution's FY 2022-23 R&R allocation are designated to the constituent institution's cost escalation and contingency reserve.

**Assessment:** It is recommended that the Board approve the FY 2022-23 Maintenance Repairs and Renovations Projects for submission to the Fiscal Research Division. It is further recommended that Board allow the unassigned cost escalation and contingency reserve to be applied to an approved FY 2022-23 R&R project upon request of the constituent institution and to include the assignment of the contingencies in the annual report of reallocated funds.

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

**FY2022-23 MAINTENANCE REPAIR AND RENOVATION PROJECTS**

**DRAFT for Nov 2022 BOG**

**R&R Allocation: \$60M**

	Project Total per S.L. 2021-180	FY21-22 \$60M	FY22-23 \$60M
<b>APPALACHIAN STATE UNIVERSITY</b>		<b>\$3,198,431</b>	<b>\$3,290,398</b>
Walker Hall HVAC Repair & Upgrades	\$500,000	\$500,000	
<b>Walker Hall Envelope &amp; Structural Repair</b>	\$1,300,000		<b>\$1,300,000</b>
Campus-Wide Electronic Door Access Installation	\$1,500,000	\$1,500,000	
<b>Chapell Wilson Gutter/Soffit/Roof Replacement</b>	<b>\$600,000</b>		<b>\$600,000</b>
<b>Smith Wright Hall Roof Repair &amp; Replacement</b>	<b>\$1,000,000</b>		<b>\$1,000,000</b>
Holmes Convocation Center Chiller	\$200,000	\$200,000	
BB Dougherty Chiller Repair	\$100,000	\$100,000	
<b>Facilities Operations/Motorpool Wall Repairs</b>	<b>\$300,000</b>		<b>\$300,000</b>
John E. Thomas Chiller Compressor Upgrades	\$250,000		
Anne Belk Hall Hot Water Piping Replacement	\$500,000	\$500,000	
Edwin Duncan Hall HVAC & Lighting Improvements	\$800,000		
John E. Thomas Envelope	\$300,000		
Howard Street Hall Road Opening	\$200,000		
Holmes Convocation Center VAV Replacement	\$150,000	\$150,000	
Peacock Elevator Upgrade	\$200,000	\$200,000	
University Hall Sprinkler System	\$250,000		
<i>2021-22 Cost Escalation and Contingency Reserve</i>		\$48,431	
<b>2022-23 Cost Escalation and Contingency Reserve</b>			<b>\$90,398</b>
<b>Total</b>	<b>\$8,150,000</b>	<b>\$3,198,431</b>	<b>\$3,290,398</b>
<b>EAST CAROLINA UNIVERSITY</b>		<b>\$5,024,712</b>	<b>\$4,988,435</b>
Brody Building Freight Elevators-Emergency Power	\$250,000		
Science & Technology-Replace Roof	\$400,000		
<b>Old Cafeteria Building-Install Steam Manhole &amp; Replace Piping</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$100,000</b>
Health Science Campus Catwalks/Central Utility Plant	\$225,000	\$225,000	
<b>Warren Life Sciences-Replace Roof-Section B</b>	<b>\$300,000</b>	<b>\$375,000</b>	<b>\$25,000</b>
Health Science Campus Central Utility Plant Transformers 1 & 2	\$404,000		
Bate Upgrade Elevators (2)	\$350,000	\$350,000	
<b>Rivers-Replace Roof (complete roof replacement)</b>	<b>\$300,000</b>		<b>\$1,500,000</b>
Christenbury-Replace Roof	\$410,000	\$410,000	
Brody Building Envelope Infiltration Repairs, Phase 1*	\$1,500,000	\$1,200,000	
Brody Chilled Water Loop Valve Replacement	\$100,000	\$100,000	
<b>Jenkins Art North Building Envelope Repairs</b>	<b>\$1,750,000</b>	<b>\$1,750,000</b>	<b>\$200,000</b>
<b>McGinnis Scene Shop-Replace Roof</b>	<b>\$100,000</b>		<b>\$200,000</b>
Brody-Inline Fan Replacement, Phase 1	\$200,000		
Jenkins Art-Replace Distribution Sub Panels, Westside Jenkins Art	\$225,000		
<b>Messick-Upgrade/Replace Elevator</b>	<b>\$150,000</b>		<b>\$300,000</b>
<b>Building 127-Upgrade/Replace Elevator</b>	<b>\$150,000</b>		<b>\$300,000</b>
Coastal Studies Annex-Repair & Coat Siding & Roofing	\$100,000		
School of Dental Medicine/Comm. Svc. Learning Ctrs. Upgrades (HVAC & Indoor Air Quality)	\$203,000		
Main Campus Steam Plant-Install Steam Blanket for Boilers	\$100,000		
<b>McGinnis Auditorium-Upgrade/Replace Elevator</b>	<b>\$300,000</b>		<b>\$300,000</b>
Brewster-HVAC Controls Optimization/D Wing	\$400,000		
Greenville Centre-HVAC Controls Upgrade	\$300,000		
Central Chiller Plant w/Controls Upgrade	\$300,000		
Old Cafeteria Building Controls Upgrade (Specific Direct Digital Control)	\$300,000		
Carol Belk Building-HVAC System (Specific Variable Air Volume Integration)	\$300,000		
Rivers Building-HVAC System (Specific Variable Air Volume)	\$300,000		
Austin Building-Air Handlers Replacement	\$1,500,000		
<b>Warren Life Sciences-Extend Sprinkler System to Original Section</b>	<b>\$181,000</b>		<b>\$280,000</b>
Building 43-Upgrade Freight Elevator/Replace Shaft and Jack	\$230,000		
Main Campus-Replace Power Distribution System Steam Plant	\$250,000		
<b>Biotechnology Building-Upgrade Laboratory Exhaust System</b>	<b>\$452,000</b>		<b>\$700,000</b>
Biotechnology Building-Replace Exhaust Fans	\$130,134		
Repair & Repave Service Drive at West End Dining/Behind White Residence Hall	\$150,000		
<b>Wright Building/Wright Auditorium-Fire Alarm System Upgrade</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$175,000</b>
<b>Old Cafeteria &amp; Ragsdale Annex-Replace Roof</b>	<b>\$240,000</b>		<b>\$240,000</b>
<b>Brody School of Medicine-Replace Computer Room Air Conditioning Units</b>	<b>\$200,000</b>		<b>\$50,000</b>
Cotanche Data Center - Renovation to Improve Fire Protection System in Data Rooms (Specific FM 200)	\$210,000		
<b>Jenkins Art Gray Galler AHU-4 Replacement</b>			<b>\$260,000</b>
<b>Old Café Cashier's Office HVAC System Replacement</b>			<b>\$150,000</b>
<b>Joyner Library AHU-1 Replacement (Legal Records)</b>			<b>\$90,000</b>
<i>2021-22 Cost Escalation and Contingency Reserve</i>		\$14,712	
<b>2022-23 Cost Escalation and Contingency Reserve</b>			<b>\$118,435</b>
<b>Total</b>	<b>\$13,560,134</b>	<b>\$5,024,712</b>	<b>\$4,988,435</b>
<b>ELIZABETH CITY STATE UNIVERSITY</b>		<b>\$2,000,000</b>	<b>\$2,000,000</b>
Underground Infrastructure-(Replace all campus plumbing gate valves/infrastructure for fire pump)**	\$150,000		
Underground Infrastructure-(Replace 6-in. with 8-in. line to improve water volume/Campus North)**	\$300,000		
Jenkins Hall, Phase 2-Renovation of Laboratory and Classroom	\$400,000	\$400,000	
Vaughn Center-Repair Student Phys. Ed. Learning Spaces-(Pool, flooring, ceilings & building envelope)	\$550,000		
Fine Arts-Roof Replacement*	\$200,000	\$50,000	

