

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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**HOUSE BILL 1068
Committee Substitute Favorable 6/2/22
PROPOSED COMMITTEE SUBSTITUTE H1068-PCS40789-MQx-11**

Short Title: UNC Non-Appropriated Capital Projects.

(Public)

Sponsors:

Referred to:

May 27, 2022

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE ACQUISITION OR CONSTRUCTION AND THE
3 FINANCING, WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, AND TO
4 MAKE TECHNICAL CORRECTIONS FOR APPROPRIATIONS RELATED TO
5 CERTAIN CAPITAL IMPROVEMENT PROJECTS OF THE CONSTITUENT
6 INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.(a)** The purpose of this section is to authorize (i) the acquisition or
9 construction of the capital improvement projects listed in this section for the respective
10 institutions of The University of North Carolina and (ii) the financing of these projects with funds
11 available to the institutions from gifts, grants, receipts, self-liquidating indebtedness, Medicare
12 reimbursements for education costs, hospital receipts from patient care, or other funds, or any
13 combination of these funds, but not including funds received for tuition or appropriated from the
14 General Fund of the State unless previously authorized by General Statute.

15 **SECTION 1.(b)** The capital improvement projects, and their respective costs,
16 authorized by this section to be acquired or constructed and financed as provided in subsection
17 (a) of this section, including by revenue bonds, by special obligation bonds as authorized in
18 subsection (d) of this section, or by both, are as follows:

19
20 **Appalachian State University**

21 Holmes Convocation Center Parking Deck \$20,000,000

22
23 **Elizabeth City State University**

24 New Residence Hall \$5,000,000

25
26 **North Carolina State University**

27 Integrative Sciences (S.T.E.M.) Building \$90,000,000

28
29 **North Carolina Agricultural and Technical State University**

30 Bluford Street Residence Hall \$58,000,000

31
32 **University of North Carolina Wilmington**

33 Acquisition of P3 Housing Project \$167,000,000

34
35 **Western Carolina University**



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1 Acquisition of P3 Housing Project \$28,500,000

2
3 **SECTION 1.(c)** At the request of the Board of Governors of The University of North
4 Carolina and upon determining that it is in the best interest of the State to do so, the Director of
5 the Budget may authorize an increase or decrease in the cost of, or a change in the method of,
6 funding the projects authorized by this section. In determining whether to authorize a change in
7 cost or funding, the Director of the Budget may consult with the Joint Legislative Commission
8 on Governmental Operations.

9 **SECTION 1.(d)** Pursuant to G.S. 116D-26, the Board of Governors may issue,
10 subject to the approval of the Director of the Budget, at one time or from time to time, special
11 obligation bonds of the Board of Governors for the purpose of paying all or any part of the cost
12 of acquiring, constructing, or providing for the projects authorized by subsection (b) of this
13 section. The maximum principal amount of bonds to be issued shall not exceed the specified
14 project costs in subsection (b) of this section plus five percent (5%) of such amount to pay
15 issuance expenses, fund reserve funds, pay capitalized interest, and pay other related additional
16 costs plus any increase in the specific project costs authorized by the Director of the Budget
17 pursuant to subsection (c) of this section.

18 **SECTION 2.(a)** Section 40.1(b) of S.L. 2021-180, as amended by Section 9.1(a) of
19 S.L. 2021-189, reads as rewritten:

20 **"SECTION 40.1.(b)** This subsection authorizes the following capital projects and allocates
21 funding in the 2021-2023 fiscal biennium based upon projected cash flow needs for the
22 authorized projects. The authorizations provided in this subsection represent the maximum
23 amount of funding from the State Capital and Infrastructure Fund that may be expended on each
24 project. An additional action by the General Assembly is required to increase the maximum
25 authorization for any of the projects listed.

26 There is allocated from the State Capital and Infrastructure Fund to the Office of State Budget
27 and Management for the 2021-2023 fiscal biennium the following amounts for capital
28 improvement project codes, as defined in subsection (a) of this section:

29 **Capital Improvements–**

30 State Capital and	Total	FY	FY
31 Infrastructure Fund	Project Authorization	2021-2022	2022-2023
32 AOC21-1	\$135,000	\$135,000	–
33 DACS21-1	1,632,000	1,632,000	–
34 ...			
35 UNC/CH20-1	150,000,000	10,000,000	18,750,000
36 UNC/CH20-2	60,000,000	21,250,000	25,500,000
37 UNC/ECS21-1	40,000,000	10,000,000	
38 30,000,000 <u>25,000,000</u>			
39 UNC/ECS21-2	2,500,000	2,500,000	–
40 UNC/ECS21-3	7,500,000 <u>15,000,000</u>	7,500,000	–
41 UNC/ECS21-4	34,000,000	4,000,000	10,000,000

42"

43 **SECTION 2.(b)** Section 40.1(c2) of S.L. 2021-180, as amended by Section 9.1(c)
44 of S.L. 2021-189, reads as rewritten:

45 **"SECTION 40.1.(c2)** Of the funds allocated for project code UNC/R&R21, the following
46 sums shall be allocated for the following projects:

- 47 (1) Thirty million dollars (\$30,000,000) for each fiscal year of the 2021-2023
48 fiscal biennium to North Carolina State University for repairs and renovations
49 to Dabney Hall.
- 50 (2) Ten million dollars (\$10,000,000) for the 2021-2022 fiscal year to North
51 Carolina State University for repairs and renovations to Polk Hall.

