

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS55148-LH-117A (03/09)

Short Title: UNC Professors Endowment Fund. (Public)

Sponsors: Senator Rand.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AMEND THE ALLOCATION OF FUNDS AND CONTRIBUTION
COMMITMENTS FOR THE DISTINGUISHED PROFESSOR ENDOWMENT
TRUST FUND AND THE SUM REQUIRED TO ESTABLISH AN ENDOWED
CHAIR.

The General Assembly of North Carolina enacts:

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

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

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

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

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

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

3 (1) On the basis of one five hundred thousand dollar (\$500,000) challenge
4 grant for each five hundred thousand dollars (\$500,000) raised from
5 private sources; or

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

12 (3) On the basis of one challenge grant of up to one million five hundred
13 thousand dollars (\$1,500,000) for funds raised from private sources in
14 the same amount as the challenge grant.

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

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

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

30 "**§ 116-41.16. Distinguished Professors Endowment Trust Fund; contribution**
31 **commitments.**

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

34 (1) A commitment to make a donation of at least six hundred sixty-six
35 thousand dollars (\$666,000), as prescribed by G.S. 143-31.4, and an
36 initial payment of one hundred eleven thousand dollars (\$111,000) to
37 receive a grant described in G.S. 116-41.15(a)(1); or

38 (2) A commitment to make a donation of at least three hundred
39 thirty-three thousand dollars (\$333,000), as prescribed by
40 G.S. 143-31.4, and an initial payment of fifty-five thousand five
41 hundred dollars (\$55,500) to receive a grant described in
42 G.S. 116-41.15(a)(2); ~~or and if the initial payment is accompanied by a~~
43 ~~written pledge to provide the balance within five years after the date of~~
44 ~~the initial payment. Each payment on the balance shall be no less than~~

1 ~~the amount of the initial payment and shall be made on or before the~~
2 ~~anniversary date of the initial payment. Pledged contributions may not~~
3 ~~be matched prior to the actual collection of the total funds. Once the~~
4 ~~income from the institution's Distinguished Professors Endowment~~
5 ~~Trust Fund can be effectively used pursuant to G.S. 116-41.17, the~~
6 ~~institution shall proceed to implement plans for establishing an~~
7 ~~endowed chair.~~

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

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

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

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

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

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

42 and if the initial payment is accompanied by a written pledge to provide the balance
43 within five years after the date of the initial payment. Each payment on the balance shall
44 be no less than the amount of the initial payment. Pledged contributions may not be

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

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

6 "**§ 116-41.17. Distinguished Professors Endowment Trust Fund; establishment of**
7 **chairs.**

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

- 10 (1) One million dollars (\$1,000,000), if the sum of funds described in
11 ~~G.S. 116-41.15(1); or~~ 116-41.15(a)(1) or G.S. 116-41.15(b)(1); or
12 (2) Five hundred thousand dollars (\$500,000), if the sum of funds
13 described in ~~G.S. 116-41.15(2);~~ 116-41.15(a)(2) or
14 G.S. 116-41.15(b)(2); or
15 (3) An amount up to three million dollars (\$3,000,000), if the sum of
16 funds described in G.S. 116-41.15(a)(3) or G.S. 116-41.15(b)(3);

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

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