**FY2022-23 MAINTENANCE REPAIR AND RENOVATION PROJECTS**

**DRAFT for Nov 2022 BOG**

**R&R Allocation: \$60M**

	Project Total per S.L. 2021-180	FY21-22 \$60M	FY22-23 \$60M
Dixon Hall—Classroom & Laboratory Renovations*	\$400,000	\$100,000	
<b>ITC—Air Handler Replacement</b>	\$300,000		\$300,000
Lester Hall—Demolition**	\$495,000		
Jenkins Hall, Phase 3 - Renovation of Laboratory and Classrooms		\$300,000	
Dixon Hall Boiler Replacement and related controls		\$150,000	
<b>Moore Hall Roof Replacement</b>		\$200,000	\$300,000
HVAC System Repairs Jenkins Science and Williams Hall		\$800,000	\$350,000
Campus-Wide HVAC, Electrical, and Plumbing Repairs (Thomas Jenkins, IT Center, Vaughan, GR Little, Thorpe, KE White, Williams Hall, Trigg Hall, STEM, New Student Center, and Fine Arts)			\$374,000
Campus-Wide Fire Safety Repairs (STEM, Jenkins Science, Vaughan Center, and Fine Arts)			\$188,000
Campus-Wide Erosion Control, Drainage, and Stabilization (Wetlands, Williams Hall, Outdoor Classroom)			\$338,000
2022-23 Cost Escalation and Contingency Reserve			\$150,000
<b>Total</b>	<b>\$2,795,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
<b>FAYETTEVILLE STATE UNIVERSITY</b>		<b>\$2,000,000</b>	<b>\$2,000,000</b>
Barber/Collins Admin Complex—Roof Replacement	\$200,000	\$200,000	
Campus-Wide Exterior Lighting Retrofit	\$400,000	\$400,000	
Campus-Wide Brick Paver & Concrete Walk Repairs	\$500,000	\$500,000	
Telecom—Roof Replacement	\$150,000	\$150,000	
Butler—Roof Replacement	\$650,000	\$650,000	
Chesnutt—MEP (Generator)	\$400,000		
Telecom—MEP (Central Plant Tie, AHU, BAS, MDP, Generator)	\$750,000		\$750,000
University Advancement—MEP (AHU, Heat Pumps, BAS, MDP)	\$600,000		\$850,000
FM Complex—MEP (HVAC, MDP, Generator, Restrooms)	\$450,000		
Harris CBE—Precast Concrete Structural Repair	\$100,000		
Cook—Exterior Stairs & Patio Repairs	\$100,000		
J. Knuckles Science Annex—Roof Replacement	\$150,000		
2021-22 Cost Escalation and Contingency Reserve		\$100,000	
University Advancement—Interior Fit-out for Campus Police	\$600,000		\$400,000
2022-23 Cost Escalation and Contingency Reserve			\$0
<b>Total</b>	<b>\$4,450,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
<b>NORTH CAROLINA A&amp;T UNIVERSITY</b>		<b>\$3,117,066</b>	<b>\$3,126,685</b>
General Classroom, B Side—Roof Repairs	\$1,241,107	\$1,241,107	
<b>Boiler Replacement*</b>	\$1,459,200	\$150,000	\$200,000
Hines Hall—HVAC Modifications*	\$300,000	\$150,000	
Waterproofing Buildings	\$600,000	\$600,000	
IRC Building—HVAC Repairs/Replacement	\$705,274	\$705,274	
Dudley—HVAC Repairs/Controls	\$403,305		
McNair Hall—HVAC Repairs	\$250,000		
<b>Elevator Repairs/Replacement (adding elevator to Benbow Hall)</b>	\$450,000		\$1,500,000
<b>Campus-Wide Steam Leaks*</b>	\$500,000	\$100,000	\$400,000
<b>Building Steam System Repairs (convert Sgt. Mitchell St. line from Laurel St. to Benbow Dr.)</b>	\$200,000	\$100,000	\$926,685
Moore Gym/Hodgin Hall/Fraiser Hall—Roof Repairs	\$1,000,000		
Price Hall/1020 Wendover/Hodgin Hall/Campbell Hall/C.H. Moore—Window Replacement	\$200,000		
1020 Wendover/Price/Corbett Sports Center/Campbell, & Carver—Asbestos Abatement	\$150,000		
Campus-Wide—Back Flow Preventors	\$300,000		
Beef Barn/Bull Barn/Calf Barn/Dairy Barn	\$100,000		
2021-22 Cost Escalation and Contingency Reserve		\$70,685	
2022-23 Cost Escalation and Contingency Reserve			\$100,000
<b>Total</b>	<b>\$7,858,886</b>	<b>\$3,117,066</b>	<b>\$3,126,685</b>
<b>NORTH CAROLINA CENTRAL UNIVERSITY</b>		<b>\$2,147,192</b>	<b>\$2,158,775</b>
<b>B.N. Duke Auditorium—Steam to Natural Gas Conversion</b>	\$350,000	\$350,000	\$472,775
Art Museum—Roof Replacement	\$250,000	\$250,000	
<b>Campus-Wide Steam System Repairs (Steam Traps, Valves, Leaks, Piping &amp; Insulation Replacement, MHs)*</b>	\$600,000	\$365,000	\$235,000
Robinson Science Building—Repair & Restore Brick Façade	\$300,000		
Hubbard Totton Building—Elevator Replacement	\$350,000	\$350,000	
Campus-Wide ADA Compliance Upgrades, Phase 2	\$100,000	\$100,000	
William Jones Building—HVAC Upgrades	\$450,000		
<b>Walker PE Complex—Elevator Replacement</b>	\$350,000		\$350,000
Sanitary Sewer System—(Locate/assess terra-cotta pipes; stop inflow and infiltration)	\$100,000	\$100,000	
<b>Roof Gutters &amp; Vent Repairs</b>	\$310,000		\$310,000
<b>Taylor Building—Repair &amp; Restore Brick Façade</b>	\$161,000		\$161,000
Water System—Re-route South and East Sides/Increase Capacity	\$135,000		
Campus-Wide Annual Flat Roof Diagnostics, Prev. Maint., & Leak Repairs	\$300,000	\$300,000	
Fire Alarm Systems Upgrades & Repairs	\$250,000	\$250,000	
<b>Steam Plant—Roof Repair</b>	\$40,000		
<b>Asbestos/Mold Remediation &amp; Contaminants Removal</b>	\$300,000		\$100,000
Shepard Library—ITS/NOC/HVAC Upgrades	\$230,000		\$230,000
<b>Fine Arts Building—Fire Alarm System Replacement</b>	\$495,000		
Miller Morgan Building—VFDs Replacement	\$80,000	\$80,000	
B.N. Duke Auditorium—Repair & Restore Brick Façade	\$300,000		
Edmonds Building—Brick Façade Repair & ADA Access (Ease of Entry & Code Compliant Steps and Handrails)	\$245,300		



