

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 749

Short Title: UNC Professors Endowment Fund.

(Public)

Sponsors: Senator Rand.

Referred to: Education/Higher Education.

March 22, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE ALLOCATION OF FUNDS AND CONTRIBUTION
3 COMMITMENTS FOR THE DISTINGUISHED PROFESSOR ENDOWMENT
4 TRUST FUND AND THE SUM REQUIRED TO ESTABLISH AN ENDOWED
5 CHAIR.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 116-41.15 reads as rewritten:

8 "§ 116-41.15. Distinguished Professors Endowment Trust Fund; allocation;
9 administration.

10 (a) For constituent institutions other than focused growth institutions and special
11 needs institutions, the amount appropriated to the trust shall be allocated by the Board
12 as follows:

- 13 (1) On the basis of one three hundred thirty-four thousand dollar
14 (\$334,000) challenge grant for each six hundred sixty-six thousand
15 dollars (\$666,000) raised from private sources; or
16 (2) On the basis of one hundred sixty-seven thousand dollar (\$167,000)
17 challenge grant for each three hundred thirty-three thousand dollars
18 (\$333,000) raised from private sources; or
19 (3) On the basis of one challenge grant of up to one million dollars
20 (\$1,000,000) for funds raised from private sources in twice the amount
21 of the challenge grant.

22 If an institution chooses to pursue the use of the allocated challenge grant funds
23 described in either subdivision ~~(1)~~(1), ~~or~~ subdivision ~~(2)~~(2), or subdivision (3) of this
24 subsection, the challenge grant funds shall be matched by funds from private sources on
25 a two-to-one basis: the basis of two dollars (\$2.00) of private funds for every one dollar
26 (\$1.00) of State funds.

27 (b) For focused growth institutions and special needs institutions, the amount
28 appropriated to the trust shall be allocated by the Board as follows:

- 1 (1) On the basis of one five hundred thousand dollar (\$500,000) challenge
2 grant for each five hundred thousand dollars (\$500,000) raised from
3 private sources; or
4 (2) On the basis of one two hundred fifty thousand dollar (\$250,000)
5 challenge grant for each two hundred fifty thousand dollars (\$250,000)
6 raised from private sources; ~~or If an institution chooses to~~
7 ~~pursue the use of the allocated challenge grant funds described in~~
8 ~~either subdivision (1) or subdivision (2) of this subsection, the funds~~
9 ~~shall be matched on a one to one basis.~~
10 (3) On the basis of one challenge grant of up to one million five hundred
11 thousand dollars (\$1,500,000) for funds raised from private sources in
12 the same amount as the challenge grant.

13 If an institution chooses to pursue the use of the allocated challenge grant funds
14 described in either subdivision (1), subdivision (2), or subdivision (3) of this subsection,
15 the challenge grant funds shall be matched by funds from private sources on the basis of
16 one dollar (\$1.00) of private funds for every one dollar (\$1.00) of State funds.

17 (c) Matching funds shall come from contributions made after July 1, 1985, and
18 pledged for the purposes specified by G.S. 116-41.14. Each participating constituent
19 institution's board of trustees shall establish its own Distinguished Professors
20 Endowment Trust Fund, and shall maintain it pursuant to the provision of G.S. 116-36
21 to function as a depository for private contributions and for the State matching funds for
22 the challenge grants. The State matching funds shall be transferred to the constituent
23 institution's Endowment Fund upon notification that the institution has received and
24 deposited the appropriate amount required by this section in its own Distinguished
25 Professors Endowment Trust Fund. Only the net income from that account shall be
26 expended in support of the distinguished professorship thereby created."

27 **SECTION 2.** G.S. 116-41.16 reads as rewritten:

28 "**§ 116-41.16. Distinguished Professors Endowment Trust Fund; contribution**
29 **commitments.**

30 (a) For constituent institutions other than focused growth institutions and special
31 needs institutions, contributions may also be eligible for matching if there is:

- 32 (1) A commitment to make a donation of at least six hundred sixty-six
33 thousand dollars (\$666,000), as prescribed by G.S. 143-31.4, and an
34 initial payment of one hundred eleven thousand dollars (\$111,000) to
35 receive a grant described in G.S. 116-41.15(a)(1); or
36 (2) A commitment to make a donation of at least three hundred
37 thirty-three thousand dollars (\$333,000), as prescribed by
38 G.S. 143-31.4, and an initial payment of fifty-five thousand five
39 hundred dollars (\$55,500) to receive a grant described in
40 G.S. 116-41.15(a)(2); ~~or and if the initial payment is accompanied by a~~
41 ~~written pledge to provide the balance within five years after the date of~~
42 ~~the initial payment. Each payment on the balance shall be no less than~~
43 ~~the amount of the initial payment and shall be made on or before the~~
44 ~~anniversary date of the initial payment. Pledged contributions may not~~

1 be matched prior to the actual collection of the total funds. Once the
2 income from the institution's Distinguished Professors Endowment
3 Trust Fund can be effectively used pursuant to G.S. 116-41.17, the
4 institution shall proceed to implement plans for establishing an
5 endowed chair.

