

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

REVISED

BILL NUMBER: Senate Bill 786 (First Edition)

SHORT TITLE: University Nonappropriated Capital Projects.

SPONSOR(S): Senator Stevens

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
REVENUES					
EXPENDITURES					
General Fund	\$0	\$110,233	\$244,326	\$248,553	\$252,927
POSITIONS (cumulative):		1.4	2.8	2.8	2.8
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: University of North Carolina System					
EFFECTIVE DATE: When the bill becomes law					

BILL SUMMARY:

March 24, 2009

S 786. UNIVERSITY NON-APPROPRIATED CAPITAL PROJECTS. Filed 03/24/09. TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING, WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN CAPITAL IMPROVEMENT PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

Section 1: Authorizes the construction or acquisition of the following capital improvement projects by certain constituent institutions of The University of North Carolina and authorizes their financing with funds available to the institutions from gifts, grants, receipts, self-liquidating indebtedness, or other funds or a combination of these funds, but not including funds received from tuition or appropriations from the General Fund.

Section 2: New Projects

Appalachian State University	
Cone Residence Hall Renovation	\$12,085,300
Kidd Brewer Stadium Improvements	19,068,000
East Carolina University	
Dining Facilities Improvements	1,400,000
Residence Halls Improvements and Expansion	11,000,000
North Carolina Central University	
Student Facilities Improvements	11,500,00
Elizabeth City State University	
Residence Hall Fire Suppression Sprinkler System Installations	1,115,600
North Carolina A&T State University	
Graduate Engineering Center	4,100,000
North Carolina State University	
West Lot Parking Deck	21,850,000
Centennial Campus Enterprise Services Building	3,600,000
Athletic Facilities Renovations and Expansion	11,500,000
Dining Facilities Improvements	5,000,000
NC State Creamery Building	4,100,000
Carmichael Complex Improvements	7,400,000
The University of North Carolina at Chapel Hill	
Residential Hall Fire Suppression Sprinkler System Installation	7,266,000
Carolina Inn Renovation	10,000,000
Dean Smith Student Activity Center Renovation and Expansion	7,500,000
The University of North Carolina at Charlotte	
Parking Facilities Expansion	5,000,000
Partnership, Outreach, and Research for Accelerated Learning Building	35,000,000
The University of North Carolina at Greensboro	
Guilford and Mary Foust Residence Hall Renovations	4,527,000
The University of North Carolina at Pembroke	
West Hall Replacement	36,331,300
The University of North Carolina at Wilmington	
Dining Facilities Renovations and Expansion	5,000,000
Western Carolina University	
Bookstore Renovation	2,048,300

Section 3: At the request of the Board of Governors of The University of North Carolina, the Director of the Budget may authorize specified changes.

Section 4: Pursuant to G.S. 116D-26, the Board of Governors may, subject to the approval of the Director of the Budget, issue special obligation bonds of the Board of Governors for some projects.

Section 5: With regards to the Appalachian State University Kidd Brewer Stadium Improvements capital project, the institution is permitted to complete the project through an agreement with the ASU Foundation, Inc.

Section 6: With regards to the University of North Carolina at Pembroke West Hall Replacement project the institution is permitted to complete the project through an agreement with the UNCP Foundation, Inc.

ASSUMPTIONS AND METHODOLOGY:

Part I. Self-Liquidating Projects and Planning

(Financial data for these charts was provided by the Division of Finance, University of North Carolina General Administration.)

Chart 1 reports the source of funding, effect of additional debt on students, and operating costs associated with each of the 21 capital improvement projects for a total of \$214,891,500. Additional operating cost expenditures have been projected for the first year, and the amount of operating costs supported by the General Fund has been indicated. Operating costs that are supported by the General Fund are associated with buildings that have an academic mission.