**FY2022-23 MAINTENANCE REPAIR AND RENOVATION PROJECTS**

**DRAFT for Nov 2022 BOG**

**R&R Allocation: \$60M**

	Project Total per S.L. 2021-180	FY21-22 \$60M	FY22-23 \$60M
2021-22 Cost Escalation and Contingency Reserve		\$2,192	
<b>Mill Morgan Fire Alarm Replacement</b>			\$300,000
2022-23 Cost Escalation and Contingency Reserve			\$0
<b>Total</b>	<b>\$5,696,300</b>	<b>\$2,147,192</b>	<b>\$2,158,775</b>
<b>NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS</b>		<b>\$2,000,000</b>	<b>\$2,000,000</b>
Cafeteria Renovation*	\$2,500,000	\$2,000,000	
Elevators (Bryan 2 elevators)			\$900,000
Cooling Towers( Replace ETC tower, Demolish 2 Bryan towers)			\$200,000
Sidewalk Repair(Internal campus wide)			\$50,000
Water Heater (Royall)			\$75,000
Roof Repairs(Reynolds D)			\$100,000
Flooring Replacement- Watts(2nd & 3rd floors), ETC (2nd & 3rd floors)			\$500,000
Infrastructre Repair - Ornamental Fountain(pumps,controls,nozzels), ETC Pressure Washing)			\$75,000
Steamline Repairs(Campuswide)			\$100,000
2022-23 Cost Escalation and Contingency Reserve			\$0
<b>Total</b>	<b>\$2,500,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
<b>NORTH CAROLINA STATE UNIVERSITY</b>		<b>\$9,842,614</b>	<b>\$9,862,207</b>
Research Building III–HVAC Upgrades 1	\$900,000	\$3,562,500	
Original Campus–Domestic Water Line Repair Under RR Tracks	\$270,000	\$400,000	
<b>Scott Hall Labs–Renovation</b>	\$2,500,000		\$3,800,000
Brooks Hall–Renovation, Phase 1	\$1,500,000	\$1,875,000	
<b>Mann Hall–Electrical Upgrades</b>	\$950,000		\$1,500,000
<b>Thomas Hall Labs–Renovation</b>	\$1,000,000		\$1,500,000
<b>CVM Equine AHU Replacement</b>	\$300,000		
McKimmon–ADA Improvements/Restrooms	\$500,000	\$625,000	
Morrill Drive Domestic Water Line Replacement <sup>2</sup>	\$661,000	\$1,817,614	
Nelson, Park Alumni, Beef Ed. Unit, Schaub, CVM Research–Fire Alarm Panel Replacement	\$250,000	\$250,000	
Campus-Wide Domestic Water Line & Valve Replacement, Phase 2 <sup>2</sup>	\$650,000		
Don Ellis, Brooks–BAS Controls Upgrade, Phase 1	\$100,000	\$125,000	
Campus-Wide Asbestos Removal Steam System	\$650,000		
<b>Caldwell Hall–Pointing &amp; Caulking</b>	\$100,000		\$700,000
Research Building I–AHU Replacement <sup>1</sup>	\$850,000		
Research Building IV–HVAC Upgrades <sup>1</sup>	\$1,100,000		
Centennial Campus–Repair Steam Leaks	\$550,000	\$687,500	
CVM Main–Fire Alarm Upgrade, Phase 3	\$400,000		
<b>Mann Hall–Fire Sprinkler System</b>	\$500,000		\$750,000
Campus Steam Leak Repair–MH13	\$200,000		
Gardner Labs–Renovation	\$480,000		
Textiles–COT Pod 2, South Side Foundation Waterproofing	\$350,000		
Campus Cooling Tower Refurbish at CBC	\$250,000	\$312,500	
Biltmore–Code Deficiencies	\$2,000,000		
<b>Campus Upgrade Sanitary/Storm Water System, Phase 1</b>	\$844,000		\$1,500,000
Campus Chilled Water System Improvements	\$575,000		
Kilgore–Foundation Waterproofing	\$350,000		
Cox–Pointing & Caulking	\$300,000		
Tompkins Hall–Above-Grade Waterproofing/Pointing	\$200,000		
Yarborough–Chiller Controls Upgrade	\$146,000		
Campus Sewer Line Replacement/Court of NC	\$175,000		
2021-22 Cost Escalation and Contingency Reserve		\$187,500	
2022-23 Cost Escalation and Contingency Reserve			\$112,207
<b>Total</b>	<b>\$19,601,000</b>	<b>\$9,842,614</b>	<b>\$9,862,207</b>
<b>UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE</b>		<b>\$2,000,000</b>	<b>\$2,000,000</b>
Campus-Wide–Arc Flash Compliance, Phase II	\$150,000	\$150,000	
Replace & Upgrade Fueling Station/Compliant Storage Tanks & System (FCAP #31053)	\$150,000		
Replace Pedestrian Paths/Main Quad to Owen Hall	\$250,000		
Replace Walkways in Tennent Park/ADA Accessible Path to Main Quadrangle/Carmichael Hall	\$250,000	\$250,000	
Repair Concrete at Carmichael Plaza & Walk Along Ramsey/Tennent Park	\$200,000	\$200,000	
Reuter Center–Replace BAS; Add VFD to AHU (FCAP #31131)	\$150,000		
Reuter Center/Riverside Warehouse–Roof Replacements (FCAP #14433)	\$475,000	\$475,000	
Rework Intersection at Edgewood & University Heights	\$250,000		
<b>Utility Location Survey/Installation of Underground Utility Markers*</b>	\$200,000	\$100,000	\$100,000
<b>Zageir Hall–Replace Machinery w/new HE Models (FCAP #31124)</b>	\$225,000		\$225,000
Underground Waterline Repairs–(Replace Domestic Waterline/Valves & Assoc. Work)	\$506,000	\$506,000	
<b>Campus-Wide–Implement Interoperable Communications/911 Commission</b>	\$250,000		\$250,000
Campus-Wide–Install Sub-Metering in all Buildings: Gas, Electric, Domestic Hot Water, Rain Water Systems, & Replace Sidewalks at Zageir Hall	\$150,000		
Weizenblatt Hall–Replace Low Slope Roof w/New Membrane Roof	\$175,000		\$175,000
<b>118 W.T. Weaver–HVAC Replacement (Replace Major HVAC Equip./Update Controls)</b>	\$518,974		\$518,974
Campus-Wide–Replace Deteriorated/Rusted Handrails w/Aluminum	\$250,000		
Ramsey Library Emergency Generator Replacement		\$95,000	
Weizenblatt & Sherrill Center Fire Panel Upgrades		\$22,000	