(3) Two million five hundred thousand dollars (\$2,500,000) for the 2022-2023 fiscal year to Elizabeth City State University for costs associated with project code UNC/ECS21-3."

SECTION 2.(c) Section 40.1(d) of S.L. 2021-180 reads as rewritten:

"SECTION 40.1.(d) Notwithstanding G.S. 143C-8-13(a), the Board of Governors of The University of North Carolina is authorized to utilize funds allocated for project code UNC/R&R21 in subsection (b) of this section for the projects listed in this subsection. The Board of Governors may reallocate funds in accordance with G.S. 143C-8-13(b); provided, however, reallocation of funds intended for a project located at a particular constituent institution may only be reallocated for repairs and renovations projects at that particular constituent institution. The Board of Governors is authorized to utilize funds allocated for project code UNC/R&R21 that are available after allocation for specific projects authorized in this Part and that exceed the amount needed to fund intended projects at the constituent institutions as listed in this subsection. The provisions of G.S. 143C-8-13(b)(4), as enacted by Section 40.10(b) of this act, shall not apply to the projects listed in this subsection. The Board of Governors may prioritize funding for the following proposed projects that the General Assembly intends to fund through the 2023-2025 fiscal biennium:

UNC Constituent Institution	Proposed Project Cost
...	
Elizabeth City State University–	
Repair Campus Main Switch	700,000
Repair Campus Pump Station	650,000
Infrastructure Upgrades–Water & Electrical, Phase 1	12,000,000
Emergency Generator Power–Operations	4,900,000
Emergency Generator Power–Residence Halls	2,100,000
Campus-Wide Lockdown System	2,000,000
Building Demolition (4 Buildings)	1,500,000
Butler Residence Hall Renovations	2,500,000
Underground Infrastructure–	
(Replace all campus plumbing gate valves/infrastructure for fire pump)	150,000
Underground Infrastructure–	
(Replace 6-in. with 8-in. line to improve water volume/Campus North)	300,000
Jenkins Hall, Phase 2–Renovation of Laboratory and Classroom	400,000
Vaughn Center–Repair Student Phys. Ed. Learning Spaces–	
(Pool, flooring, ceilings & building envelope)	550,000
Fine Arts–Roof Replacement	200,000
Dixon Hall–Classroom & Laboratory Renovations	400,000
ITC–Air Handler Replacement	300,000
Lester Hall–Demolition	495,000
Infrastructure Upgrades–Water & Electrical, Phase 2	27,000,000

Total Proposed Project Authorizations- Elizabeth City State University

56,145,000~~53,645,000~~

...."

SECTION 2.(d) Section 40.2 of S.L. 2021-180 reads as rewritten:

"SECTION 40.2. It is the intent of the General Assembly to fund capital improvement projects on a cash flow basis and to plan for future project funding based upon projected availability in the State Capital and Infrastructure Fund. Nothing in this section shall be construed (i) to appropriate funds or (ii) as an obligation by the General Assembly to appropriate funds for the projects listed in future years. The following schedule lists capital improvement projects that will begin or be completed in fiscal years outside of the 2021-2023 fiscal biennium and estimated amounts (in thousands) needed for completion of those projects:

	Project Code	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
1							
2							
3							
4	...						
5	UNC/NCS20-1	18,250	36,500	18,250	-	-	-
6	UNC/CH20-1	21,250 <u>10,000</u>	25,500 <u>18,750</u>	10,750 <u>20,000</u>	- <u>-19,250</u>	-	-
7	UNC/CH20-2	13,750 <u>21,250</u>	18,000 <u>25,500</u>	10,750	-	-	-
8	UNC/PEM21-1	9,100	22,750	36,400	22,750	-	-
9	UNC/ECS21-4	4,000	10,000	10,000	10,000	-	-
10	UNC/FSU21-1	4,000	10,000	16,000	10,000	-	-
11	UNC/FSU21-2	6,300	13,750	25,200 <u>27,200</u>	15,750	-	-
12	UNC/WSS21-1	5,700	14,250	22,800	14,250	-	-
13	UNC/BOG21-1	-	3,750	3,750	3,750	3,750	-
14	CC	100,000	100,000	100,000	100,000	-	-"
15	SECTION 3. This act is effective when it becomes law.						