Chart 1: Self-Liquidating Capital Improvement Projects

Campus	Project	Amount	Source of Capital Funds	Effect of Debt on Students	Increase in Annual Operating Costs (1st year)	General Fund Support of Operating Costs (1st year)
ASU	Cone Residence Hall Renovation	12,085,300	Housing Receipts; 2008 Appropriations		\$184,482	
ASU	Kidd Brewer Stadium Improvements	19,068,000	Gifts; Athletic Receipts		403,617	
ECU	Dining Facilities Improvements	1,400,000	Dining Receipts		45,610	
ECU	Residence Halls Improvements and Expansion	11,000,000	Housing Receipts; 2008 Appropriations			
ECSU	Residence Hall Fire Suppression Sprinkler System Installations	1,115,600	Housing Receipts; 2008 Appropriations			
NC A&T	Graduate Engineering Center	4,100,000	Federal Title III Grant		132,054	\$132,054
NCSU	West Lot Parking Deck	21,850,000	Parking Receipts		61,272	

Campus	Project	Amount	Source of Capital Funds	Effect of Debt on Students	Increase in Annual Operating Costs (1st year)	General Fund Support of Operating Costs (1st year)
NCSU	Centennial Campus Enterprise Services Building	3,600,000	Centennial Campus Receipts		127,237	
NCSU	Athletic Facilities Renovations and Expansion	11,500,000	Student Debt Service Fee; Receipts	\$30		
NCSU	Dining Facilities Improvements	5,000,000	Dining Receipts			
NCSU	NC State Creamery Building	4,100,000	Gifts; Creamery Receipts		183,721	110,233
NCSU	Carmichael Complex Improvements	7,400,000	Student Debt Service Fee	23		
UNC-CH	Residential Hall Fire Suppression Sprinkler System Installation	7,266,000	Housing Receipts; 2008 Appropriations			
UNC-CH	Carolina Inn Renovation	10,000,000	Inn Receipts		57,353	
UNC-CH	Dean Smith Student Activity Center Renovation and Expansion	7,500,000	Athletic Receipts		79,144	
UNCC	Parking Facilities Expansion	5,000,000	Parking Receipts			
UNCC	Partnership, Outreach, and Research for Accelerated Learning Building	35,000,000	Facilities and Administrative Receipts		1,747,676	
UNCG	Guilford and Mary Foust Residence Hall Renovations	4,527,000	Housing Receipts			
UNCP	West Hall Replacement	36,331,300	Housing Receipts		780,160	
UNCW	Dining Facilities Renovations and Expansion	5,000,000	Dining Receipts		115,010	
UNCW	Bookstore Renovation	2,048,300	Bookstore Receipts		101,487	

Total Costs:

Cost of new capital improvement projects: \$ 214,891,500

Indebtedness Funding Methods:

Chart 2 summarizes the total debt authority proposed by Senate Bill 786 and the source of funds identified to service the proposed debt (planning projects are not included):

Chart 2: Funding Sources for Full Projects

Parking Receipts	\$22,670,000
Debt Service Fees	18,900,000
Housing and Dining Receipts	74,794,300
Facilities and Administrative Receipts	35,000,000
Athletic Receipts	22,500,000
Centennial Campus Receipts	3,600,000
Bookstore and Creamery Receipts	5,648,300
Total	\$ 183,112,600

Five-year Total General Fund Operating Expenditures

The General Fund’s support of operating expenditures has been totaled for the next five fiscal years.

<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
\$0	\$110,233	\$244,326	\$248,553	\$252,927

The University of North Carolina General Administration provided the first full year’s impact to the General Fund for each project. The anticipated recurring General Fund impacts are as follows:

- North Carolina Agricultural and Technical State University Graduate Engineering Center - \$132,054
- North Carolina State University Creamery Building - \$110,233

The full year’s impact was assigned to the fiscal year that the campus is expected to complete construction. The General Fund impact is then inflated according to the Fiscal Research Division Fiscal Note Preparation Manual

SOURCES OF DATA: University of North Carolina General Administration

TECHNICAL CONSIDERATIONS: None

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DATE: August 6, 2009



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