**FY2022-23 MAINTENANCE REPAIR AND RENOVATION PROJECTS**

**DRAFT for Nov 2022 BOG**

**R&R Allocation: \$60M**

	Project Total per S.L. 2021-180	FY21-22 \$60M	FY22-23 \$60M
<i>Phillips Hall Exterior Lighting Replacement Asbestos Abatement, Door Reinstallation, FCU Condensate Line Repairs</i>		\$22,000	
<i>Whitesides Hall Heat Pump Replacement</i>		\$11,000	
<i>Zageir Multistack Heat Exchanger Replacement</i>		\$10,000	
<i>Zeis Hall Demumidification Filter Membrane Replacement</i>		\$9,000	
<i>Rhoades-Robinson Hall Heat Harvestor Compressor Replacement</i>		\$6,500	
<i>Ramsey Library Replace carpet and stair nosing on main staircase</i>		\$32,500	
<i>Sam Millar Overhead Door Repairs</i>		\$6,000	
<b>Sherrill Center Boiler Replacement</b>		\$100,000	\$101,026
<i>Kellogg Roof Repairs</i>		\$5,000	
<i>Zeis Vista Switch Repair</i>			\$50,000
<b>Library Lane Vista Switch Replacement</b>			\$320,000
<b>Carol Belk Roof Replacement</b>			\$250,000
<b>Zeis Hall Chiller Variable Speed Drive Repair</b>			\$10,000
<b>2022-23 Cost Escalation and Contingency Reserve</b>			\$0
<b>Total</b>	<b>\$4,299,974</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
<b>UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL</b>		<b>\$8,151,456</b>	<b>\$8,007,341</b>
462 Art Studio Bldg.–Steel Roof	\$219,772		
12 Carroll Hall–Replace Roofing/Built-Up Roof, Sector C	\$406,823	\$406,823	
209 First Dental–Replace Roofing/Slate Roof	\$565,120		
166 General Storeroom–Replace Roofing/Built-Up Roof, Sector 5	\$577,490		
625 ITS Building-Manning–Replace Roofing/Built-Up Roof	\$672,719		
27 Memorial Hall–Replace Barrel Roof	\$330,000	\$1,500,000	
226 Old Clinic–Replace Built-Up Roof	\$283,355		
5 South Building–Replace Metal Roof/Gutters & Install Fall Protection	\$927,239	\$927,239	
228 Brinkhous-Bullitt Building–Electrical Service & Distribution (Replace Main/Sub-Distribution)*	\$4,843,986	\$1,029,513	
<b>12 Carroll Hall–Repair &amp; Renovate Elevator #1618</b>	\$746,929	\$746,929	\$149,386
<b>12 Carroll Hall–Repair &amp; Renovate Elevator #6442</b>	\$464,850	\$464,850	\$92,970
41 Coastal Process Environmental Health Lab Building–System Cumulative Deficiencies	\$675,000	\$675,000	
<b>13 Davie Hall–Replace Air Handling Unit 1A, 1st Floor, 1967 Bldg.</b>	\$428,865	\$428,865	\$350,000
<b>13 Davie Hall–Replace Air Handling Unit 1B, 1st Floor, 1967 Bldg.</b>	\$169,045	\$169,045	\$150,000
3 Ackland Art Museum–Install Bldg. Automation System	\$236,625		
<b>13 Davie Hall–Replace Air Handling Unit 1C, 1st Floor, 1967 Bldg.</b>	\$225,461	\$225,461	\$200,000
<b>14 Dey Hall–Repair &amp; Renovate Elevator #4576</b>	\$407,206	\$407,206	\$81,441
369 Friday Center–Replace Heating/Cooling Air Handling Units: AHU 01/Office, 1st Floor	\$255,456		
369 Friday Center–Replace Heating/Cooling Air Handling Units: AHU 02/Mail/Book Room, 1st Floor	\$272,402		
<b>462 Art Studio Building–Install Fire Sprinkler System</b>	\$326,540	\$326,540	\$81,635
211 Brauer Hall–Fire Alarm Systems: Replace Fire Alarm Initiating Devices & Control Panel	\$565,868		
<b>13 Davie Hall-Fire Alarm Systems: Replace Fire Alarm Control Panel</b>	\$135,985	\$135,985	\$200,000
<b>498 Kenan Center -Fire Alarm Systems: Replace Initiating Devices &amp; Control Panel</b>	\$200,000	\$200,000	\$300,000
3 Ackland Art Museum–Air Handling Units: (AHU 2, Rear Galleries, Admin, 1983 Building)	\$419,748		
24 Wilson Library–Replace AHU 7 HVAC System*	\$5,086,299	\$508,000	
3 Ackland Art Museum–Replace Windows/Painted Wood Window	\$484,785		
328 Bingham Facility (Building 1)–Replace Roofing/EPDM Roof	\$225,560		
228 Brinkhous-Bullitt Building–Provide Roof Fall Protection	\$156,547		
229 Burnett-Womack Building–Provide Roof Fall Protection	\$138,419		
<b>Alumni Hall, Jackson Hall, Tarrson Hall, Koury Oral Sciences-Envelope Repair</b>			\$1,826,909
<b>Brinkhous-Bullitt, Lineberger Cancer Center, Hamilton-Elevator Repairs</b>			\$1,700,000
<b>EHS Building Roof Replacement</b>			\$625,000
<b>Campus Life Safety Phase 2 - EMCS</b>			\$1,800,000
<b>Lineberger Cancer Center and Old Clinic-Fire Alarm Replacement</b>			\$293,000
<b>2022-23 Cost Escalation and Contingency Reserve</b>			\$157,000
<b>Total</b>	<b>\$20,448,094</b>	<b>\$8,151,456</b>	<b>\$8,007,341</b>
<b>UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE</b>		<b>\$4,162,870</b>	<b>\$4,201,421</b>
Atkins–Roof	\$911,250		
Reese–Roof	\$226,100	\$226,100	
<b>Reese–Fire Systems</b>	\$773,500	\$773,500	\$126,500
<b>Memorial Hall–Fire Systems</b>	\$327,250	\$327,250	\$50,000
<b>Duke–HVAC &amp; Controls</b>	\$654,500	\$654,500	\$100,000
Friday–Roof	\$1,011,000	\$1,011,000	
<b>RUP-2–HVAC &amp; Controls</b>	\$416,500		\$481,500
King–Fire Systems & Abatement	\$729,000		
<b>Fretwell–HVAC &amp; Controls</b>	\$1,574,009		\$1,824,009
<b>Memorial Hall–Envelope</b>	\$120,311		\$140,311
<b>Memorial Hall–Roof</b>	\$188,792		\$218,792
<b>Reese–Envelope</b>	\$995,269	\$995,269	\$150,000
<b>King–Envelope</b>	\$839,459		\$400,000
Grigg–HVAC & Controls	\$561,202		
Friday–Fire Systems	\$631,072		
<b>Rowe–Elevators</b>	\$156,334		\$181,334
<b>Rowe–Electrical</b>	\$154,042	\$154,042	\$25,000
<b>Fretwell–Fire Systems</b>	\$362,670		\$417,670