- 6 (3) A commitment to make a donation in excess of six hundred sixty-six
7 thousand dollars (\$666,000), as prescribed by G.S. 143-31.4, and an
8 initial payment of one-sixth of the committed amount to receive a
9 grant described in G.S. 116-41.15(a)(3);

10 and if the initial payment is accompanied by a written pledge to provide the balance
11 within five years after the date of the initial payment. Each payment on the balance shall
12 be no less than the amount of the initial payment and shall be made on or before the
13 anniversary date of the initial payment. Pledged contributions may not be matched prior
14 to the actual collection of the total funds. Once the income from the institution's
15 Distinguished Professors Endowment Trust Fund can be effectively used pursuant to
16 G.S. 116-41.17, the institution shall proceed to implement plans for establishing an
17 endowed chair.

18 (b) For focused growth institutions and special needs institutions, contributions
19 may also be eligible for matching if there is:

- 20 (1) A commitment to make a donation of at least five hundred thousand
21 dollars (\$500,000), as prescribed by G.S. 143-31.4, and an initial
22 payment of eighty-three thousand three hundred dollars (\$83,300) to
23 receive a grant described in G.S. 116-41.5(b)(1); or

- 24 (2) A commitment to make a donation of at least two hundred fifty
25 thousand dollars (\$250,000), as prescribed by G.S. 143-31.4, and an
26 initial payment of forty-one thousand six hundred dollars (\$41,600) to
27 receive a grant described in G.S. 116-41.15(b)(2); ~~and if the initial~~
28 ~~payment is accompanied by a written pledge to provide the balance~~
29 ~~within five years after the date of the initial payment. Each payment on~~
30 ~~the balance shall be no less than the amount of the initial payment.~~
31 ~~Pledged contributions may not be matched prior to the actual~~
32 ~~collection of the total funds. Once the income from the institution's~~
33 ~~Distinguished Professors Endowment Trust Fund can be effectively~~
34 ~~used pursuant to G.S. 116-41.17, the institution shall proceed to~~
35 ~~implement plans for establishing an endowed chair.~~

- 36 (3) A commitment to make a donation in excess of five hundred thousand
37 dollars (\$500,000), as prescribed by G.S. 143-31.4, and an initial
38 payment of one-sixth of the committed amount to receive a grant
39 described in G.S. 116-41.15(b)(3);

40 and if the initial payment is accompanied by a written pledge to provide the balance
41 within five years after the date of the initial payment. Each payment on the balance shall
42 be no less than the amount of the initial payment. Pledged contributions may not be
43 matched prior to the actual collection of the total funds. Once the income from the
44 institution's Distinguished Professors Endowment Trust Fund can be effectively used

1 pursuant to G.S. 116-41.17, the institution shall proceed to implement plans for
2 establishing an endowed chair."

3 **SECTION 3.** G.S. 116-41.17 reads as rewritten:

4 "**§ 116-41.17. Distinguished Professors Endowment Trust Fund; establishment of**
5 **chairs.**

6 When the sum of the challenge grant and matching funds in the ~~Scholars'~~
7 Distinguished Professors Endowment Trust Fund reaches:

8 (1) One million dollars (\$1,000,000), if the sum of funds described in
9 G.S. ~~116-41.15(1); or~~ 116-41.15(a)(1) or G.S. 116-41.15(b)(1); or

10 (2) Five hundred thousand dollars (\$500,000), if the sum of funds
11 described in G.S. ~~116-41.15(2);~~ 116-41.15(a)(2) _____ or
12 G.S. 116-41.15(b)(2); or

13 (3) An amount up to three million dollars (\$3,000,000), if the sum of
14 funds described in G.S. 116-41.15(a)(3) or G.S. 116-41.15(b)(3);

15 the board of trustees may recommend to the Board, for its approval, the establishment of
16 an endowed chair or chairs. The Board, in considering whether to approve the
17 recommendation, shall include in its consideration the programs already existing in The
18 University of North Carolina. If the Board approves the recommendation, the chair or
19 chairs shall be established. The chair or chairs, the property of the constituent
20 institution, may be named in honor of a donor, benefactor, or honoree of the institution,
21 at the option of the board of trustees."

22 **SECTION 4.** This act is effective when it becomes law.