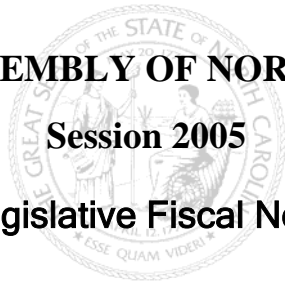


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 1775 (First Edition)

SHORT TITLE: UNC Nonappropriated Capital Projects.

SPONSOR(S): Representative McComas

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES					
Various	See Assumptions and Methodology				
EXPENDITURES					
General Fund	\$117,002	\$220,072	\$786,422	\$837,855	\$871,010
Various	See Assumptions and Methodology				
POSITIONS (cumulative):					
General Fund	1	9	12	12	12
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: University of North Carolina General Administration					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY:

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

ASSUMPTIONS AND METHODOLOGY:

The charts on the following pages detail the revenue sources for the \$413.1 million in campus construction projects listed in the bill. The projects in section three are supplements to existing projects. Projects at NC State University (1) and Winston-Salem State University (2) will require an increase in student fees to retire the debt. Six projects will require General Fund support for their increased operating costs. The financial data for these charts was provided by the Senior Associate Vice President for Finance for the UNC Office of the President.

Section 2						
Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operating Costs
Appalachian State University	Steam Distribution System – Improvements – Phase III	\$6,500,000	Utility Receipts			
	Residence Hall – Renovations	\$12,000,000	Housing Receipts			
	Parking Facilities – Improvements	\$2,500,000	Parking Receipts			
East Carolina University	Residence Hall – Heating, Ventilation and Air Conditioning Improvements	\$2,000,000	Housing Receipts			
	Parking Facilities – Expansion	\$2,500,000	Parking Receipts			
Elizabeth City State University	Student Housing	\$13,500,000	Housing Receipts		\$1,089,381	Housing Receipts
North Carolina Central University	Student Housing	\$30,000,000	Housing Receipts		\$1,351,628	Housing Receipts
	Parking Facilities – Expansion	\$10,000,000	Parking Receipts		\$95,018	Parking Receipts
North Carolina State University	Parking Facilities – Expansion	\$7,500,000	Parking Receipts		\$72,589	Parking Receipts
	Thompson Theater – Renovation and Expansion	\$15,500,000	Debt Service Fee	\$30/year	\$67,643	Student Center Receipts
	Residence Halls – Renovation	\$20,550,000	Housing Receipts		\$241,750	Housing Receipts
	Owen Residence Hall – Expansion and Improvements	\$3,700,000	Housing Receipts		\$125,556	General Fund
	Carter Finley Stadium – Expansion	\$14,500,000	Athletic Receipts		\$58,184	Athletic Receipts
	Chancellor’s Residence	\$3,350,000	Gifts and Grants		\$38,756	General Fund

Section 2						
Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operating Costs
University of North Carolina at Chapel Hill	Parking Facilities – Expansion	\$25,000,000	Parking Receipts		\$116,138	Parking Receipts
	Residence Halls – Improvements	\$5,500,000	Housing Receipts		\$313,544	Housing Receipts
	Information Technology Services (ITS) – Infrastructure Improvements	\$13,000,000	Telecom and ITS Receipts			
	Water Reclamation and Reuse Infrastructure	\$15,000,000	Utility Receipts			
	Major Infrastructure Improvements	\$47,522,000	Utility Receipts			
	Research Resource Facility	\$1,000,000	Facilities and Administrative Receipts		\$46,279	General Fund
	Medical Research –D- Renovations	\$1,000,000	Facilities and Administrative Receipts		\$60,795	General Fund
University of North Carolina at Charlotte	Parking Facilities – Expansion	\$14,000,000	Parking Receipts		\$14,061	Parking Receipts
University of North Carolina at Greensboro	Recreation Center – Roof Replacement	\$2,500,000	Facilities Debt Service Fee			
	Residence Halls Renovation – Phase IV	\$7,000,000	Housing Receipts			
University of North Carolina at Wilmington	Parking Facilities – Expansion	\$3,465,000	Parking Receipts		\$215,025	Parking Receipts

Section 2						
Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operating Costs
Winston-Salem State University	Athletic and Student Recreation Facilities	\$2,670,000	Debt Service Fee	\$54/year	\$88,414	Athletic Fee Receipts
	Bowman Gray Stadium Field House – Expansion and Renovation	\$1,800,000	Debt Service Fee	\$21/year	\$11,708	Athletic Fee Receipts

Section 3						
Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operating Costs
Appalachian State University	Central Dining Hall – Supplement	\$6,000,000	Dining Receipts			
	Student Recreation Complex – Supplement	\$5,000,000	Student Fees			
North Carolina State University	Classroom Building – Expansion – Supplement	\$10,000,000	Gifts and Grants		\$544,464	General Fund
University of North Carolina at Chapel Hill	Residence College – Phase II – Supplement	\$11,000,000	Housing Receipts			
	Genetic Research Building – Supplement	\$10,000,000	Facilities and Administrative Receipts			
	Daniels Building Renovations – Supplement	\$1,000,000	Student Store Receipts			

Section 3						
Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operating Costs
University of North Carolina at Chapel Hill (Continued)	Parking Facilities – Supplement	\$1,000,000	Parking Receipts			
	Major Infrastructure Improvements – Supplement	\$61,828,000	Utility Receipts			
University of North Carolina at Charlotte	Student Union – Supplement	\$3,500,000	Debt Service Fee			
University of North Carolina at Greensboro	Parking Deck Addition – Supplement	\$4,000,000	Parking Receipts			
Western Carolina University	New Student Recreation Center – Supplement	\$1,250,000	Debt Service Fee			

Section 4						
Campus	Project	Amount	Source of Funds	Effect of Debt on Students	Increase in Annual Operating Costs	Source of Operating Costs
East Carolina University	Geriatrics Center	\$3,000,000	Gifts and Grants		\$175,204	Medical Family Practice Plan Receipts
	Student Recreation Complex – Phase I	\$8,000,000	Institutional Accounts		\$16,880	Recreation Services Receipts
University of North Carolina at Charlotte	Applied Optics and Physics Building – Improvement	\$4,000,000	Facilities and Administrative Receipts		\$233,751	General Fund

The following are summary details from the previous charts.

Cost of Construction = \$413,135,000

Debt Payment Funding Methods

Utility Receipts	\$130,850,000
Housing Receipts	105,250,000
Parking Receipts	69,965,000
Debt Service Fees	27,220,000
Gifts and Grants	16,350,000
Facilities and Administrative Receipts	16,000,000
Athletic Receipts	14,500,000
Telecom & ITS Receipts	13,000,000
Institutional Accounts	8,000,000
Dining Receipts	6,000,000
Student Fees	5,000,000
Student Store Receipts	1,000,000

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

TECHNICAL CONSIDERATIONS: None

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APPROVED BY: James D. Johnson, Director
Fiscal Research Division



DATE: June 22, 2005

Signed Copy Located in the NCGA Principal Clerk's Offices