**FY2022-23 MAINTENANCE REPAIR AND RENOVATION PROJECTS**

**DRAFT for Nov 2022 BOG**

**R&R Allocation: \$60M**

	Project Total per S.L. 2021-180	FY21-22 \$60M	FY22-23 \$60M
<i>2021-22 Cost Escalation and Contingency Reserve</i>		\$21,209	
<i>2022-23 Cost Escalation and Contingency Reserve</i>			\$86,305
<b>Total</b>	<b>\$10,632,260</b>	<b>\$4,162,870</b>	<b>\$4,201,421</b>
<b>UNIVERSITY OF NORTH CAROLING AT GREENSBORO</b>		<b>\$3,447,594</b>	<b>\$3,462,667</b>
Petty Bldg.–Portico Waterproofing	\$712,031	\$712,031	
MHRA Building–Fire Alarm System Replacement	\$985,327		
<b>Mossman Bldg.–Roof Replacement</b>	\$773,128	\$648,271	\$601,729
<b>Campus-Wide ADA Compliance–Restrooms/Entrances, etc.</b>	\$400,000		\$250,000
<b>UNCG State Building–Exterior Envelope Repairs</b>	\$762,000		\$762,000
Cone Art Bldg.–Replace Gallery Lighting/Light Controls, Phases 2 & 3	\$861,750	\$861,750	
Replace Generator Diesel Fuel Tank	\$839,175		
Campus-Wide–Replace Property-Line Fences/Replace Underground Piping for Roof Drainage	\$230,000		
<b>Sullivan Science Bldg.–Replace HVAC/Greenhouse</b>	\$683,434	\$683,434	\$100,000
<b>Campus-Wide–Pedestrian Crosswalks Repair &amp; Upgrade</b>	\$486,000		\$100,000
Armfield-Preyer/Visitor's Center–Exterior Renovation & Waterproofing	\$435,000	\$435,000	
Campus-Wide Walks and Hardscape Improvements	\$240,000		
Campus-Wide Asbestos & Lead Abatement	\$240,000		
Petty Bldg.–Replace EST QuickStart Fire Alarm System	\$400,000		
Sink Bldg./Maintenance Compound–Asphalt Replacement	\$140,000		
<b>Coleman Bldg.–VCT Flooring Abatement &amp; Replacement</b>	\$250,000		\$250,000
996 Spring Garden/1605 Spring Garden/535 Tate Street/2900 Oakland Ave.–Fire Alarm Upgrade	\$250,000		
Cone Arts/Lecture Hall, Room 103–Seating, Flooring, Lighting, Other Upgrades	\$187,000		
<i>2021-22 Cost Escalation and Contingency Reserve</i>		\$107,108	
<i>Additional funding for Coleman Fire Alarm Replacement</i>			\$469,640
<i>Additional funding for Steam Distribution Replacement, Phase IV-B</i>			\$884,622
<i>2022-23 Cost Escalation and Contingency Reserve</i>			\$44,676
<b>Total</b>	<b>\$8,874,845</b>	<b>\$3,447,594</b>	<b>\$3,462,667</b>
<b>UNIVERSITY OF NORTH CAROLINA PEMBROKE</b>		<b>\$2,103,128</b>	<b>\$2,060,329</b>
Campus Gas Line Replacement	\$550,000		
Jones Pool–HVAC Replacement	\$1,300,000	\$1,300,000	
<b>Livermoore &amp; Jones–Generator</b>	\$424,500		\$424,500
Honors College–Renovation	\$250,000		
Jones Auxiliary Gym/Dance Studio–Flooring/Studio Upgrades <sup>3</sup>	\$625,000	\$338,000	
<b>Education–Boiler Replacement</b>	\$110,000		\$110,000
Chavis–Air Handlers	\$390,000		
<b>Moore Hall &amp; Chavis–Boiler Replacement</b>	\$190,000		\$190,000
Lumbee Hall & Old Main–Elevator Replacement	\$465,000	\$465,000	
<b>Jones/Livermore/Lumbee/Old Main–FACP Replacement</b>	\$682,000		\$782,000
<b>Jones–Ceiling Repaint</b>	\$110,000		\$5,328
<i>2021-22 Cost Escalation and Contingency Reserve</i>		\$128	
<i>Mary Livermore Library Special Collections (Increase in funding)</i>			\$542,328
<i>2022-23 Cost Escalation and Contingency Reserve</i>			\$6,173
<b>Total</b>	<b>\$5,096,500</b>	<b>\$2,103,128</b>	<b>\$2,060,329</b>
<b>UNC SCHOOL OF THE ARTS</b>		<b>\$2,000,000</b>	<b>\$2,000,000</b>
Gray Building–New Electrical Service Main	\$256,000	\$256,000	
<b>Design and Production/Workplace/Film Building 3–Life Safety Code Correction</b>	\$134,000		\$134,000
<b>Admin/Aquarius/Facilities/D&amp;P Storage/WorkplaceWest V/Demille–Install Exit/Egress Lighting</b>	\$115,000		\$115,000
Workplace–Renovate Drama Studios	\$448,000	\$448,000	
<b>Drainage &amp; Landscape Improvements/Common Area at Moore &amp; Sanford</b>	\$397,000		\$311,000
Workplace–Renovate Drama Administrative Offices	\$323,000	\$323,000	
<b>Facilities Management–Install Shop Exhaust &amp; Heating System</b>	\$95,000		\$95,000
<b>Gray Building–Remove Boilers</b>	\$123,000		\$123,000
Film School, Buildings 1 & 2–Repair & Replace Windows	\$202,000	\$202,000	
Film Archives Building–A/C & Controls	\$485,000	\$485,000	
<b>Performance Place, Film 2–Provide Heating/Cooling to Control Booth and Foley Booth</b>	\$87,000		\$87,000
<b>Gray Building–Modifications to Heating/Ventilation/AC System for Police</b>	\$101,000		\$101,000
<b>Film School–Paint Rooftop Components</b>	\$81,000		\$81,000
<b>Facilities Management–Resurface Drives/Vehicle Staging</b>	\$75,000		\$75,000
<b>Design &amp; Production–Renovate Administrative/Faculty Offices</b>	\$162,000		\$162,000
<b>Design &amp; Production–Mechanical System Retrocommissioning</b>	\$134,000		\$134,000
<b>Campus-Wide ADA/Misc. Improvements</b>	\$39,000		\$39,000
Chapel St. Buildings–Roof Replacement	\$34,000		
<b>300 Waightown–Exterior Waterproofing &amp; Repairs</b>	\$73,000		\$73,000
Film School, Building 3–Theater Dimmers	\$232,000	\$232,000	
<b>Hanes Student Commons–Motor Control Center</b>	\$150,000		\$150,000
<b>Commons Building–Upgrade Air Distribution &amp; Controls</b>	\$93,000		\$93,000
<b>Commons–Partial Interior Renovation</b>	\$75,000		\$75,000
<b>Residence Halls A-F–Replace Floor Slabs, Sidewalks, &amp; Stairs</b>	\$118,000		\$118,000
<i>Improvements to meet ADA</i>		\$54,000	
<i>University Housing Repair</i>			\$34,000
<i>2022-23 Cost Escalation and Contingency Reserve</i>			\$0

