

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE
REVISED NOTE

BILL NUMBER: HB 1726 (Revised First Edition)

SHORT TITLE: UNC Nonappropriated Capital

SPONSOR(S): Representative Allen

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	(\$million)				
	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>
REVENUES					
EXPENDITURES					
General Fund	.05	1.1	2.3	10.9	10.2
POSITIONS*	3	22	50	167	167
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: University of North Carolina General Administration					
EFFECTIVE DATE: This act is effective when it becomes law.					
* General Fund position totals are cumulative.					

BILL SUMMARY: The bill authorizes the construction and financing, without appropriations from the General Fund, of capital improvement projects of the constituent institutions of the University of North Carolina.

ASSUMPTIONS AND METHODOLOGY: The chart on the following pages was compiled with the assistance of the Associate Vice President for Finance for the UNC Office of the President. The chart shows the cost to construct and operate the proposed campus buildings and the source of funds for each facility. All projects are scheduled to begin construction in 2003 and have been approved by the Boards of Trustees of the campuses and the UNC Board of Governors. The effect of the bond debt on students is also shown.

The seven projects in Section 3 of the bill were previously authorized by the 2000 General Assembly as part of the \$3.1 billion bond program in SB 912 (S.L. 2000, Chapter 3). These projects have received the following General Obligation bond funding:

	GO Bonds	HB 1726
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	<u>Authorized</u>	<u>Amount</u>
North Carolina State University		
College of Engineering		
Phase I	\$32,806,500	
Phase II	\$46,565,200	\$8,000,000
CVM Research Lab Building	\$20,180,000	\$14,584,000
Centennial Campus		
Research Lab Space Phase I	\$18,900,000	\$4,064,000
The University of North Carolina at Chapel Hill		
Carrington Hall Addition	\$10,082,100	\$2,077,900
Science Complex Phase I	\$55,012,500	\$18,037,500
Science Complex Phase II	\$33,437,500	
The University of North Carolina at Pembroke		
Auxiliary Services Complex and Student Bookstore	\$2,696,000	\$1,500,000
The University of North Carolina at Wilmington		
Westside Building Expansion	\$2,687,300	\$3,000,000
TOTAL	\$222,367,100	\$51,263,400

Eight projects in the bill will require a General Fund appropriation to fund annual operating expenses. UNC-Chapel Hill's School of Medicine Research Facilities is the first to require operating money in FY 2002-03. Three more facilities require General Fund support in FY 2003-04, two more in FY 2004-05, and two more in FY 2005-06. The average operating cost for these eight buildings is \$11.9 million over the next twenty years.

Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operative Costs
Section 2						
Appalachian State University	Residence Halls Comprehensive Renovations	\$12,000,000	Housing Receipts		\$817,635	Housing Receipts
East Carolina University	Clement Resident Hall Renovations	\$2,833,000	Housing Receipts			
	West End Dining Supplement	\$3,357,000	Dining & Housing Receipts		\$287,047	Dining & Housing Receipts
Elizabeth City State University	Renovation of Campus Dining Facility	\$1,178,000	Dining Receipts		\$537,868	Dining Receipts
Fayetteville State University	Athletic Facilities Improvements	\$2,766,550	Athletic Receipts, Private Gifts and Debt Service Fee	\$95/yr beginning Fall 2003	\$238,298	General Fund
North Carolina State University	Soccer, Track, and Softball Complex	\$4,500,000	Athletic Receipts		\$85,677	Athletic Receipts
	Fire Safety - Residence Halls	\$1,300,000	Housing Receipts		\$155,399	Housing Receipts
	University Apartments for Upperclassmen Housing	\$77,260,700	Housing Receipts		\$2,589,558	Housing Receipts
Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operative Costs

North Carolina State University (continued)	Parking Expansion Projects	\$1,000,000	Parking Receipts		\$15,728	Parking Receipts
UNC-Chapel Hill	208 West Franklin Street	\$4,000,000	Private Gifts		\$210,050	Private Gifts
	Kenan, McIver, Alderman Residence Hall Renovations	\$10,500,000	Housing Receipts		\$434,821	Housing Receipts
	Residence College Phase II	\$46,500,000	Housing Receipts		\$3,016,114	Housing Receipts
	School of Medicine Research Facilities	\$77,700,000	Facilities & Administrative Receipts		\$3,732,787	General Fund
	Ramshead Development	\$12,800,000	Parking, Dining, Student Recreation Fee, Sales & Gift	\$30-\$40/yr beginning Fall 2003 (50% of fee)	\$3,677,704	Parking, Dining, Student Recreation Fee, & Sales
	Hot Water Replacement Phase II	\$5,000,000	Utilities Trust Fund			
	UNC-Charlotte	Residence Hall Phase VIII	\$22,000,000	Housing Receipts		\$926,244
	Brockner Health Center	\$7,150,000	Student Health Fee	\$14/yr beginning Fall 2003	\$219,757	Student Health Fee
	Parking Deck G	\$8,300,000	Parking Receipts		\$1,842	Parking Receipts

Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operative Costs
UNC-Pembroke	Surface Parking Lot	\$275,000	Parking Receipts			
	University Center Expansion	\$3,000,000	University Center Debt Service Fee	\$80/yr beginning Spring 2003	\$138,159	Book Store Receipts and potential increase in Student Activity Fee
	Improvements to Student Recreation Facilities	\$600,000	Student Recreation Debt Service Fee	\$16/yr beginning Spring 2003	\$88,714	Student Recreation Receipts
UNC-Wilmington	University Union Building Expansion and Renovation (Supplemental Funding)	\$22,400,000	Dining Receipts, Bookstore Receipts, and University Union Debt Fee	\$115/yr beginning Spring 2003	\$549,017	Will request increase in Student Recreation Fee
	Parking - 650 Spaces	\$3,000,000	Parking Receipts			
	Wagoner Hall Renovations	\$4,000,000	Dining Receipts			
	Residence Hall Renovations	\$6,000,000	Housing Receipts			
Western Carolina University	Hospitality Management Center	\$8,000,000	Federal Grant		\$246,276	General Fund
Total		\$347,420,250			\$4,217,361 \$13,751,334	General Fund Other Sources
Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operative Costs

Section 3 Previously Authorized						
North Carolina State University	College of Engineering Phase II	\$8,000,000	Facilities & Administrative Receipts and Engineering Foundation funds		\$1,764,997	General Fund
	College of Veterinary Medicine Research Lab Building	\$14,584,000	Facilities & Administrative Receipts and Veterinary Practice Plan		\$1,034,033	General Fund
	Centennial Campus Building	\$4,064,000	Centennial Campus Receipts		\$943,276	General Fund
UNC-Chapel Hill	Carrington Hall Addition	\$2,077,900	Private Gifts		\$877,879	General Fund
	Science Complex Phase I	\$18,037,500	Private Gifts		\$3,041,424	General Fund
UNC-Pembroke	Auxiliary Services Complex and Student Bookstore	\$1,500,000	Student Services Debt Fee	\$40/yr beginning Spring 2003		
UNC-Wilmington	Westside Building Expansion	\$3,000,000	Student Debt Service Fee	\$20/yr	\$83,523	Available balance in receipts
Total		\$51,263,400			\$7,661,609 \$83,523	General Fund Other Sources

SOURCES OF DATA: Associate Vice President for Finance for the UNC Office of the President

TECHNICAL CONSIDERATIONS:

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