**FY2022-23 MAINTENANCE REPAIR AND RENOVATION PROJECTS**

**DRAFT for Nov 2022 BOG**

**R&R Allocation: \$60M**

	Project Total per S.L. 2021-180	FY21-22 \$60M	FY22-23 \$60M
<b>Total</b>	<b>\$4,032,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
<b>UNIVERSITY OF NORTH CAROLINA WILMINGTON</b>		<b>\$2,949,049</b>	<b>\$2,958,745</b>
West Side Energy Plant Modernization*	\$3,926,440	\$2,949,049	\$977,391
Wagoner/Hurst/Hamilton Roadways—Storm Water Refurbishment	\$2,500,000		\$1,361,354
Warehouse/Receiving—Replace Fire Alarm System	\$161,000		
Telecommunications—Replace Fire Alarm System	\$62,000		
Kenan Auditorium—Fire/Life Safety Improvements	\$75,000		
Isaac Bear Bldg.—Fire Sprinkler	\$410,000		
Alderman Hall—Replace Windows	\$280,000		\$620,000
2022-23 Cost Escalation and Contingency Reserve			\$0
<b>Total</b>	<b>\$7,414,440</b>	<b>\$2,949,049</b>	<b>\$2,958,745</b>
<b>WESTERN CAROLINA UNIVERSITY</b>		<b>\$2,355,889</b>	<b>\$2,382,997</b>
HFR Building—Roof Replacement	\$660,000	\$660,000	\$1,000,000
Campus-Wide Fire Alarm System Upgrades*	\$300,000	\$150,000	\$150,000
Reid Building—Gym Floor Replacement	\$275,000	\$275,000	
Undersized Water Main Replacements/Non-Functioning Valves/Upgrade Lines*	\$3,000,000	\$1,000,000	
Facilities Management Building—Roof Replacement	\$193,000		
Highlands Biological Station—Structural Repairs	\$250,000		\$250,000
Ramsey Activities Center—Elevator Replacement	\$250,000	\$250,000	
HFR Building—Chiller Replacement	\$200,000		\$503,886
Old Student Union—Foundation & Exterior Repair	\$450,000		
Hunter Library—Cooling Tower Replacement	\$175,000		\$500,000
Campus-Wide Egress Lighting/Exit Light Replacement	\$100,000		
2021-22 Cost Escalation and Contingency Reserve (allocated to HFR Building-Chiller Replacement)		\$20,889	
2022-23 Cost Escalation and Contingency Reserve			\$0
<b>Total</b>	<b>\$5,853,000</b>	<b>\$2,355,889</b>	<b>\$2,403,886</b>
<b>WINSTON-SALEM STATE UNIVERSITY</b>		<b>\$2,000,000</b>	<b>\$2,000,000</b>
Computer Science—Roof Repair	\$120,000	\$120,000	
Gaines Complex—Roof Replacement	\$660,000	\$160,000	\$500,000
Computer Science—Exterior Wall Repairs	\$110,000	\$110,000	
W.B. Atkinson—Exterior Wall Repairs	\$125,000	\$125,000	
Elva Jones Computer Science—HVAC Upgrades/BAS Controls Replacement	\$1,450,000		\$500,000
O’Kelly Library—Upgrade HVAC Make-Up Air System	\$375,000	\$375,000	
1600 Lowery St.—Add Fire Alarm System	\$125,000	\$125,000	
Campus-Wide Fire Alarm System Upgrades	\$750,000		\$750,000
R.J. Reynolds—Roof Replacement	\$205,000	\$205,000	
Coltrane Hall—Exterior Wall Repairs/Door & Window Replacement	\$275,000	\$275,000	
O’Kelly Library—Upgrade Electrical System	\$250,000		\$255,000
Coltrane Hall Roof Replacement		\$500,000	
2021-22 Cost Escalation and Contingency Reserve (allocated to O’Kelly Library-Upgrade Electrical System)		\$5,000	
2022-23 Cost Escalation and Contingency Reserve			\$0
<b>Total</b>	<b>\$4,445,000</b>	<b>\$2,000,000</b>	<b>\$2,005,000</b>
<b>SYSTEM OFFICE</b>		<b>\$1,500,000</b>	<b>\$1,500,000</b>
<b>PBS-NC</b>			
Replace underground supply and return piping for Main Building		\$130,000	
Halon System replacement/abatement			\$306,875
PBS NC Physical Security Improvements			\$253,000
<b>Total</b>	<b>\$0</b>	<b>\$130,000</b>	<b>\$559,875</b>
<b>NORTH CAROLINA ARBORETUM</b>			
Replace Operations Center Roof		\$200,000	
Baker Visitor Center Heat Pump Replacement		\$70,000	
Baker Visitor Center Heat Pump Renovation		\$200,000	
Fire Alarm System Replacement		\$150,000	
Replace Education Center Roof			\$520,000
<b>Total</b>	<b>\$0</b>	<b>\$620,000</b>	<b>\$520,000</b>
UNC System 2022-23 Cost Escalation and Contingency Reserve		\$749,999	\$420,125
<b>TOTAL OF FY2022-23 MINOR R&amp;R PROJECTS</b>	<b>\$135,707,433</b>	<b>\$60,000,000</b>	<b>\$60,000,000</b>
<b>ALLOCATION OF FY21-22 COST ESCALATION AND CONTINGENCY RESERVE</b>			<b>\$25,889</b>
<b>GRAND TOTAL OF FY2022-23 MINOR R&amp;R PROJECTS INCLUDING CONTINGENCY RESERVE</b>			<b>\$60,025,889</b>

**LEGEND**

Project has been completed.

\* Project will be phased over multiple years.

\*\* Project will be completed with other funding.

**ADDITIONAL NOTES**

<sup>1</sup> NC State has combined the following projects into a single project: Research Building III—HVAC Upgrades 1, Research Building I—AHU Replacement, and Research Building IV—HVAC Upgrade.

<sup>2</sup> NC State has combined the following projects into a single project: Morrill Drive Domestic Water Line Replacement and Campus-Wide Domestic Water

<sup>3</sup> UNC Pembroke has completed the Jones Auxiliary Gym project. 2021-22 R&R funding will complete the project.



## AGENDA ITEM

A-6. State Capital and Infrastructure Fund (SCIF) Program Update ..... Ms. Lynn

**Situation:** The 2021 Appropriations Act (S.L. 2021-180) authorized repairs and renovations (R&R) projects totaling \$978,877,433 and appropriated \$250 million from the State Capital and Infrastructure Fund (SCIF) for each fiscal year of the 2021-23 biennium. In this legislation, the General Assembly also stated its intent to appropriate \$250 million for each fiscal year of the 2023-25 and 2025-27 biennia. While the Act includes the specific projects to be funded from the R&R funding, the Board of Governors of the University of North Carolina System determines the allocation of the funds to the institutions.

**Background:** To date the Board of Governors has allocated SCIF funds for the following purposes:

	FY 2022	FY 2023
Minor R&R projects	\$60,000,000	\$60,000,000
Major R&R project design	\$72,967,000	
Dabney Hall and Polk Hall (NC State) as required by Section 40.1.(c2)	\$40,000,000	\$30,000,000
Major R&R project construction	\$77,033,000	\$42,538,596
<b>Total</b>	<b>\$250,000,000</b>	<b>\$132,583,596</b>
Balance to be allocated by end of FY	\$0	\$117,416,404

**Assessment:** The committee will receive an update on the status of the projects funded by the SCIF R&R program.

**Action:** This item is for information only.

# UNC SCIF CAPITAL PROGRAM

*Committee on Budget and Finance*

*November 16, 2022*

## *FY 2021-23 Capital R&R Appropriations*

S.L. 2021-180, Section 40.1	Total Authorized	FY 2022	FY 2023
Repairs and Renovations (R&R) projects	\$978.9 m	\$250.0 m	\$250.0 m

- **Major R&R/Comprehensive Modernization Projects**

- Typically, a multi-year project including the major repair or replacement of one or more major building systems (electrical, HVAC, fire alarm, elevators, restrooms, etc.); some projects are complete renovations that involve extensive demolition and reconfiguration of existing spaces.
- 87 Major R&R/Comprehensive Modernization projects (\$843.2 m)

- **Maintenance R&R Projects**

- Typically, a minor repair or replacement of one or more building systems that maintains the operation of the existing building and can be completed in a single year.
- 309 Maintenance R&R projects (\$135.7 m)

# UNC SCIF Allocations

The Board of Governors has allocated SCIF funds for the following purposes:

	FY2022	FY2023
Minor R&R projects	\$60,000,000	\$60,000,000
Major R&R projects design	\$72,967,000	–
Dabney Hall and Polk Hall (NCSU) as required by Section 40.1.(c2)	\$40,000,000	\$30,000,000
Major R&R project construction	\$77,033,000	\$42,538,596
<b>Total</b>	<b>\$250,000,000</b>	<b>\$132,538,596</b>
Balance to be allocated by end of FY	\$0	\$117,461,404

# UNC SCIF R&R Construction Pipeline

PROJECTS UNDER CONSTRUCTION OR STARTING CONSTRUCTION FY22-23							
Campus	Project Name	Total Project Budget	Est. Construction Duration (days)	Est. Construction Start Date	Est. Completion Date	FY21-22	FY22-23
ASU	Wey Hall Envelope, Roof Repair, and Partial Renovation - Building Systems	\$15,000,000	570	1/23/2023	7/16/2024	\$1,500,000	\$3,248,669
ECSU	Campus-wide Lockdown System	\$2,000,000	30	10/1/2022	10/31/2022	\$200,000	\$1,800,000
ECSU	Building Demolition (4 Buildings)	\$1,500,000	37	9/22/2022	10/31/2023	\$150,000	\$1,350,000
FSU	Lyons Science Renovation	\$1,500,000	457	4/1/2022	7/2/2023	\$1,500,000	
UNCW	Randall Library Renovation & Expansion	\$56,000,000	720	6/22/2022	6/23/2024	\$8,425,000	\$25,727,790
<b>TOTAL</b>		<b>\$76,000,000</b>				<b>\$11,775,000</b>	<b>\$32,126,453</b>

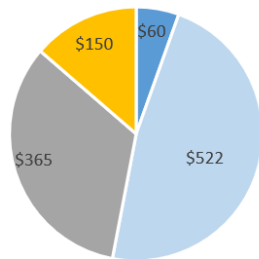
POTENTIAL PROJECTS STARTING CONSTRUCTION FY23 AND FY24							
Campus	Project Name	Total Project Budget	Est. Construction Duration (days)	Est. Construction Start Date	Est. Completion Date	FY21-22	FY22-23
NCSU	Mann Hall - HVAC and Plumbing Renovations	\$10,000,000	365	11/22/2022	TBD		\$1,000,000
UNCG	Campus Chiller Water Infrastructure & Equip Improvements	\$10,400,000	300	1/1/2023	10/31/2023	\$1,040,000	
ECSU	Butler Residence Hall Renovations	\$2,500,000	365	6/1/2023	6/1/2024	\$250,000	
UNCC	Burson Renovation	\$25,900,000	365	6/12/2023	7/1/2024	\$2,590,000	
ASU	Duncan Hall Renovation	\$20,000,000	540	6/23/2023		\$2,000,000	
ECU	Health Science Building Envelope Infiltration Repairs	\$5,000,000		7/1/2023		\$5,000,000	
WCU	Moore Building-Abatement, Demo, Struct. Improvements, Infrastructure, Accessibility, and Renovation	\$26,300,000	395	7/1/2023	8/1/2024	\$2,630,000	
ECU	Speight Building Roof, Window, & Envelope Replacement	\$4,000,000	590	10/1/2023	4/30/2025	\$400,000	
NCCU	Lee Biology Renovation	\$8,100,000	365	10/1/2023	10/1/2024	\$810,000	
NCCU	Taylor Education Building Renovation	\$13,750,000	395	11/1/2023	12/31/2024	\$1,375,000	
UNC-CH	Wilson Library-1953 Central HVAC (AHU 1, 2, & 3) and Means of Egress	\$20,300,000	545	12/1/2023	4/1/2025	\$2,030,000	
UNC-CH	Swain Hall-Targeted Renovation	\$5,800,000	545	12/1/2023	4/1/2025	\$580,000	
UNC-SA	Stevens Center-Roof/Water Intrusion, Building Envelope, Phase I Renovation	\$29,800,000	545	1/8/2024	7/6/2025	\$2,980,000	
<b>TOTAL</b>		<b>\$181,850,000</b>				<b>\$22,685,000</b>	

## *SCIF Projects Status*

- **Named Capital Projects: 23 projects (\$1.096 B)**
  - 1 Under Construction - \$150 m (14%)
  - 8 Under Design - \$365.4 m (33%)
  - 9 Advertised for Designer - \$521.5 m (48%)
- **Major R&R/Comprehensive Renovation: 87 projects (\$834.9 m)**
  - 4 Under Construction - \$61 m (7%)
  - 21 Under Design - \$119 m (14%)
  - 47 Advertised for Designer - \$523.4 m (63%)
- **Maintenance R&R: 309 projects (\$135.7 m)**
  - In FY2022, the Board approved 127 maintenance projects
  - In FY2023, approval is requested for 104 maintenance projects, including 31 new projects, and funding increases for 35 maintenance projects

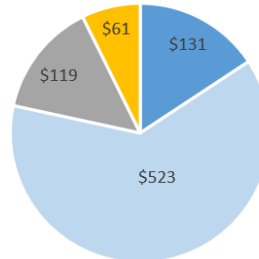
## *SCIF Projects Status*

**Named Projects**  
(Estimated project costs in millions)



■ Not Started      ■ Design Advertised  
■ Under Design      ■ Under Construction

**Major R&R Projects**  
(Estimated project costs in millions)



■ Not Started      ■ Design Advertised  
■ Under Design      ■ Under Construction



## ***Construction Issues***

- **Continuing supply chain issues**
  - Materials and equipment are in short supply and have extremely long lead times (electrical/mechanical equipment, roofing)
  - Materials hard to find; lead times of 52-70 weeks
- **Construction labor shortage**
  - Difficult to obtain bids, especially for electrical and mechanical work; bids not competitive
  - Resistance to hold bids due to market volatility
- **Inflationary Market**
  - Cost increases far outpace 5% annual escalation factor (1%/month)
  - Bids 30% - 100% over budget; limited ability to descope projects, especially smaller projects
- **University Project Management**
  - Difficult to fill vacancies due to highly competitive labor market; inability to match salaries of private sector
  - Loss of staff and experience due to retirement and separations; surge in capital projects increases the workload on remaining staff



## AGENDA ITEM

A-7. Capital Improvement Projects – NC State University, University of North Carolina at Chapel Hill, and University of North Carolina at Charlotte ..... Ms. Lynn

**Situation:** University of North Carolina at Chapel Hill and University of North Carolina at Charlotte have requested new authorizations for three capital improvement projects, and NC State University has requested increased authorization for four capital improvement projects.

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

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

**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 – North Carolina State University, University of North Carolina at Chapel Hill, and University of North Carolina at Charlotte

## ISSUE OVERVIEW

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

Three UNC System institutions have requested seven capital improvement projects: three new projects and four projects for increased authorization.

## I. NEW PROJECTS

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
<b>University of North Carolina at Chapel Hill</b>					
1.	Davis Library Café	\$3,500,000	\$0	\$3,500,000	Dining Receipts
<i>UNC-Chapel Hill Subtotal</i>		<i>\$3,500,000</i>	<i>\$0</i>	<i>\$3,500,000</i>	
<b>University of North Carolina at Charlotte</b>					
2.	Cameron Roof and Windows Replacement	\$2,500,000	\$0	\$2,500,000	Carry-forward
3.	Roof Replacements - Multiple Buildings	\$2,300,000	\$0	\$2,300,000	Carry-forward
<i>UNCC Subtotal</i>		<i>\$4,800,000</i>	<i>\$0</i>	<i>\$4,800,000</i>	
<b>Grand Total</b>		<b>\$8,300,000</b>	<b>\$0</b>	<b>\$8,300,000</b>	

## II. INCREASED AUTHORIZATION

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
<b>NC State University</b>					
4.	Brooks Hall Renovation – Phase 1	\$2,495,324	\$1,875,000	\$620,324	SCIF (75.1%)/ F&A (21.2%)/ R&R (3.7%)
5.	Centennial Campus Plaza	\$2,550,000	\$2,000,000	\$550,000	Donations and Gifts
6.	Structural Repairs – Mann Hall	\$8,000,000	\$7,000,000	\$1,000,000	Carry-forward (50%)/ F&A (50%)
7.	Women’s Basketball Locker Room Renovation - Reynolds	\$1,000,000	\$500,000	\$500,000	Athletic Receipts
<i>NC State Subtotal</i>		<i>\$14,045,324</i>	<i>\$11,375,000</i>	<i>\$2,670,324</i>	
<b>Grand Total</b>		<b>\$14,045,324</b>	<b>\$11,375,000</b>	<b>\$2,670,324</b>	

**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.

**III. REPORTING**

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

Institution/Project Title	Amount	Fund Source	R&R Category
<b>University of North Carolina at Charlotte</b>			
1.	Hickory Residence Hall Repairs	\$430,000	Housing Trust Funds (4) Repairs to or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems