

1997

**SENATE
APPROPRIATIONS-
EDUCATION/HIGHER
ED COMMITTEE**

MINUTES

**SENATE APPROPRIATIONS SUBCOMMITTEE ON
EDUCATION/HIGHER EDUCATION**

MINUTES

1997 SESSION

**SENATE APPROPRIATIONS SUBCOMMITTEE ON
EDUCATION/HIGHER EDUCATION**

1997-1998

MEMBERSHIP LIST

Senator Howard N. Lee, Co-Chair

Senator Leslie J. Winner, Co-Chair

**Senator J. Richard Conder, Vice-Chair
(resigned July 17, 1997)**

Senator Fletcher L. Hartsell, Ranking Minority

Senator Walter Dalton

Senator John A. Garwood

**Senator William Purcell (replaced
Senator Conder on July 23, 1997)**

**APPROPRIATIONS JOINT SUBCOMMITTEE ON
EDUCATION/HIGHER EDUCATION**

LIST OF JOINT MEETINGS

February 6, 1997

February 18, 1997

February 20, 1997

March 3, 1997

March 4, 1997

March 6, 1997

March 10, 1997

March 18, 1997

March 20, 1997

March 25, 1997

March 26, 1997

March 27, 1997

April 1, 1997

April 2, 1997 (a.m.)

April 2, 1997 (p.m.)

April 3, 1997

April 10, 1997

April 14, 1997

April 15, 1997

Budget materials for the Senate Appropriations Subcommittee on Education/Higher Education are in Joint Appropriations Subcommittee on Education/Higher Education notebook.

**SENATE APPROPRIATIONS SUBCOMMITTEE
ON
EDUCATION**

**AGENDA
FEBRUARY 6, 1997**

- Welcome Co-Chairs
- Introduction of Members Members
- Introduction of Fiscal Research Staff,
Agency Staff and Committee Clerks Chairman
- Presentation on how education budgets
were prepared and the appropriations
process Jim Johnson
Charlotte Todd
Jim Newlin
- Discussion on Specific Topics of
Interest to the Members Members

**SENATE APPROPRIATIONS SUBCOMMITTEE ON
EDUCATION/HIGHER EDUCATION**

MINUTES

February 6, 1997

The Appropriations Subcommittee on Education/Higher Education met at 8:40 a.m. on Thursday, February 6, 1997, in Room 414. Three members of the Subcommittee attended. Senator Howard Lee presided. He asked all members present to introduce themselves.

After the members introduced themselves, Senator Lee introduced Ms. Sandy Tingle, Committee Clerk and the Fiscal Division staff, Mr. Jim Johnson (Public Schools), Ms. Charlotte Todd (Community Colleges), and Mr. Jim Newlin (University System). Finally, he introduced the page, Ms. Laura Forehand from Camden County, sponsored by Senator Basnight.

Senator Lee asked agency people if they wanted to say anything to the committee members. Mr. D. G. Martin, representing the UNC System as Vice President of Public Affairs, welcomed the new members of the Committee. He introduced Mr. Jeff Baker, Associate Vice President for Finance, who knows about capital matters, and Mr. Bill McCoy. He told the Committee that Mr. Clifton Metcalf, who had in the past provided liaison between the UNC System and the General Assembly, is now Associate Vice President at Appachalian State University, but will be available as needed in Raleigh. He next introduced Mr. Charlie Coble, Associate Vice President for Academic Affairs, who will focus on public policy areas particularly in coordinating the university system and the public schools; and June Brotherton, from North Carolina State University who will coordinate agriculture efforts across the System; and Rosalind Hall, Secretary of the University, who will help in Board of Governors matters.

Senator Lee introduced Dr. James Watt and Ms. Robin Johnson of the Research Division, who are staff to the Senate Education/Higher Education Committee; and Ms. Sarah Fuerst of the Bill Drafting Division who drafts the budget document.

Ms. Ann Berlam, Legislative Director for the State Board of Education, is a liaison between the Department of Public Instruction and the General Assembly. Others in the audience who introduced themselves included Mr. Barry Russell, Senior Vice President for the North Carolina Community College System, who in turn introduced Mr. Donny Hunter, Dr. Jerry Owens, Dr. Jim Dixon, Mr. Vincent Otovo, Mr. Larry Morgan, and Mr. Hal Miller; Ms. Susan Adams who introduced Mr. Ken Briggs, Mr. David Brown, Mr. Morris King; Mr. Gene Causby who is representing a coalition of business and education organizations; Ms. Jan Crotts who is representing the NC Association of School Administrators; Ms. Jo Ann Norris who is representing the Public School Forum; Mr. Bill Wilson of the NC Association of Educators; Leanne Winner, representing the Low Wealth Schools Equalization Consortium; Ms Nancy Bradley; and Mr. Tim McDowell. Mr. Barry Russell provided copies of the N.C. Association of Community College Trustees "*Institutional Feedback Survey*" (see Attachment 1).

Senator Lee introduced Mr. Jim Johnson to describe the process which will result in a final budget. Mr. Johnson drew attention to a handout entitled, "Schedule for the 1997-99 Budget

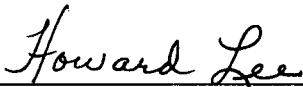
Preparation Process" (see Attachment 2) and explained the process to the point at which the budget gets to the General Assembly.

Ms. Charlotte Todd outlined the process for developing the general fund budget in the General Assembly (see Attachment 3), in particular as it relates to the Community College System budget.

Mr. Jim Newlin was introduced to speak in general about the components of the university system budget (see Attachment 4). Mr. Newlin provided the committee members with a reprint from *Popular Government*, Volume 59, Number 2, entitled "The University of North Carolina: The Legislative Evolution of Public Higher Education" (see Attachment 5).

Senator Lee told the committee members there is a meeting pending on Thursday, February 13, at 8:30 a.m. with Mark Musick and Linda Cornett from the Southern Regional Education Board (SREB). The organization provides data and gives support to states as they try to move forward in their educational efforts.

The meeting adjourned at 9:30 a.m.



Senator Howard Lee, CoChair



Dorothy Waugaman, Acting Clerk



North Carolina Association of Community College Trustees

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December 17, 1996

Institutional Feedback Survey

The attached summary report represents the responses to the *Institutional Feedback Survey* on the 1997-99 Community College System Expansion Budget Request. Forty-two surveys were returned -- seventeen colleges did not respond.

Each of the five sections have been summarized beginning with Section One -- Critical Ranking. A list of the colleges indicating their response, or not, is also attached.

Attachments

Community College Budget Institutional Feedback Summary

Colleges Responding (42)

Alamance Community College
Anson Community College
Asheville-Buncombe Tech. Comm. College
Beaufort Community College
Bladen Community College
Brunswick Community College
Caldwell Community College & TI
Cape Fear Community College
Carteret Community College
Central Carolina Community College
Cleveland Community College
College of The Albemarle
Craven Community College
Davidson Cty. Community College
Edgecombe Community College
Fayetteville Tech. Community College
Gaston College
Guilford Tech. Community College
Halifax Community College
Haywood Community College
James Sprunt Community College
Lenoir Community College
Martin Community College
Mayland Community College
Mitchell Community College
Nash Community College
Pamlico Community College
Pitt Community College
Randolph Community College
Richmond Community College
Robeson Community College
Sampson Community College
Sandhills Community College
Southeastern Community College
Southwestern Community College
Stanly Community College
Surry Community College
Tri-County Community College
Wayne Community College
Western Piedmont Community College
Wilkes Community College
Wilson Tech. Community College

Colleges Not Responding (17)

Blue Ridge Community College
Catawba Valley Community College
Central Piedmont Comm. College
Coastal Carolina Comm. College
Durham Tech. Community College
Forsyth Tech. Community College
Isothermal Community College
Johnston Community College
McDowell Tech. Comm. College
Montgomery Community College
N. C. Center for Applied Text. Tech.
Piedmont Community College
Roanoke-Chowan Comm. College
Rockingham Community College
Rowan-Cabarrus Comm. College
Vance-Granville Comm. College
Wake Tech. Community College

Institutional Feedback Summary Report

Section One: Critical Ranking

Areas	1	2	3	4	5	6	7	8	9	10	11	12
Occupational Extension	* 11	* 13	8	9		2						
FTT					1	2	8	15	13	2		
Special Tech. Centers							3		5	16	5	1
Small Business Centers				1		6	9	15	5	5		
Basic Education		2	3	3	9	8	11	3	3			
Multi-Campus				4	1	3	1		5	6	7	
Reengineering	14	3	1	7	3	5		3	3	1	1	
Curriculum Instruction	13	12	9	2	1	4		1				
Instructional Support	1	5	9	7	16	2			1			
Program Start-up		1	2	1	5	5	11	5	6	4		
Equipment	6	4	9	9	5	6	1			1		
Capital					2				2	2	2	2

Section One Rationale

Occupational Extension

- Enhance ability of college to provide quality workforce - upgrading to retraining.
- Provides quality, short term and technical training but with part-time teachers to temporary coordinators.
- To retrain the present workforce in hi-tech skills will cost additional dollars for supplies, materials, instruction.
- Will provide flexibility for delivering services; provide for the needs of an aging workforce.
- Increase in Occupational Extension unit value would allow for higher quality courses, Occupational Extension programs, and better qualified instructors.
- Occupational Extension costs at least as much or more as curriculum training, but is only funded at 60% of curriculum.
- Considerable analysis and design is required for Occupational Extension courses which often are offered only once.
- Custom designed continuing education programs and services are increasingly important. Funds should not be limited to pay instructional positions. Funds should be driven by the need to increase capacity to deliver instruction. Emphasis needs to be shifted to providing instructional resources in response to training needs.
- An increased instructor pay scale will attract higher qualified faculty to teach advanced skills in the delivery of quality instruction.
- Employ full-time faculty on state contracts.
- Current funding is inadequate. Instructors with specialized skills are very expensive.
- This is the most underfunded component of the formula.
- If Occupational Extension funding were equated with curriculum funding, there would be fewer games played in instruction.
- To offer "just- in-time" training to meet the short term needs of employers.
- Policy on in-plant training must be changed to encourage colleges to provide training for the workforce.
- Additional funds for New and Expanding Industry training should have been a priority.
- Current funding has restricted employment of full-time instructors and pay rates. Equipment allowance is insufficient.

Occupational Extension Cont'd.

- Current funding level does not provide sufficient money for “needs analysis” in the workplace.
- Cannot currently provide high quality support.
- Demand for high skill training will require higher skill teachers which means higher salaries and more hours teaching.
- Must be able to respond to unique and changing needs of employers and employees.

Focused Industrial Training (FIT)

- It is necessary to build quality relationships with local business and industries. FIT funds assist in meeting specialized needs, especially in small companies.
- FIT is the only way to train small groups in off-campus sites.
- Present workforce must be retrained in the new technology driven marketplace. Small industries will rely more on community colleges.
- Needed to respond to immediate needs of employers for tailored courses. More dollars are needed to meet high cost needs of existing business and industry, especially in highly specialized areas.
- Twenty colleges receive no FIT funds, and no college with a FIT Center gets enough dollars. Funds are very limited.
- FIT programs work hand in hand with the Small Business Center programs.
- College has more requests for training than funds will allow.
- Must maintain flexibility to serve business and industry.
- Jobs have been lost in college's service area in the last 18 months. Must have more dollars.
- To develop and enhance business and industry-related curriculum programs; address long term training needs.
- College questions the need for a regional business and industry staff.
- Maintenance of effort of the program has not kept pace with program operation.
- Entrepreneurial programs such as REAL, that creates new jobs, needs additional dollars.

Specialized Technology Centers

- This is the only way for certain programs to exist and succeed.

Specialized Technology Centers Cont'd.

- They are needed for high technology and specialized training i.e. transportation, but should be on community college campuses.
- Funding will allow partnerships with key industries to spawn new training initiatives; will help form consortium agreements and foster collaboration.
- Request an increase in State Board reserve funds instead of creating a special categorical appropriation for these centers.
- To maximize student success through increased outreach.
- Should be funded with private funds.
- Centers should be housed on a community college campus, not in a new facility
- Specialized Technology Centers signal the community college's commitment to industrial leaders.

Small Business Centers (SBC)

- Community colleges are already in place as change agents to help NC grow jobs. Most businesses are small businesses. There are more service oriented businesses now.
- Special funding to aid small business is necessary or these programs will be history.
- This funding is an investment in the community infrastructure - good for public relations.
- In 12 years, dollars have increased only 14%. CPI has increased 45% during same period. All community colleges, large or small, get same dollars.
- Need to expand services and provide more opportunities that foster entrepreneurship.
- Current funds limit ability to deliver services.
- Flexibility is needed to provide small business and FIT training. Small business and FIT should be funded as part of the comprehensive effort to provide custom designed training of business and industry.
- 90% of the workforce is employed in businesses and industry with less than 20 employees.
- College supplements this funding every year.
- Turnover of SBC directors in the state is due to low funding levels.
- Funds would be used to update computer and peripheral equipment.
- Colleges need to be aggressive in seeking out and serving small businesses. Need qualified personnel in addition to the Director for counseling, advising, planning and delivering the training.
- College provides funds to operate a small business incubator.

Small Business Centers (SBC) Cont'd.

- Funds needed to provide outreach support services for local entrepreneurs; to introduce them to the internet; and teach the utility of using computers in modern small business management.
- Greater demand now for SBC services and training.
- Business and industry are demanding increased skills of their workers, especially computer skills.

Basic Education

- To build solid foundation for teaching more advanced skills. Increased salaries needed.
- Unit value has dropped, extra funds declined and enrollment dropped. Used to be funded at curriculum level. Need to get serious about literacy training.
- Literacy is a real problem in eastern NC. Community Colleges will need to continue to emphasize Basic Skills until public schools produce better graduates.
- Current funds are inadequate to meet needs for literacy training. Workforce development is being adversely affected due to loss of human capital. Need more dollars to help the illiterate survive in a changing world.
- Requires full-time instructors to complement the large number of part-time instructors, especially to work with the difficult to reach, high risk population, i.e. minority and immigrants.
- These ABE classes average 10 students, but are funded at 21.7 students to one instructor. There are no benefits paid to the full-time teachers.
- It takes more personnel to design and deliver instruction in this program, and to recruit and counsel students.
- Increased funds are needed to employ full-time instructors at multiple sites.
- Should be a priority along with curriculum instruction to ensure continuing professional faculty.
- Current funding almost requires using all part-time instructors.
- To expand pre-college literacy and basic skills programs.
- Full-time literacy instructors are a must to teach in correctional facility.
- Level of funding should be increased in FTE funding formula. Block grant formula should be eliminated. Should have same status as curriculum funding. Needs equipment funding formula.
- College regularly supplements initial education skills allotment.
- Business and Industry is continuing to increase its minimum education requirements.

- Additional funds will provide additional industrial sites to deliver basis skills demanded by industry.

Multi-Campus Support

- Expenses incurred to manage and maintain multiple sites are not able to be supported with local funds.
- We should establish special support for each teaching location for supervisors, security, and instructional support, not just for locations that qualify as "campuses."
- Multiple campuses require large amount of administrative and support salaries above those in base allotment. No extra dollars are currently provided for multiple campus.
- Multiple campuses are necessary to take education opportunities to the people.
- This funding needs to be integrated into the system's funding distribution model.
- Will allow for greatly expanding enrollments.
- Need to move slowly on this.
- To expand services to the community.
- Improvement in FTE formula and funding could help needs for these campuses.
- Additional funds needed for communications services, transportation, equipment and furnishings, and staffing at off-campus centers, as well as instructional costs.

Reengineering - Tuition/Fees

- It is imperative and fundamental to support the system's transition to semester system. It is also crucial for Reengineering in curricula, teaching, and learning methods.
- Other increases in funds will not help if effects of reengineering are not anticipated.
- Community College budgets must be protected in semester conversion.
- Additional dollars are needed to ensure stability during semester conversion. Additional expense will be incurred in the transition.
- Small colleges are most vulnerable without new dollars.
- Failure to secure funds will result in a budget cut. Must retain existing funds.
- Funds are needed to maintain current quality, funding base, and service.
- Hold harmless provision is needed to offset negative impact of tuition loss which may result from conversion to semester system.
- Loss of tuition receipts represent a 3% decline. It affects college budgets since these receipts help fund state appropriations.

Reengineering - Tuition/Fees Cont'd.

- Maintain current staffing during semester transition and possible subsequent loss/drop in FTE and contact hours.
- Need increased funds to redesign publications required by semester conversion.
- To maintain programs for new and emerging occupations.
- Will offset tuition increase and increased costs from conversion to the semester system.

Curriculum Instruction

- Maintain quality programs and add programs as needed.
- Expensive technical training is being done without competitive salaries, supplies, loads, and ratios. These costs are never covered with present allowances.
- Being underfunded for so long has had a cumulative negative effect on efforts to train the workforce.
- Maintain and improve quality programs. Strengthen workforce and economic development. Will allow for increased faculty salaries, lower instructor student ratio; more opportunities for students to meet career goals; improve quality of instruction.
- Class size must be reduced. Colleges are penalized for small classes in current formula.
- Other costs funds have not been increased since 1984-85. Needs significant increase.
- Funds needed to attract qualified faculty; more faculty.
- Funds should be justified on basis of improving capacity to add new programs and improve staffing levels of existing programs.
- Too much emphasis on raising salary levels and too much emphasis on instructor/student ratio.
- More funds needed for high cost programs; health occupations and engineering.
- Existing funds do not permit hiring needed instructors.
- Funding for other costs should be increased from \$105 to \$150 per FTE. This almost 50% increase represents inflation over last decade as well as a conservative increase in technology demands.
- Would enhance quality programs through increased faculty development activities.
- Funds needed for instructional supplies, technology support, and professional development.
- Other cost funding does not support shop and lab costs.

- Improve ratio of full-time vs. adjunct faculty to provide support for students.

Curriculum Instruction Cont'd.

- Salary increases to retain and attract faculty — adjust to actual FTE.
- Must improve full-time vs. part-time faculty ratios.
- Supplies and materials costs will increase and with increased demand and need for professional development travel costs will increase.

Instructional Support

- Welfare reform and other developments will increase students needing special support services, especially women on welfare and students with learning disabilities.
- Faculty need technician assistance to take advantage of latest technology.
- More students have stretched ability to advise and process students, give them individual attention, especially part-time students.
- Provide instructional support funds; needed for students with special needs such as career counseling, job placement, financial aid assistance; assist students with multiple barriers to education; meet the needs of more part-time students; deliver services to students with handicaps; fund planning and library services.
- Need additional positions to support instruction and provide better customer service to students and community. This item has been neglected in recent years.
- Technology changes create additional demand as well as more complex needs of students.
- All programs have to be reviewed yearly — takes time for research and analysis. Worker training tax credit requires that training records be verified and certified to companies.
- Instructional support needs are driven by increased demands for custom designed training, additional accountability requirements, changing mix between full-time and part-time students and the complexity of workforce development problems which colleges are being asked to address.
- Additional support personnel needed due to increased accountability and reporting requirements.
- To improve workforce development by supplying educational opportunities to students to meet their career goals.
- More part-time students need same services as full-time students, but do not generate FTE.
- Must always transfer dollars into this line item.
- Needed to handle projected influx of students by year 2000.
- Will provide comparable services to evening faculty and students.

Instructional Support Cont'd.

- Small rural colleges had substantial decrease in funding in new funding formula. New funds needed to maintain current level of support service "One Stop" career service centers will require more support staffing. This should be based on headcount.

Program Start-Up

- To start a new program is expensive to develop curriculum and needed materials, purchase equipment, and hire faculty. Also, the added expense required to do market research and promotion strain already tight budgets.
- In 1970's community colleges had extra funding to encourage program development. Community colleges cannot rob past earnings of ongoing programs to finance new programs.
- With 3% - 5% budget limitations, new programs are not possible for smaller colleges. Must have start-up funds to survive.
- Cannot respond to employers demands for new curriculum development without additional dollars.
- Post hoc funding method requires that new programs be started with existing funds and operate one year without funds.
- Recommend "seed" funds for each college for start-up of new programs to help colleges respond quickly to service area's needs.
- Very important for colleges to adapt to the changing needs of local businesses provide flexibility.
- To develop programs for new and emerging occupations .
- If program start-up funds are appropriated, the ability to earn FTE in the first year should be allowed.
- All colleges should share in these funds and should not just be allocated to a few large colleges.
- This funding is critical for continued vitality and responsiveness to local needs.
- Funding is important to colleges in large sparsely populated rural counties.
- In periods when FTE is flat or generally down, there are no funds to respond to local needs for new programs.
- Enrollment will increase 50-100% because of new correctional facilities opening. Must have additional resources.
- More manpower and staff positions are needed when starting new programs.

Equipment

- Need state-of-art equipment and software for training like industry uses. Must train on same equipment used by industry.
- It will cost more dollars to fund equipment for technology areas.
- Most equipment is aging— needs replacing. The cost of technology is staggering. Community colleges must stay abreast. Current equipment allocation meets only a small percentage of college needs.
- Rapidly changing technology requires state-of-art equipment. Cannot be competitive without best equipment.
- Radical increase in dollars needed. Have insufficient funds now.
- Special concern is to get new dollars in the recurring budget.
- Technology life of equipment is getting shorter.
- Provide equipment for Occupational Extension and Basic Skills programs. Occupational Extension programs generate 25% of the equipment allocation of curriculum programs despite the need for computers and other instructional equipment in these programs.
- College transfers funds every year from operations into equipment.
- Going to a UNIX based operating system is extremely difficult for small colleges because it requires 1/3 of a year's expenditures for computer equipment.
- Need to purchase computer equipment to support new technologies and instructional methodologies.
- Maintenance support for Prime Computer System has been decreased; college needs to replace with UNIX System.
- A substantial portion of equipment funding is not included in the continuation budget.
- If this is not funded, there will be a substantial decrease in equipment funding, and decline in enrollment.
- Need distance learning equipment and portable computers immediately!
- Need more equipment for Occupational Extension and more computers in support of instruction.
- Employers want "job ready" employees trained on state-of-the-art equipment.

Capital Funding

- Need to provide funds for network support and connection to Information Highway.

Capital Funding Cont'd.

- Each college needs an appropriation for renovations, distance learning technology, technology networking, and to address the continuing back log of facilities needs.
- Need additional classroom space for small business programs and economic development activities.
- Funding formula should be reexamined and funds should be allowed for renovation as well as new facilities.

Section 2 Additional Critical Items

Please list in priority order additional items which are not included in the budget request but which your college believes are absolutely essential.

Item	Reason
<u>Renovation</u>	\$50,000 - \$100,000 allocation for each college for renovation to retrofit for ADA compliance.
<u>NC Information Highway</u>	\$150,000 for those colleges not connected to the Information Highway.
<u>Book Allowance</u>	Additional funds to purchase library books (\$2,900,000).
<u>Technology Staff Position</u>	Critical need to colleges to have technology directors to manage information systems.
<u>Program Review Specialist</u>	General Assembly requires annual program review be conducted by community colleges.
<u>Occupational Extension Value</u>	Insufficient funds to bring to curriculum level.
<u>Student Tracking System</u> (\$4,317,550)	For accountability. Legislative approval for community colleges to purchase telephones and other communications equipment from state equipment budget rather than from county funds.
<u>Staff Development Funds</u>	Technology update and diversity training.
<u>Change FTE Calculation</u>	Make census date for FTE calculation the first day of class <u>Method</u> like university system (compatible for semester conversion).

Section 2
Additional Critical Items Cont'd.

Item	Reason
<u>Hold Harmless Special Provision</u>	For semester conversion.
<u>Increase Base Budgets (\$74.5 million)</u>	Increase base budget for each community college from \$1.3 million to \$2.6 million (a goal of the Commission on the Future).
<u>Scholarships (\$2 million)</u>	Access for disadvantaged, non traditional, and high need students.
<u>Distance Education (\$5,356,454)</u>	Rural community colleges need access to Information Highway.
<u>Supplies and Materials (\$3,050,000)</u>	Same argument as increasing other costs funds.
<u>Networking (\$7,250,000)</u>	Promote systemwide communication and innovation.
<u>Increase in Other Costs Funds</u>	Has not kept up with inflation.
<u>Capital Improvement Funds</u>	\$50,000 per college per year.
<u>Basic Staff Position</u>	Staff to adequately operate college.
<u>New Industry Training Funds (\$5-8 million)</u>	Out of funds already.
<u>Salary Increases</u>	Faculty and staff.
<u>Technology Development</u>	Upgrade for all community colleges.
<u>Equipment Funds for Basic Skills</u>	Funds need to be generated Additional funds for building partnerships with business and industry.
<u>Collaboration Among Colleges</u>	Articulation and regional programming.

Section 3

Additional items which are not included in the budget request which your college believes are not essential.

Item	Reason
Multicampus (8 colleges)	These additional campuses should be self-supporting. All colleges do not operate multicampus sites. Those that do have them have managed so far without additional funds. Funds for this purpose should be made available only after all colleges are adequately funded. Results in uneven treatment of colleges.
Specialized Training Centers (5 colleges)	All colleges have specialized training programs. If adequate funding for occupational extension, curriculum instruction, basic education, equipment, etc., is provided colleges would have funds to continue specialized centers. Individual and/or consortium colleges could do what these centers do and could benefit from the funding. May be nice to operate, but are not essential to CCS.
Program Start-Up (2 colleges)	Funds should come from current operating, industry, grant, or community support. The program approval process would become even more cumbersome than it is now if money were involved.

Section 4

Members of the General Assembly are always interested in the potential effect of the budget request upon individual colleges. Please indicate how the following increases in funds would be used to improve what your college does for the citizens, businesses and industries in your service area.

(1) Support for Business, Industry and Economic Development

If fully funded for this category, the legislative request would represent a 36.9% increase in the first year of the biennium and a cumulative increase of 52.2% in the second year. Please indicate the priority uses of these funds by your college.

Section 4 - (1) Cont'd.

Anson - Occupational Extension; Small Business Center; Union County; Focused Industrial Training

Alamance - Information distribution; Outreach (extension and curriculum); developmental studies for underachievers; retention & follow-up; faculty assistance & support; technology advancement and technology upgrade

Asheville-Buncombe - Additional occupational programs at industrial sites; provide basic skills for additional citizens of the service area; develop a manufacturing center; enhance proposed small business incubator for our campus by providing small business counseling services

Beaufort - Occupational Extension; Focused Industrial Training; Small Business Centers

Bladen - Increase support for existing industry; articulate with secondary school system relating to apprenticeship, tech prep, agricultural technology/swine management

Brunswick - Offer more courses for business and industry; attract better qualified instructors

Caldwell - Expand support for business and industry through increased occupational offerings on both campuses; provide enhanced custom service to specialized industry (manufacturing); offer greater opportunities through enhanced seminar programs for new and existing industry; provide full-time professional employment for a core basic skills faculty

Cape Fear - More training for employees of existing industries, particularly in basic skills, safety, & technology

Carteret - Expand industry-specific training to local business & industry: i.e. occupational extension, enhance small business operation, and increase focused industrial training

Central Carolina - Offer state-of-the art training to business & industry; increase number of people taught for business & industry; significant improvement in services for small businesses; develop and implement new programs needed by businesses and citizens

Cleveland - Expand types of occupational extension courses; increase focused industrial training; hire full-time literacy instructors

Craven - More specialized continuing education classes; increase quality and sophistication of business and industry courses; increase basic education in the workplace

Davidson County - Increase number of custom-designed continuing education classes provided for business & industry; increase custom-designed pre-employment and post-employment services for business and industry

Edgecombe - Customized training and retraining for employees in existing industry; increase services in small business center (college does not qualify for FIT training)

Fayetteville TCC - Increase occupational extension instructional salaries; increase FIT services; provide more funding for small business center; employ full-time instructors for basic skills; increase salaries of basic skills instructors

Section 4 - (1) Cont'd.

Gaston - New and Expanding Industry (NEI) projects--continue projects that are being jeopardized by current NEI shortfalls; new NEI projects; retraining for downsized firms through focused industrial training; provide professional development for service area businesses

Guilford - Upgrade Greensboro campus; upgrade High Point campus; increase pay rate for instructors in occupational education; set up short-term training institutions to market as a package; community marketing survey--what programs college is teaching that are not needed; what should college be teaching; develop *work keys* for additional industries; try to raise the education level of the 32,000 Guilford County residents below the poverty level

Halifax - Increase training through small business centers; increase focused industrial training.

Haywood - Increase occupational extension, basic skills, HRD, and small business center; workforce development; increase instructional support; and provide necessary equipment for training

James Sprunt - Increase customized training for business & industry; support development of Global Transport in Kinston; increase occupational extension courses; continue to upgrade current workforce employed at various industries in Duplin County; expand and improve services of small business center; expand literacy offerings

Lenoir - Use to help overcome an already underfunded operation; prepare for development of the Global TransPark

Martin - Use for new industry training; better selection of high quality, high-cost instructional offerings. Now we are limited to a few a year.

Mayland - Use for occupational extension and basic education

Mitchell - Use for "just-in-time" training programs to meet the short-term training needs of employers; expand pre-college literacy and basic skills programs to decrease county-wide percent of non-high school graduates; develop and enhance business and industry-related curriculum programs to address long-term training needs

Pamlico - Enhance small business center through a more competitive salary for the director and attainment of state-of-the-art computer equipment and software; provide training for the new correctional facility -- both for personnel and for inmates

Randolph - Occupational Extension: employ adequate instructional and support personnel to plan and deliver quality upgrading and retraining programs for the workforce.
Basic Education: Employ necessary personnel to recruit, counsel, and advise students; work more closely with industries in setting up literacy education classes for the present workforce; employ more full-time instructional personnel for basic education programs

Richmond - More full-time instructors for literacy and occupational extension, especially in prison; more aggressive with local industry

Section 4 - (1) Cont'd.

Sampson - Improve quality of occupational extension courses; expand FIT courses; establish a poultry & livestock technology center in partnership with adjacent community colleges; expand, increase and improve small business center's seminars; more full-time instructors in basic skills

Sandhills - Offer series of short term programs to help more citizens to go from welfare to work

Southeastern - Increase level of basic skills training for local businesses and industry; hire an additional instructor for in-plant computer training and computer networking

Southwestern - Provide more and better training for business and industry

Stanly - Employ more instructors and acquire more computers to meet the demands from industry

Surry - Strengthen and expand focused industrial training and small business services; expand occupational extension programs

Tri-County - Increase services to industry; expand services to small businesses to include computer applications and marketing via the internet; increase literacy education services

Wayne - Increase occupational extension offerings and, if fully funded, hire full-time instructors in key areas; establish a formal FIT program; expand services provided by SBAC; increase literacy program and hire full-time lead instructors

Western Piedmont - strengthen occupational extension; hire full-time instructors to teach literacy classes

Wilkes - Increase sites and numbers served in basic education; increase number and variety of FIT and small business center programs; become proactive instead of reactive in partnerships with business and industry, public schools, and universities

Wilson - Increase availability of occupational extension programs and expand services of the small business center

(2) Educating North Carolinians for Tomorrow's Jobs

If fully funded for this category, the legislative request would represent 10.1% increase in the first year of the biennium and a cumulative increase of 15.8% in the second year. Please indicate the priority uses of these funds by your college.

Anson - Provide education in technical and personal skills for displaced workers; develop new or revised programs and services in connection with start-up/reengineering programs

Alamance - Same as No. 1

Asheville-Buncombe - Hire six additional full-time faculty to replace adjuncts; start three new programs requested by business and industry; provide additional upgrading opportunities for faculty; add support staff to manage computer labs and student counseling

Section 4 - (2) Cont'd.

Beaufort - Employ more full-time instructors (as opposed to part-time); increase budgets for supplies and materials; employ more personnel in student services area; start at least one new program

Bladen - Implement new programs in Early Childhood, Associate Degree Nursing, and Swine Management; develop the Bladen Center for Swine Management, Meat Processing, and Environmental Protection; extend efforts in literacy and basic skills

Brunswick - Employ additional part-time advisors to assist students with the semester transition; rewrite brochures and catalogs

Caldwell - Provide competitive salaries to recruit and retain quality faculty; offer student support services to enhance student retention and success; initiate programs for unmet service needs, especially medical

Cape Fear - College serves one of the fastest growing populations in the State. These increases would enable us to keep pace, barely

Carteret - Faculty and staff pay upgrades; additional programs in marine and environmental occupations

Central Carolina - Increase and improve support services for student body; make significant improvements in instructional and support salaries; improve effectiveness of instruction through more efficient use of technology

Caldwell - Improve competitive salaries; hire additional full-time faculty to lessen dependence on part-time faculty and improve overall program quality; hire additional counselors to assist students; speed up exploration and start-up for new programs

Craven - Maintain current quality level of instructional delivery during the semester conversion period; improve instructional and support staff salaries; develop or expand new programs

Davidson - Increase the number of full-time faculty to reduce dependency on part-time instructors and increase quality; add new programs in manufacturing technology, machine shop, computer network technology, and auto mechanics

Edgecombe - Enhance curriculum instruction budget; increase instructional support

Fayetteville - Maintain current staffing during the semester transition and subsequent loss/drop in FTE; increase funds to support redesign of publications required by semester conversion; increase faculty salaries in curriculum; employ additional staff to support the increased number of students with multiple barriers to education; provide additional support personnel to meet increased accountability and reporting requirements; provide funds for underwriting the costs associated with starting a new program

Gaston - New technology training (computers); continuing education facility with state-of-the-art multimedia enhancements; workplace skills assessments; workplace literacy upgrading

Section 4 - (2) Cont'd.

Guilford - Start physical therapy assistant program; program start up; advance faculty salaries to semester average; increase number of technicians in our computer labs; increase institutional research; instructional support for special needs students; turf management program (equipment)

Halifax - Enhance involvement and support of cooperative efforts with public schools, workforce preparedness programs, tech-prep programs, etc.

Haywood - Instructional support; program start-up; reengineering; curriculum instruction

James Sprunt - Smooth transition to semester system; conclude reengineering; increase faculty, administrative and support salaries toward statewide averages; start one or two new programs

Lenoir - Improve educational services to produce a world-class workforce

Martin - Increase services to all students

Mayland - Will give equal attention to increased demands for curriculum instruction and reengineering; will experience an overnight increase in enrollment of up to 800 or more new students when new correctional unit opens within next 12 months; provide competitive salaries for faculty members

Mitchell - Create institution-wide computer network; expand and enhance multi-media materials in Library/Learning Resources Center; develop programs of study for new and emerging occupations utilizing state-of-the-art technology and instructional methods

Pamlico - Program start-up funds for new correctional facility; instructional support services for evening faculty and students equivalent to those available during the daytime; increase curriculum instruction faculty salaries and increase faculty development activities

Randolph - Employ adequate and highly qualified faculty and support staff; provide professional development for existing personnel; personnel time and resources could be allotted to the development & delivery of instruction through use of new technology; new educational programs

Richmond - Employ more faculty, counselors, librarians, audio-visual and computer support; add new programs as needed

Robeson - Increase size of instructional support staff and improve salaries; improve occupational instructors' salaries; hire additional curriculum faculty; start new programs

Sampson - Maintain current programs and services after conversion; add math instructor and developmental studies specialist, computer technician, financial aid assistant; start feed fill operator program (requested by poultry, swine and livestock industries) add veterinarian to poultry and livestock staff; start telecommunications program

Sandhills - Add new programs directly tied to area industry's needs

Section 4 - (2) Cont'd.

Southeastern - Employ additional high tech instructors and counselors to work with high-risk students; start new regional programs in environmental technology and pharmacy technology

Southwestern - Provide quality programs by continual reinvestment in faculty upgrading, program renewal, and student support

Stanly - Provide faculty development

Surry - Put the instructional programs back on solid ground following the semester transition; increase services to part-time students; investigate new curricula to better serve local needs

Tri-County - Complete reengineering of the credit curriculum; develop new programs in high-paying fields; increase faculty salaries to state average; add support staff for night students; open college on Saturdays with full schedule of classes

Wayne - Increase curriculum faculty salary levels; increase supply funds available for curriculum programs; increase funds for faculty development, return-to-industry, and training in instructional technologies; use program start-up funds to initiate at least one new program

Western Piedmont - Complete reengineering; retain and hire good, qualified professional instructors; maintain quality support services

Wilkes - Improve full-time vs. part-time instructional ratios; expand professional development opportunities for faculty and staff; establish new curricula; provide release time for faculty upgrading; upgrade credentials of college-transfer faculty; increase enrollments in cooperative and dual enrollment programs with public schools; improve career counseling and job placement services; expand child care programs and services to Ashe and Alleghany campuses; increase salaries, especially for part-time faculty; create support systems for part-time faculty members; expand opportunities for non-traditional, evening and weekend students; improve orientation, advisory and registration systems; provide students greater access to technology

Wilson - Ensure technological currency in all areas of instruction while providing comprehensive services to a diverse student population

(3) Reinvesting in Community College Infrastructure

If fully funded for this category, the legislative request would represent a 56.2% increase in the first year of the biennium and a cumulative increase of 85.8% the second year. Please indicate the priority uses of these funds by your college.

Anson - Current technology equipment, software, hardware is crucial for the credit and extension programs

Alamance - Same as No. 1

Asheville-Buncombe - College has a priority list of \$6.2 million in equipment needs -- these dollars would be utilized in providing *cutting edge* technology for our students

Beaufort - Double amount in equipment funds would only meet minimum needs. Computer upgrades are expensive

Section 4 - (3) Cont'd.

Bladen - Collaborative arrangement with NCSU to establish a North Carolina Manufacturing Extension Partnership site at Bladen CC; to establish BCC as a North Carolina integrated information highway site; to establish BCC as a Center for Swine Management, Meat Processing, and Environmental Protection

Brunswick - Upgrade all computer labs; complete all phases of networking the campus; OTA equipment; electronic equipment

Caldwell - Development of a technology infrastructure *backbone* to connect campus employees as well as our other campus and off-campus sites.

Cape Fear - Purchase more personal computers and upgrades for labs

Carteret - Additional classroom space; fund equipment for student center/classroom facility

Cleveland - Add additional computer labs; upgrade existing computer labs; new technology for machinist, air conditioning/ heating/refrigeration, electrical installation, welding, auto body, electronics, accounting, CAD, nursing and radiography; expand networking and ACCESS

Craven - Replace outdated instructional equipment; purchase or lease equipment for new technology; improve student access to computer equipment

Davidson - Replace worn out equipment; increase computer lab support of programs; renovate existing instructional space; increase distance learning technology

Edgecombe - Add computers and cover related "distance learning" costs

Fayetteville - Provide funds for necessary up-to-date equipment

Gaston - Update computer labs with latest technology; construct multipurpose driving area for EMS, Fire, Criminal Justice and Truck Driving courses

Guilford - Replace all antiquated personal computers; continue to upgrade machine shop; get all employees on the campus network; invest in our HVAC program: i.e. direct digital equipment, laptop computers; upgrade lab equipment to state-of-the-art: i.e. nursing, emergency medical technology; dental hygiene/assisting, etc.; establish an exemplary child care center

Haywood - Purchase *technologically relevant* equipment

James Sprunt - Equipment needed for new Library, Continuing Education and Business Center Building; replace outdated and outworn equipment; implement campus technology plan; Upgrade college's communications network; assist in establishing a WAN in Duplin County; gain access to the North Carolina Information Highway; begin distance learning programs

Lenoir - Retrofit buildings to keep up with technology

Martin - Update equipment to bring it closer to state-of-the-art. Purchase Unix-based administrative computer

Section 4 - (3) Cont'd.

- Mayland - Upgrade, replace, and expand computerized instructional equipment to strengthen the link between traditional subject matter and integrate new technologies
- Mitchell - Purchase computer equipment for institutional programs; retrofit classrooms and labs to support new technologies & instructional methodologies; construct four metal buildings for vocational education programs & customized training for New and Expanding Industry; construct an Allied Health/General Education Building
- Pamlico - Provide equipment for new multi-purpose building; update computers in classrooms; update central computer from Prime to Unix; update shops and labs with state-of-the-art equipment
- Randolph - Purchase equipment to begin to realistically upgrade the technology for instruction as well as the college. Present level of funding permits purchase of most critical needs, only
- Richmond - Construct large Health Sciences & Human Services Classroom Building; Information Highway classroom
- Robeson - Purchase state-of-art equipment to replace, upgrade, or equip labs, shops, classrooms or new programs
- Sampson - Update labs with state-of-the-art equipment; furnish and equip four new computer labs
- Sandhills - Place internet connections and screens in every classroom; network the campus; integrate telecourses and the internet; and complete automation of library
- Southeastern - Purchase equipment for new environmental technology and pharmacy technology programs; replace equipment for biological science and electrical engineering programs; provide student e-mail and access to the internet
- Southwestern - Update classrooms with state-of-art equipment; build additional classrooms
- Stanly - Update college local area network and expand into distance learning area
- Surry - Acquire high-tech equipment which is essential to quality programming & graduates
- Tri-County - Update technology to include a fiberoptic network for the campus; Information Highway site; distance learning technology connected to the local public schools and to new Graham County Center. (Instruction costs for off-campus courses of all kinds would be cut about 50% as would related travel costs)
- Wayne - Implement more fully the equipment requirements of WCC's technology plan; upgrade equipment in all technical and vocational programs
- Western Piedmont - Replace outdated equipment with current state-of-the-art types.

Section 4 - (3) Cont'd.

Wilkes - Update laboratories with state-of-the-art equipment; advanced technological capability- implement technology plan; equip new programs; implement distance learning; create an electronic campus; network the three college campuses

Wilson - Priority would be a general use classroom and allied health facility, including a dialysis laboratory

Section 5

The combined Executive and Finance Committees of the Presidents' Association recommends that the \$100 million capital budget request be prioritized by using the capital construction formula with latest available data. Please indicate below whether or not your college supports this recommendation.

Supports Recommendation - 34

Anson CC*
Alamance CC
Asheville TCC
Beaufort County CC
Bladen CC
Brunswick CC
Caldwell CC
Cape Fear CC
Carteret CC
Cleveland CC
Craven CC
Edgecombe CC
Fayetteville CC
Gaston CC
Guilford CC
Halifax CC
Haywood CC

Lenoir CC
Mayland CC
Mitchell CC
Pamlico CC
Pitt CC
Richmond CC*
Robeson CC
Sampson CC*
Sandhills CC
Southeastern CC
Southwestern CC
Stanly CC
Surry CC
Wayne CC
Western Piedmont CC
Wilkes CC
Wilson CC

Does Not Support Recommendation - 5

Central Carolina CC**
Davidson CC**
James Sprunt CC**
Martin CC**
Randolph CC**

*Comments to Yes answer

The capital construction formula in its current state requires that all state construction funds be matched with non-state funds. Since these non-state funds are primarily local (county) dollars, this creates a hardship on many of the more rural, "low-wealth" counties. We recommend a provision be added to provide more equity for those counties considered to be "low-wealth," perhaps similar to the formula used by the Department of Public Instruction. We further recommend that colleges having projects in these low-wealth counties be exempt from the matching requirements.

Section 5 - Cont'd.

We feel left out of the formula at present.

College needs to update its capital needs.

Provided the current data is updated and past bond funds are accounted for.

****Comments to *NO* answer**

College does not support ranking by the capital construction formula as it does not reflect the projects funded and construction by the bond issue or by local issues. Some colleges have as much as \$30 million under design or construction, yet this space is not reflected in the formula at all.

We need a part of our request to address renovations and networking needs, i.e. some base allocation to each college in addition to the construction formula driven part of their request.

Split appropriation evenly among institutions in each size category:

Category 5	6 million = 2 @ 3.0 million
Category 4	5 million = 2 @ 2.5 million
Category 3	24 million = 12 @ 2.0 million
Category 2	47 million = 27 @ 1.74 million
Category 1	18 million = 15 @ 1.5 million

The current capital construction funding formula is fundamentally flawed

This college does not support the recommendation and recommends the following alternative:
There must be a base level of capital for all community colleges. Once this amount is appropriated, the remainder should be appropriated using the capital construction formula.

This college is one of the first colleges to complete construction with the use of State bond funding. College will see the impact on the capital construction funding formula reflected in our space to population ratio, capacity to enrollment ratio, and decreased overmatch. Colleges that are currently in a construction phase or not yet under construction will not have such space of overmatch reflected in its construction formula. For equal treatment in the funding formula, the five criteria should be adjusted for all construction or construction in progress.

3. SCHEDULE FOR THE 1997-99 BUDGET PREPARATION PROCESS

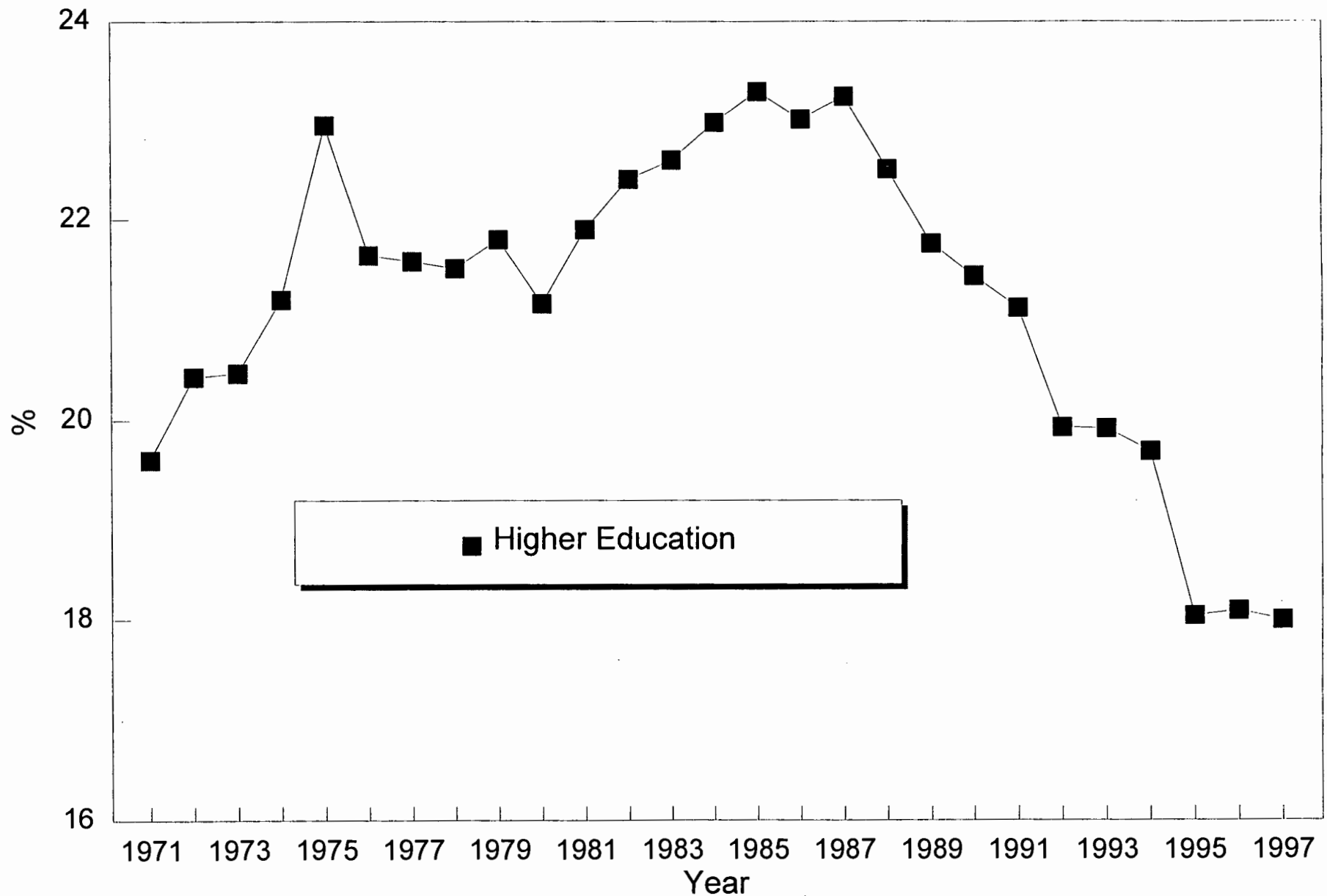
May 1996	Detailed 1997-99 budget instructions mailed from the Office of State Budget and Management (OSBM) to departments.
May 31, 1996	Memorandum from OSBM to performance/program budget (P/PB) departments confirming crosswalk between traditional and P/PB funds.
June 30, 1996	All actions to realign or use Salary Reserve must be authorized, approved, and posted to the Salary Reserve System.
July 1, 1996	Final draft of departmental plans due from agencies to the Office of State Planning.
July 15, 1996	Narratives and statistical data turnaround documents sent from OSBM to agencies.
July 1996	<p>1996 Legislative Session budgetary actions certified by OSBM and the Budget Preparation System (BPS) updated.</p> <p>1996-97 budget revisions plus other changes submitted by departments are entered into BPS.</p> <p>BPS transferred to NCAS, including 1996-97 budget revisions and 1996 Legislative Session's actions.</p>
July 22, 1996	OSBM and OSPL return the final draft of departmental plans to agencies with recommended changes.
July 29, 1996	Personnel Schedules and Reconciliation of Personnel Schedule Position Counts and Budgeted Salaries distributed from OSBM to departments for review.
August 9, 1996	<p>Personnel Schedules and Reconciliation of Personnel Schedule Position Counts and Budgeted Salaries verified by departments and submitted to OSBM.</p> <p>1997-99 preliminary expansion budget requests due from departments to OSBM.</p>
August 12, 1996	Departmental plans due in from agencies to OSPL.

August 16, 1996	<p>Preliminary Worksheet I for continuation budget created by BPS and distributed from OSBM to departments.</p> <p>Narratives and statistical data turnaround documents for budget returned from agencies to OSBM.</p>
September 30, 1996	Final 1997-99 continuation, expansion, Personnel Schedule, Reconciliation of Personnel Schedule Position Counts and Budgeted Salaries, and capital requests due from departments to OSBM.
Sept. - Nov. 1996	<ul style="list-style-type: none"> • Performance/Program document (Volume 7) draft narratives sent out from OSPL to departments for review. • P/PB Volume 7 draft narratives reviewed and returned from departments to OSPL. • P/PB Volume 7 revised narratives sent out second time by OSPL to departments for final review. • P/PB Volume 7 revised final draft narratives returned to OSPL from departments.
October 15, 1996	Survey of Fees due from agencies to OSBM.
December 1996	Governor finalizes the 1997-99 budget recommendations.
January 1997	General Assembly convenes.

"TYPICAL" APPROPRIATIONS PROCESS

- Governor Presents Continuation and Expansion Budget Request
- Senate and House Appropriations Committees Meet Together to Review the Governor's Budget Request
- Senate and House Subcommittees Jointly Begin Their Review of the Continuation Budget
- State Budget Office Explains the Recommended Continuation Budget Changes
- State Agency Heads Make a Presentation to the Subcommittees Explaining Their Agency's Missions and Responsibilities
- Fiscal Research Staff Provide Detailed Background on Specific Agency Programs, Historical Information, and Performance Indicator Data
- Senate and House Subcommittees Divide and One Chamber's Subcommittees Deliberate and Make Decisions on the Continuation Budget
- Subcommittees Present Their Reports to Full Appropriations Committee
- Full Appropriations Committee Approves Report
- Subcommittees Hear Agency Expansion Budget Presentations
- Subcommittees Receive Budget Allocations From Full Committee Chairs
- Subcommittees Complete Their Reports to Full Appropriations Committee
- Full Appropriations Committee Approves a Committee Report and Bill and sends to the Floor for Action
- After That Chamber Approves Its Budget Bill, It Is Sent To Other Chamber for Same Procedure
- Once Both Chambers Have Approved Their Budgets, They Go To Conference to Negotiate a Final Budget
- Final Budget Conference Report Is Adopted By Both Chambers and the Bill Is Ratified

Higher Education Share of NC General Fund Appropriations

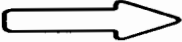


UNC Budget Elements

General Fund Appropriations

- **16 Campuses**
- **Agricultural Programs**
- **UNC Hospitals**
- **NC School of Science and Mathematics**
- **Related Educational Programs (Private Colleges Student Aid, Contract Programs)**
- **General Administration (includes Public Television, Expansion Funds)**

UNC Budget Process

- Unified Budget Request prepared by UNC Board of Governors
 - Presented to Governor and General Assembly
-  • Continuation Budget
 - Appropriated to each campus or budget code
- Salary Increases for faculty and other EPA Employees
 - Appropriated to Board of Governors
- Expansion Requests
 - Operating
 - Requested by Board in a series of priority categories including enrollment increases, new or expanded programs, and other improvements
 - Appropriated to Board as lump sum
 - Distributed by Board to campuses based on Schedule of Priorities and directives in the Appropriations Bill
- Capital Improvements
 - Requested by Board in priority order by category of projects
 - Projects under each category are listed by campus
 - Board does not prioritize individual projects. Board is developing space standards to provide more data for making decisions on priorities.
 - Appropriated to Board, usually with specific projects identified

The University of North Carolina: The Legislative Evolution of Public Higher Education

John L. Sanders

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Institute of Government

The University of North Carolina at Chapel Hill

Approp Sub. VISITOR REGISTRATION SHEET

Education/Higher Education

2-6-97

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

Hal Miller	NEAEE
Gene Causby	Everybody's Bus. Co.
Leanne Winner	E G H & S
J. DIXON	NCCCS
Larry Morgan	NCCCS
Barry Russell	NCCCS
Kim Biss	OSBA
Aue Salem	"
Jerry Owens	NEECS
Dorothy Numb	NCCCS
Ann Beaman	SBE
Bill Wilson	NEAE

2/6/97
Date

✓

FIRM OR AGENCY AND ADDRESS

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**Senate Appropriations Committee
Education/Higher Education Subcommittee**

**Thursday, March 20, 1997
8:30 a.m.
Room 414, Legislative Office Building**

MINUTES

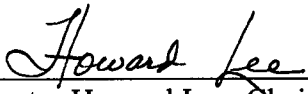
The Senate Education/Higher Education Committee met at 8:30 a.m. on Thursday, March 20, 1997, in Room 414 of the Legislative Office Building. Six members of the committee were present. Senator Howard Lee presided. A copy of the agenda is attached (see Attachment 1).

Mr. Jim Johnson, Fiscal Research Division, was introduced to present information about the Governor's recommended budget reductions in the public schools budget (see Attachment 2) and special provisions in the base budget for public schools (see Attachment 3).


Mr. Jim Newlin, Fiscal Research Division, was introduced to present information about the Governor's recommended budget reductions in the University System budget and special provisions in the base budget for the University System (see Attachment 4).

Ms. Charlotte Todd, Fiscal Research Division, was introduced to present information about the Governor's recommended budget reductions in the Community College System budget and special provisions in the base budget for the Community College System (see Attachment 5).

The meeting adjourned at 9:40 a.m.



Senator Howard Lee, Chair



Dorothy Waugaman, Clerk

**SENATE APPROPRIATIONS SUBCOMMITTEE
ON
EDUCATION**

MARCH 20, 1997

SENATOR HOWARD LEE, CHAIRING

- | | |
|--|------------------|
| - Welcome | - Chair |
| - Governor's Recommended Budget
Reductions in Public Schools | - Jim Johnson |
| - Public Schools Base Budget
Special Provisions | - Jim Johnson |
| - Governor's Recommended Budget
Reductions in the University System | - Jim Newlin |
| - University System Base Budget
Special Provisions | - Jim Newlin |
| - Governor's and Chair's Recommended
Budget Reductions in the Community
College System | - Charlotte Todd |
| - Community Colleges Base Budget
Special Provisions | - Charlotte Todd |

V. General Fund - Adjustments to the Budget

A Adjustments to the Continuation Budget

Adjustments Reflected in Volume 1, Education

Public Education

	<u>1997-98</u>	<u>1998-99</u>
✓ 1. Average Teacher Salary Adjustment Average teacher salary adjustments are made based on the third pay period resulting in a reduction in General Fund appropriation.	\$ (20,415,665)	\$ (20,779,145)

Adjustments Reflected in Volume 2, General Government

Department of Administration

1. Science and Technology Program Funds are reduced for communications expense.	\$ (13,110)	\$ (13,110)
2. State Capital Police Two vacant property guard positions are deleted from the budget. Number of Positions	(42,524) (2.0)	(42,524) (2.0)
3. Advocacy for Disabled Program Funds are reduced for contractual services, and board member travel and subsistence.	(8,600)	(8,600)
4. Human Relations Council Funds are reduced for various operating line items.	(11,938)	(11,938)
5. Management Information Systems Funds are reduced for data processing maintenance and office furniture and equipment.	(3,463)	(3,463)



Public Schools of North Carolina

State Board of Education
Jay Robinson, Chairman

Department of Public Instruction
Michael E. Ward, State Superintendent

March 13, 1997

MEMORANDUM

TO: The Honorable Howard Lee, Co-Chair
The Honorable Leslie Winner, Co-Chair
Education/Higher Education Appropriations Subcommittee
The Honorable Gene Arnold, Co-Chair
The Honorable Robert Grady, Co-Chair
The Honorable Jean Preston, Co-Chair
Education Appropriations Subcommittee

FROM: Mike Ward *MW*

SUBJECT: Continuation Adjustments to the Biennial 1997-99 Base Budget

We have completed our annual review of student population growth and certified salary changes. As we routinely do every spring, we are respectfully requesting the General Assembly to adjust our continuation budget request to reflect these changes.

Attached to this letter is a summary of the adjustments which are necessary to allow us to continue to allot funds to local schools based on the higher of current year or projected 1997-98 Average Daily Membership. Please note that the overall adjustments will decrease what is currently in the budget. The decrease will reduce the budget by \$582,203 for 1997-98 and \$2,873,726 for 1998-99.

As we continue to invest in our future through the education of our children, we all must continue to commit resources and look for expanded uses of our current resources. I look forward to our continued joint efforts to make North Carolina a leader in education. Thank you for your consideration of this request.

MW:mp

c The Honorable James B. Hunt, Jr., Governor
Mr. Marvin Dorman, State Budget Officer

Adjustments Required to the State Public School Fund

Continuation (Base) Budget

1997 - 1999 Biennium

Changes in ADM:	FY 1997-98	FY 1998-99	Notes
Revised ADM for Allotments	1,226,060	1,247,150	Several private schools are changing their operations to become Charter Schools. Children currently enrolled in these schools are not included in ADM. To allocate the State funding to a Charter School the LEA's ADM must be increased to include the private school population. The 400 is an estimate based on applications currently in review. The reserve is based on \$3,195.97 times 400.
Original ADM Used for Base Budget	1,226,180	1,248,430	
Decrease in ADM	(120)	(1,280)	
Reserve for Charter Schools (See Note)	400	400	
Total Budgeted ADM	1,226,460	1,247,550	
ADM Change from FY 1996-97 (1,201,688)	24,772	45,862	

Dollar Impact	FY 1997-98	FY 1998-99	Notes
Included in Continuation (Base) Budget	\$76,084,438	\$155,780,795	Even with a decrease in overall ADM, the budget reflects an increase. Overall ADM increases in the lower grades and grades 7-12 account for the increase. Allotment formulas for these grades generate funding at a level higher than other grades.
Actual Cost to Cover Allotted ADM	79,624,748	157,124,661	
Continuation (Base) Budget Increase	\$3,540,310	\$1,343,866	
Reserve for Charter Schools (See Note above)	1,278,308	1,278,308	
Total ADM Adjustment	\$4,818,618	\$2,622,174	

Changes in Average Salary	FY 1997-98	FY 1998-99	Notes
Guaranteed Salaries Based on Dec. 1996	(\$7,704,040)	(\$7,825,991)	Original budget based on Sept. 1996 salaries

Net Budget Decrease - General Fund	(\$2,885,422)	(\$5,203,817)	Does not include Highway Fund
Adjustment to Highway Fund	\$2,303,219	\$2,330,091	Driver Training (ADM and one-time funding)
Total Public School Fund Budget Adjustment	(\$582,203)	(\$2,873,726)	

Average Daily Membership (ADM) used for Allotments:

The sum of the number of days in membership for all students in individual Local Education Agencies (LEAs), divided by the number of school days in the term. Allotments for each LEA will be made on the basis of the higher of the first two months total projected ADM for the next school year or the higher of the first two months total current year ADM.

Average Salary:

Funds distributed for position allotments allow each LEA to hire certified teachers and other educators without being limited to a specific dollar allotment. The State guarantees the salary as long as the employee is paid according to the State Salary Schedule which is based on years of experience and education. The statewide average salary is calculated based on actual payroll data for each employee. When less experienced personnel are hired, the statewide average salary tends to decrease. Allotments are normally based on December average salaries.

PUBLIC SCHOOLS
CONTINUATION SPECIAL PROVISIONS

1. **Low Wealth Supplemental Funding** – Language implementing the low wealth supplemental funding for FY1997-98 and FY1998-99.
2. **Small School Supplemental Funding** – Language implementing the small school supplemental funding formula for FY1997-98 and FY1998-99.
3. **Career Development** -- Hold harmless language on teacher salaries for FY1997-98 and FY1998-99.
4. **Exceptional Children Allocations** – Allocation of exceptional children funds for FY1997-98 and FY1998-99.
5. **Minimum Vacation for School Bus Drivers** – Provides a minimum of one day of vacation for school bus drivers.
6. **Use of Substitute Teacher Funds for Leave From Sick Leave Banks** – Allows state to be used substitute teachers on days that teachers use voluntary sick bank days.
7. **Litigation Reserve** – Allows the State Board of Education to expend funds to pay expenses related to pending litigation.

S

University of North Carolina

Governor's Base Budget Recommendations

Senate Appropriations Committee on
Education/Higher Education

Senator Howard Lee
Senator Leslie Winner
Co-Chairs

March 20, 1997

N.C. State Budget, 1997-99: Summary of Recommendations
Further Adjustments - Continued

University of North Carolina Board of Governors

	<u>1997-98</u>	<u>1998-99</u>
1. Reduce Campus Non-Academic Support In order to create greater operating efficiencies at the campus level, it is recommended that a 1% reduction be made in the non-academic budgets of each constituent institution for 1997-99, with the exception of the Area Health Education Centers (A.H.E.C.'s). It is recommended that the A.H.E.C budget be reduced by 0.5% for 1997-99. The recommended reductions are based upon the adjusted 1997-99 continuation budget. Excluded from the calculated reductions are classroom activities such as regular term instruction and summer school, the campus libraries, and appropriated student financial aid.	\$ (3,594,742)	\$ (3,644,100)
2. Reduce General Fund Support for the University of North Carolina Hospitals at Chapel Hill The University of North Carolina Hospitals at Chapel Hill (UNC - Hospitals) has historically received general fund appropriation support for two primary reasons: first, as the state's primary teaching facility for the Medical School at the University of North Carolina - Chapel Hill; and second, for its highly specialized treatments of the state's medically needy population. The underlying rationale for state support has been to underwrite unreimbursed teaching costs of medical students, and to pay for the uncompensated care of the medically needy but indigent population. UNC - Hospitals collectively calls these functions, both teaching and indigent care, "societal contributions."		

UNC-243

N.C. State Budget, 1997-99: Summary of Recommendations
 Further Adjustments
 University of North Carolina Board of Governors - Continued

1997-98

1998-99

Reduce General Fund Support for the University of North Carolina Hospitals at Chapel Hill - Continued

The recommended state appropriation for 1997-98 and 1998-99 would support approximately 98% of all societal contributions made by UNC - Hospitals. In addition, the 1996 Session of the General Assembly permitted UNC - Hospitals to retain the sales and use taxes paid in the conduct of business, like all other private hospitals. Taken together, the recommended state appropriations and the estimated sales tax retained would increase total state support for UNC - Hospitals to 107% of their societal contributions.

It is therefore recommended that the General Fund support to UNC - Hospitals be reduced to approximately 99% of their societal contribution for the 1997-99 biennium.

\$ (3,610,860)

\$ (3,610,860)

Enrollment Changes

Enrollment projections from the board indicate a slight decrease in enrollment for the 1997-99 biennium over the current budgeted enrollment of 132,280 full time equivalent (FTE) students. Based upon the board's estimates, enrollment in the university system is projected to decrease by 969 FTE in 1997-98, and then increase by 925 FTE to 132,236 in 1998-99. Consequently, funds budgeted for enrollment are recommended to be reduced for 1997-98 and then increased for 1998-99. The recommended increase in the "Recommended Expansion" section of this document for the second year is to support those campuses which are experiencing enrollment growth, with the noted modification that support costs are now funded at 100%, in accordance with Section 16.10 of Chapter 18 of the 1996 Session Laws. (See also "Recommended Expansion" section for identical item.)

Requirements

\$ (6,205,381)

\$

-

Receipts

(4,309,978)

-

Appropriation

\$ (1,895,403)

\$

-

- UNC-244

**The University of North Carolina
Systemwide Non-Academic Reductions**

Institution	Budget Code	1997-98		1998-99	
		Adjusted Appropriation	1% Reduction in Net Appropriation	Adjusted Appropriation	1% Reduction in Net Appropriation
UNC General Administration	16010	\$ 26,944,621	\$ 269,446	\$ 24,179,748	\$ 241,797
UNC - Chapel Hill Academic Affairs	16020	\$ 36,994,172	\$ 369,942	\$ 38,787,538	\$ 387,875
UNC - Chapel Hill Health Affairs	16021	\$ 17,209,630	\$ 172,096	\$ 17,841,673	\$ 178,417
UNC - Chapel Hill A.H.E.C.	16022	\$ 38,446,131	\$ 192,231	\$ 38,425,791	\$ 192,129
N.C. State Academic Affairs	16030	\$ 64,314,797	\$ 643,148	\$ 64,818,853	\$ 648,189
N.C.State Agricultural Research	16031	\$ 40,391,976	\$ 403,920	\$ 40,415,680	\$ 404,157
N.C. State Cooperative Extension	16032	\$ 32,272,198	\$ 322,722	\$ 32,264,767	\$ 322,648
UNC - Greensboro	16040	\$ 7,777,085	\$ 77,771	\$ 8,417,993	\$ 84,180
UNC - Charlotte	16050	\$ 5,683,270	\$ 56,833	\$ 5,865,643	\$ 58,656
UNC - Asheville	16055	\$ 7,428,546	\$ 74,285	\$ 7,482,231	\$ 74,822
UNC - Wilmington	16060	\$ 3,522,069	\$ 35,221	\$ 5,031,808	\$ 50,318
East Carolina Academic Affairs	16065	\$ 19,533,842	\$ 195,338	\$ 20,273,913	\$ 202,739
N. C. A&T State	16070	\$ 10,934,021	\$ 109,340	\$ 11,296,881	\$ 112,969
Western Carolina	16075	\$ 15,298,761	\$ 152,988	\$ 15,357,251	\$ 153,573
Appalachian State	16080	\$ 12,947,055	\$ 129,471	\$ 13,247,586	\$ 132,476
Pembroke State	16082	\$ 6,331,174	\$ 63,312	\$ 6,302,787	\$ 63,028
Winston - Salem State	16084	\$ 7,332,130	\$ 73,321	\$ 7,346,349	\$ 73,463
Elizabeth City State	16086	\$ 6,769,085	\$ 67,691	\$ 6,786,204	\$ 67,862
Fayetteville State	16088	\$ 6,768,751	\$ 67,688	\$ 6,936,249	\$ 69,362
N.C. Central	16090	\$ 8,428,128	\$ 84,281	\$ 9,102,203	\$ 91,022
N. C. School of the Arts	16092	\$ 3,369,842	\$ 33,698	\$ 3,441,701	\$ 34,417
Totals		\$ 378,697,284	\$ 3,594,742	\$ 383,622,849	\$ 3,644,100

The following adjustments and exclusions have been made:

Excludes funds for Regular Term Instruction, Summer School, Libraries and Financial Aid

Includes funds for Extension Instruction, The Institute of Government, The School of Veterinary Medicine, East Carolina Division of Health Services, Organized Research, Community Services, Academic Support, Support Services and Administration, and Other Reserves

There are no appropriated funds for Organized Research in budget codes 16055, 16080, 16082, 16084, 16086, 16088, 16092, and no appropriated funds for Community Service activities in budget code 16040

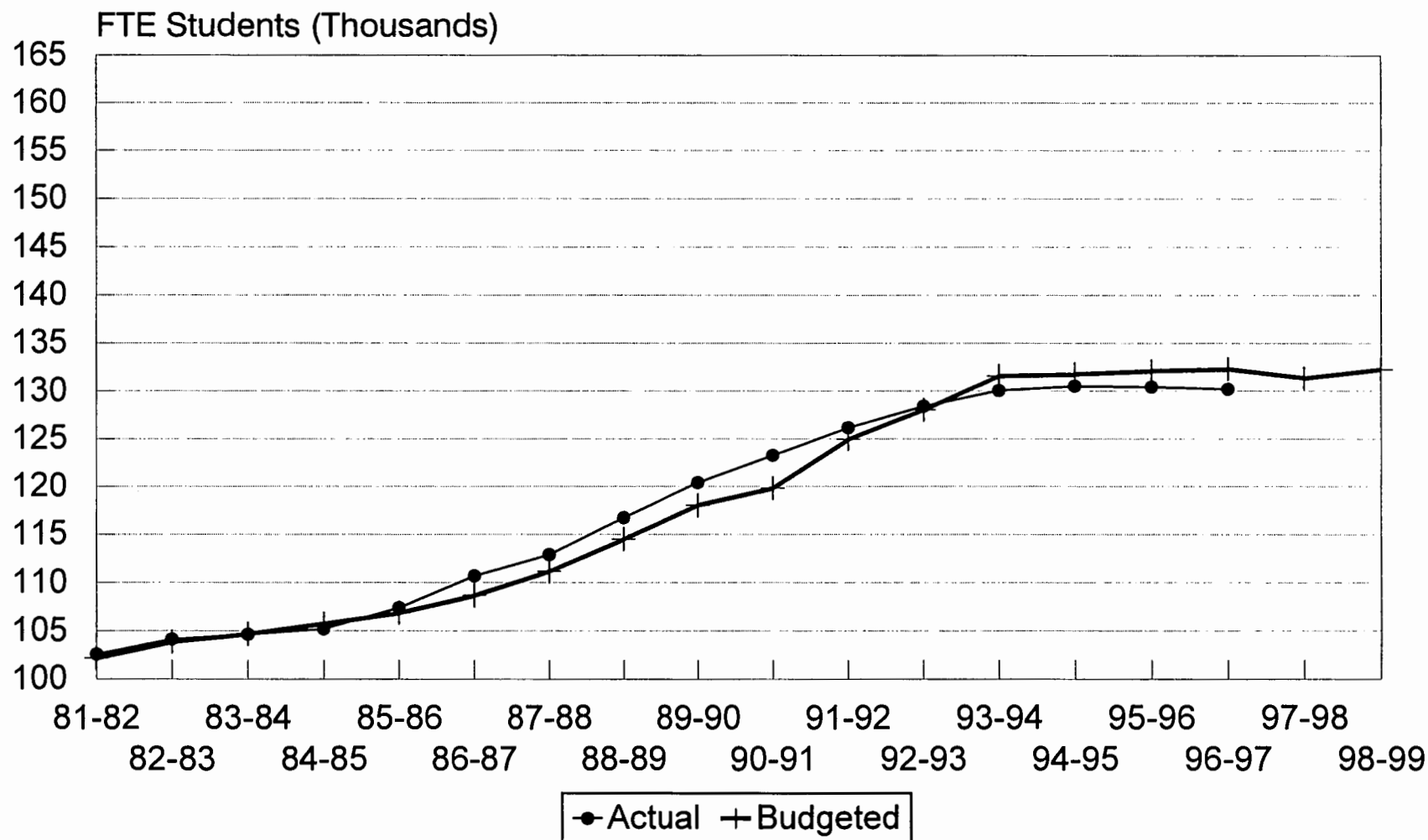
UNC - 2005

Reductions in Non-Instructional Budgets: UNC **1992-1997**

Item	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
Eliminate 336 vacancies	\$8,930,279	\$8,930,279				
Across the Board 0.59% reduction			\$6,481,337	\$6,533,454		
Eliminate SPA Salary Reserves & reduce remaining vacancies to Step 1	\$1,870,986	\$1,870,986				
1% SPA Position Cut				\$3,555,227		
Delete 185 positions as part of \$10 million statewide vacant position reduction				\$4,994,093		
Reduce Community Services & economic development activities	\$1,880,000	\$1,880,000				
Reduce non-teaching EPA positions	\$5,109,173	\$5,109,174			\$2,700,600	\$2,700,601
Reduce data processing purchases, travel, printing & contracted services	\$3,900,156	\$3,900,617				
Reduce Equipment Budgets					\$1,854,691	\$1,854,691
Annual Total	\$21,690,594	\$21,691,056	\$6,481,337	\$15,082,774	\$4,555,291	\$4,555,292
Cumulative Impact	\$21,690,594	\$21,691,056	\$28,172,393	\$36,773,830	\$41,329,121	\$41,329,122

UNC ENROLLMENT GROWTH

ACTUAL & BUDGETED



96-97 actual enrollment based on estimates from fall, 1996.

FISCAL RESEARCH DIVISION 3/19/97

Requested by: Senators Lee and Winner

AID TO STUDENTS ATTENDING PRIVATE COLLEGES/LEGISLATIVE TUITION
GRANT LIMITATIONS

1 Sec. @. (a) No Legislative Tuition Grant funds shall
2 be expended for a program at an off-campus site of a private
3 institution, as defined in G.S. 116-22(1), established after May
4 15, 1987, unless (i) the private institution offering the program
5 has previously notified and secured agreement from other private
6 institutions operating degree programs in the county in which the
7 off-campus program is located or operating in the counties
8 adjacent to that county or (ii) the degree program is neither
9 available nor planned in the county with the off-campus site or
10 in the counties adjacent to that county.

11 An "off-campus program" is any program offered for
12 degree credit away from the institution's main permanent campus.

13 (b) Any member of the armed services as defined in G.S.
14 116-143.3(a), abiding in this State incident to active military
15 duty, who does not qualify as a resident for tuition purposes as
16 defined under G.S. 116-143.1, is eligible for a Legislative
17 Tuition Grant pursuant to this section if the member is enrolled
18 as a full-time student. The member's Legislative Tuition Grant
19 shall not exceed the cost of tuition less any tuition assistance
20 paid by the member's employer.

21

Requested by: Senators Lee and Winner

WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING FORMULA

1 Sec. @. Funds appropriated in this act to the Board of
2 Governors of The University of North Carolina for continuation of
3 financial assistance to the medical schools of Duke University
4 and Wake Forest University shall be disbursed on certifications
5 of the respective schools of medicine that show the number of
6 North Carolina residents as first-year, second-year, third-year,
7 and fourth-year students in each medical school as of November 1,
8 1997, and November 1, 1998. Disbursement to Wake Forest
9 University shall be made in the amount of eight thousand dollars
10 (\$8,000) for each medical student who is a North Carolina
11 resident, one thousand dollars (\$1,000) of which shall be placed
12 by the school in a fund to be used to provide financial aid to
13 needy North Carolina students who are enrolled in the medical
14 school. The maximum aid given to any student from this fund in a
15 given year may not exceed the amount of the difference in tuition
16 and academic fees charged by the school and those charged at the
17 School of Medicine at the University of North Carolina at Cha
18 Hill.

19 Disbursement to Duke University shall be made in
20 amount of five thousand dollars (\$5,000) for each medical student
21 who is a North Carolina resident, five hundred dollars (\$500.00)
22 of which shall be placed by the school in a fund to be used to
23 provide student financial aid to financially needy North Carolina
24 students who are enrolled in the medical school. No individual
25 student may be awarded assistance from this fund in excess of two
26 thousand dollars (\$2,000) each year. In addition to this basic
27 disbursement for each year of the biennium, a disbursement of one
28 thousand dollars (\$1,000) shall be made for each medical student
29 who is a North Carolina resident in the first-year, second-year,
30 third-year, and fourth-year classes to the extent that enrollment
31 of each of those classes exceeds 30 North Carolina students.

32 The Board of Governors shall establish the criteria for
33 determining the eligibility for financial aid of needy North
34 Carolina students who are enrolled in the medical schools and
35 shall review the grants or awards to eligible students. The
36 Board of Governors shall adopt rules for determining which
37 students are residents of North Carolina for the purposes of
38 these programs. The Board shall also make any regulations
39 necessary to ensure that these funds are used directly for

1 instruction in the medical programs of the schools and not for
2 religious or other nonpublic purposes. The Board shall encourage
3 the two schools to orient students towards primary care,
4 consistent with the directives of G.S. 143-613(a). The two
5 schools shall supply information necessary for the Board to
6 comply with G.S. 143-613(d).

UNC-250

Requested by: Senators Lee and Winner

AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE

1 Sec. @. (a) Funds appropriated in this act to the
2 Board of Governors of The University of North Carolina for aid to
3 private colleges shall be disbursed in accordance with the
4 provisions of G.S. 116-19, 116-21, and 116-22. These funds shall
5 provide up to five hundred fifty dollars (\$550.00) per full-time
6 equivalent North Carolina undergraduate student enrolled at a
7 private institution as of October 1 each year.

8 These funds shall be placed in a separate, identifiable
9 account in each eligible institution's budget or chart of
10 accounts. All funds in this account shall be provided as
11 scholarship funds for needy North Carolina students during the
12 fiscal year. Each student awarded a scholarship from this
13 account shall be notified of the source of the funds and of the
14 amount of the award. Funds not utilized under G.S. 116-19 shall
15 be for the tuition grant program as defined in subsection (b) of
16 this section.

17 (b) In addition to any funds appropriated pursuant to
18 G.S. 116-19 and in addition to all other financial assistance
19 made available to private educational institutions located within
20 the State, or to students attending these institutions, there is
21 granted to each full-time North Carolina undergraduate student
22 attending an approved institution as defined in G.S. 116-22, a
23 sum, not to exceed one thousand two hundred fifty dollars
24 (\$1,250) per academic year, which shall be distributed to the
25 student as hereinafter provided.

26 The tuition grants provided for in this section shall be
27 administered by the State Education Assistance Authority pursuant
28 to rules adopted by the State Education Assistance Authority not
29 inconsistent with this section. The State Education Assistance
30 Authority shall not approve any grant until it receives proper
31 certification from an approved institution that the student
32 applying for the grant is an eligible student. Upon receipt of
33 the certification, the State Education Assistance Authority shall
34 remit at such times as it shall prescribe the grant to the
35 approved institution on behalf, and to the credit, of the
36 student.

37 In the event a student on whose behalf a grant has been
38 paid is not enrolled and carrying a minimum academic load as of
39 the tenth classroom day following the beginning of the school

1 term for which the grant was paid, the institution shall refund
2 the full amount of the grant to the State Education Assistance
3 Authority. Each approved institution shall be subject to
4 examination by the State Auditor for the purpose of determining
5 whether the institution has properly certified eligibility and
6 enrollment of students and credited grants paid on the behalf of
7 the students.

8 In the event there are not sufficient funds to provide
9 each eligible student with a full grant:

10 (1) The Board of Governors of The University of North
11 Carolina, with the approval of the Office of State
12 Budget and Management, may transfer available funds
13 to meet the needs of the programs provided by
14 subsections (a) and (b) of this section; and

15 (2) Each eligible student shall receive a pro rata
16 share of funds then available for the remainder of
17 the academic year within the fiscal period covered
18 by the current appropriation.

19 Any remaining funds shall revert to the General Fund.

20 (c) Expenditures made pursuant to this section may be
21 used only for secular educational purposes at nonprofit
22 institutions of higher learning.

23

UNC-252

N.C. State Budget, 1997-99: Summary of Recommendations
Adjustments to the Continuation Budget
Volume 5, Natural and Economic Resources - Commerce - Continued

	<u>1997-98</u>	<u>1998-99</u>
6. Travel and Tourism		
Additional receipts were budgeted for services provided and therefore the General Fund-appropriations were reduced.		
Requirements	\$ -	\$ -
Receipts	<u>12,000</u>	<u>12,000</u>
Appropriation	\$ (12,000)	\$ (12,000)
Total Adjustments to the Continuation Budget	<u>\$ 116,193,008</u>	<u>\$ 110,645,705</u>

B. Further Adjustments

Department of Community Colleges

	<u>1997-98</u>	<u>1998-99</u>
1. State Board Reserve		
The \$900,000 State Board Reserve provides the State Board of Community Colleges the opportunity to fund unique programs, otherwise not funded, for the colleges. The acceptable uses for the State Board Reserve funds were codified by the last session of the General Assembly. These funds may be used for feasibility studies, pilot projects, start-up of new programs, and innovative ideas. Expenditures are approved by the board. The recommended reduction in these funds by \$250,000 will reduce the reserve to \$650,000.		
	\$ (250,000)	\$ (250,000)
2. Maintenance of Plant		
Maintenance of plant funds are provided to meet the utility needs of the regional community colleges. The regional community colleges serve the needs of out of county students. Currently only three community colleges receive state funds for maintenance of plant for serving out of county students. This reduction will eliminate state support for maintenance of plant at Central Carolina Community College, College of the Albemarle, and Southwestern Community College.		
	(517,506)	(517,506)

COMMUNITY COLLEGES

FY 1997-98:

FY 1998-99:

State Board Reserve Fund- Reduces the State Board Reserve Fund from \$900,000 to \$650,000 as requested by the Governor.	(250,000)	(250,000)
2. Curriculum Improvement Projects- Reduces the State funds in this program by the amount reverted due to the availability of federal funds for this purpose.	(113,709)	(113,709)
3. JTPA Administrative Funds- Reduces the administrative funds allocated to colleges that offer JTPA class size projects.	(17,216)	(17,216)
4. Adjustment for Decline in Hospital Diploma Nursing Programs- One of the four hospital diploma nursing programs no longer offers this program and therefore is ineligible to receive these funds.	(52,273)	(52,273)
5. Department of Community Colleges New and Expanding Industry Equipment for Regional Coordinators- Reduces the funds available to buy equipment for the New Industry Coordinators to move across the state as needed. These funds have not been spent for several years and can be reduced.	(300,000)	(300,000)
6. Community Services Block Grant- Reduces funds in the Community Services Block Grant that offers hobby and leisure classes to the community .	(34,308)	(34,308)
TOTAL:	(\$767,506)	(\$767,506)

CODIR NO. 97DOCC-S001

Requested by: Senators Lee, Winner

COMMUNITY COLLEGE FUNDING FLEXIBILITY

1 Sec. @. A local community college may use all State
2 funds allocated to it, except for Literacy Funds and Funds for
3 New and Expanding Industries, for any authorized purpose that is
4 consistent with the college's Institutional Effectiveness Plan.
5 Each local community college shall submit an Institutional
6 Effectiveness Plan that indicates to the State Board of Community
7 Colleges how the college will use this funding flexibility to
8 meet the demands of the local community and maintain a presence
9 in all previously funded categorical programs.

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Education Subcommittee

Thursday, March ²⁰~~18~~, 1997 8:00 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Janet Kutter	OSBU
Donny Heath	NCCCS
Debra Harrison	WCPSS
Larry McLamb	DPI
Andy Quenz	OSPL
Jim Bahr	DPI
Becky McCortey	NCDPI
Kenn Buzin	OSBM
David C. Bunting Jr.	OSBM
Sue Adams	OSBM
Jeff Davis	UNC
Laura Stewart	AFT/NC

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Education Subcommittee

Thursday, March 13, 1997 8:00 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Sen Hogan</i>	<i>UNC-GA</i>
<i>Ray Carroll</i>	<i>unc-GA</i>
<i>Sen Thompson</i>	<i>DPI</i>
<i>Ann Bulam</i>	<i>SBE</i>
<i>Helen Dowdy</i>	<i>NCAcct</i>
<i>Hal Miller</i>	<i>NCAcct</i>
<i>Maurice King</i>	<i>OSBM</i>
<i>Bratts</i>	<i>NCAASH</i>

CODE NO. 97DPI-S001

Requested by: Senators Winner, Lee

USE OF SUBSTITUTE TEACHER FUNDS FOR LEAVE FROM SICK LEAVE BANKS

1 Sec. @. State funds for substitute teachers shall be
2 used to pay for substitute teachers on days that teachers use
3 sick leave from voluntary sick leave banks established in
4 accordance with G.S. 115C-336(b).

1 CODE NO. 97DPI-S002

2

3 Requested by: Senators Winner, Lee

4

5 CAREER DEVELOPMENT

1 Sec. @. (a) Funds appropriated to the State Board of
2 Education for local school administrative units receiving career
3 development funds for the 1997-98 and 1998-99 fiscal years shall
4 be used only to ensure that individual employees do not receive
5 less on a monthly basis in salary and State-funded bonuses during
6 the 1997-98 fiscal year or during the 1998-99 fiscal year than
7 they received on a monthly basis during the 1994-95 fiscal year,
8 so long as the employees qualify for bonuses under the local
9 differentiated pay plan. The State Board of Education may also
10 use funds appropriated to State Aid to Local School
11 Administrative Units for the 1997-98 and 1998-99 fiscal years as
12 is necessary to hold individual employees harmless as provided in
13 this subsection.

14 (b) Funds appropriated for local school administrative
15 units receiving career development funds for the 1996-97 fiscal
16 year that did not revert on June 30, 1997, shall not be used for
17 expenses other than the costs of holding individual employees
18 harmless as provided in subsection (a) of this section.

19 (c) If funds are necessary to hold teachers harmless
20 after the 1998-99 fiscal year, the General Assembly urges the
21 Governor to include these funds in the continuation budget
22 request.

1 CODE NO. 97DPI-S003

2

3 Requested by: Senators Winner, Lee

4

5 SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

1 Sec. @.(a) Funds for supplemental funding. -- The
2 General Assembly finds that it is appropriate to provide
3 supplemental funds in low-wealth counties to allow those counties
4 to enhance the instructional program and student achievement;
5 therefore, of the funds appropriated to Aid to Local School
6 Administrative Units, the sum of forty-one million four hundred
7 eighty-three thousand eight hundred nine dollars (\$41,483,809)
8 for the 1997-98 fiscal year and the sum of (\$41,483,809) for the
9 1998-99 fiscal year shall be used for supplemental funds for
10 schools.

11 (b) Use of funds for supplemental funding. -- Local
12 school administrative units shall use funds received pursuant to
13 this section only to provide instructional positions,
14 instructional support positions, teacher assistant positions,
15 clerical positions, instructional supplies and equipment, staff
16 development, and textbooks; Provided, however, local school
17 administrative units may also use up to ten percent (10%) of
18 these funds for salary supplements for instructional personnel
19 and instructional support personnel.

20 (c) Definitions. -- As used in this section:

21 (1) "Anticipated county property tax revenue
22 availability" means the county adjusted property
23 tax base multiplied by the effective State average
24 tax rate.

25 (2) "Anticipated total county revenue availability"
26 means the sum of the

27 a. Anticipated county property tax revenue
28 availability,

29 b. Local sales and use taxes received by the
30 county that are levied under Chapter 1096 of
31 the 1967 Session Laws or under Subchapter VIII
32 of Chapter 105 of the General Statutes,

33 c. Food stamp exemption reimbursement received by
34 the county under G.S. 105-164.44C,

35 d. Homestead exemption reimbursement received by
36 the county under G.S. 105-277.1A,

37 e. Inventory tax reimbursement received by the
38 county under G.S. 105-275.1 and G.S. 105-277A,

1 f. Intangibles tax distribution and reimbursement
2 received by the county under G.S. 105-213 and
3 G.S. 105-213.1, and
4 g. Fines and forfeitures deposited in the county
5 school fund
6 for the most recent year for which data are
7 available.
8 (3) "Anticipated total county revenue availability per
9 student" means the anticipated total county revenue
10 availability for the county divided by the average
11 daily membership of the county.
12 (4) "Anticipated State average revenue availability per
13 student" means the sum of all anticipated total
14 county revenue availability divided by the average
15 daily membership for the State.
16 (5) "Average daily membership" means average daily
17 membership as defined in the North Carolina Public
18 Schools Allotment Policy Manual, adopted by the
19 State Board of Education. If a county contains
20 only part of a local school administrative unit,
21 the average daily membership of that county
22 includes all students who reside within the county
23 and attend that local school administrative unit.
24 (6) "County adjusted property tax base" shall be
25 computed as follows:
26 a. Subtract the present-use value of agricultural
27 land, horticultural land, and forestland in
28 the county, as defined in G.S. 105-277.2, from
29 the total assessed real property valuation of
30 the county,
31 b. Adjust the resulting amount by multiplying by
32 a weighted average of the three most recent
33 annual sales assessment ratio studies,
34 c. Add to the resulting amount the:
35 1. Present-use value of agricultural land,
36 horticultural land, and forestland, as
37 defined in G.S. 105-277.2,
38 2. Value of property of public service
39 companies, determined in accordance with
40 Article 23 of Chapter 105 of the General
41 Statutes, and
42 3. Personal property value for the county.
43 (7) "County adjusted property tax base per square mile"
44 means the county adjusted property tax base divided

- 1 by the number of square miles of land area in the
2 county.
- 3 (8) "County wealth as a percentage of State average
4 wealth" shall be computed as follows:
- 5 a. Compute the percentage that the county per
6 capita income is of the State per capita
7 income and weight the resulting percentage by
8 a factor of five-tenths,
- 9 b. Compute the percentage that the anticipated
10 total county revenue availability per student
11 is of the anticipated State average revenue
12 availability per student and weight the
13 resulting percentage by a factor of four-
14 tenths,
- 15 c. Compute the percentage that the county
16 adjusted property tax base per square mile is
17 of the State adjusted property tax base per
18 square mile and weight the resulting
19 percentage by a factor of one-tenth,
- 20 d. Add the three weighted percentages to derive
21 the county wealth as a percentage of the State
22 average wealth.
- 23 (9) "Effective county tax rate" means the actual county
24 tax rate multiplied by a weighted average of the
25 three most recent annual sales assessment ratio
26 studies.
- 27 (10) "Effective State average tax rate" means the
28 average of effective county tax rates for all
29 counties.
- 30 (10a) "Local current expense funds" means the most
31 recent county current expense appropriations
32 to public schools, as reported by local boards
33 of education in the audit report filed with
34 the Secretary of the Local Government
35 Commission pursuant to G.S. 115C-447.
- 36 (11) "Per capita income" means the average for the most
37 recent three years for which data are available of
38 the per capita income according to the most recent
39 report of the United States Department of Commerce,
40 Bureau of Economic Analysis, including any reported
41 modifications for prior years as outlined in the
42 most recent report.

1 (12) "Sales assessment ratio studies" means sales
2 assessment ratio studies performed by the
3 Department of Revenue under G.S. 105-289(h).
4 (13) "State average current expense appropriations per
5 student" means the most recent State total of
6 county current expense appropriations to public
7 schools, as reported by local boards of education
8 in the audit report filed with the Secretary of the
9 Local Government Commission pursuant to G.S. 115C-
10 447.
11 (14) "State average adjusted property tax base per
12 square mile" means the sum of the county adjusted
13 property tax bases for all counties divided by the
14 number of square miles of land area in the State.
15 (14a) "Supplant" means to decrease local per student
16 current expense appropriations from one fiscal
17 year to the next fiscal year.
18 (15) "Weighted average of the three most recent annual
19 sales assessment ratio studies" means the weighted
20 average of the three most recent annual sales
21 assessment ratio studies in the most recent years
22 for which county current expense appropriations and
23 adjusted property tax valuations are available. If
24 real property in a county has been revalued one
25 year prior to the most recent sales assessment
26 ratio study, a weighted average of the two most
27 recent sales assessment ratios shall be used. If
28 property has been revalued the year of the most
29 recent sales assessment ratio study, the sales
30 assessment ratio for the year of revaluation shall
31 be used.
32 (d) Eligibility for funds. -- Except as provided in
33 subsection (h) of this section, the State Board of Education
34 shall allocate these funds to local school administrative units
35 located in whole or in part in counties in which the county
36 wealth as a percentage of the State average wealth is less than
37 one hundred percent (100%).
38 (e) Allocation of funds. -- Except as provided in
39 subsection (g) of this section, the amount received per average
40 daily membership for a county shall be the difference between the
41 State average current expense appropriations per student and the
42 current expense appropriations per student that the county could
43 provide given the county's wealth and an average effort to fund
44 public schools. (To derive the current expense appropriations

1 per student that the county could be able to provide given the
2 county's wealth and an average effort to fund public schools,
3 multiply the county wealth as a percentage of State average
4 wealth by the State average current expense appropriations per
5 student.)

6 The funds for the local school administrative units
7 located in whole or in part in the county shall be allocated to
8 each local school administrative unit, located in whole or in
9 part in the county, based on the average daily membership of the
10 county's students in the school units.

11 If the funds appropriated for supplemental funding are
12 not adequate to fund the formula fully, each local school
13 administrative unit shall receive a pro rata share of the funds
14 appropriated for supplemental funding.

15 (f) **Formula for distribution of supplemental funding**
16 **pursuant to this section only.** -- The formula in this section is
17 solely a basis for distribution of supplemental funding for low-
18 wealth counties and is not intended to reflect any measure of the
19 adequacy of the educational program or funding for public
20 schools. The formula is also not intended to reflect any
21 commitment by the General Assembly to appropriate any additional
22 supplemental funds for low-wealth counties.

23 (g) **Minimum effort required.** -- A county that (i)
24 maintains an effective county tax rate that is at least one
25 hundred percent (100%) of the effective State average tax rate in
26 the most recent year for which data are available or (ii)
27 maintains a county appropriation per student to the school local
28 current expense fund of at least one hundred percent (100%) of
29 the current expense appropriations per student to the school
30 local current expense fund that the county could provide given
31 the county's wealth and an average effort to fund public schools,
32 shall receive full funding under this section. A county that
33 maintains a county appropriation per student to the school local
34 current expense fund of less than one hundred percent (100%) of
35 the current expense appropriations per student to the school
36 local current expense fund that the county could provide given
37 the county's wealth and an average effort to fund public schools
38 shall receive funding under this section at the same percentage
39 that the county's appropriation per student to the school local
40 current expense fund is of the current expense appropriations per
41 student to the school local current expense fund that the county
42 could provide given the county's wealth and an average effort to
43 fund public schools.

1 (h) Nonsupplant requirement. -- A county in which a
2 local school administrative unit receives funds under this
3 section shall use the funds to supplement local current expense
4 funds and shall not supplant local current expense funds. For the
5 1997-99 fiscal biennium, the State Board of Education shall not
6 allocate funds under this section to a county found to have used
7 these funds to supplant local per student current expense funds.
8 The State Board of Education shall make a finding that a county
9 has used these funds to supplant local current expense funds in
10 the prior year, or the year for which the most recent data are
11 available, if:

12 (1) The current expense appropriation per student of
13 the county for the current year is less than
14 ninety-five percent (95%) of the average of the
15 local current expense appropriations per student
16 for the three prior fiscal years; and

17 (2) The county cannot show (i) that it has remedied the
18 deficiency in funding, or (ii) that extraordinary
19 circumstances caused the county to supplant local
20 current expense funds with funds allocated under
21 this section.

22 The State Board of Education shall adopt rules to implement this
23 section.

24 (i) Reports. -- The State Board of Education shall
25 report to the Joint Legislative Education Oversight Committee
26 prior to May 1, 1998, on its analysis of whether counties
27 supplanted funds.

28 (j) Department of Revenue reports. -- The Department of
29 Revenue shall provide to the Department of Public Instruction a
30 preliminary report for the current fiscal year of the assessed
31 value of the property tax base for each county prior to March 1
32 of each year and a final report prior to May 1 of each year. The
33 reports shall include for each county the annual sales assessment
34 ratio and the taxable values of (i) total real property, (ii) the
35 portion of total real property represented by the present-use
36 value of agricultural land, horticultural land, and forestland as
37 defined in G.S. 105-277.2, (iii) property of public service
38 companies determined in accordance with Article 23 of Chapter 105
39 of the General Statutes, and (iv) personal property.

1 CODE NO. 97DPI-S004

2

3 Requested by: Senators Winner, Lee

4

5 **SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

1 Sec. @. (a) Funds for small school systems. -- Except
2 as provided in subsection (b) of this section, the State Board of
3 Education shall allocate funds appropriated for small school
4 system supplemental funding (i) to each county school
5 administrative unit with an average daily membership of less than
6 3,150 students and (ii) to each county school administrative unit
7 with an average daily membership of from 3,150 to 4,000 students
8 if the county in which the local school administrative unit is
9 located has a county adjusted property tax base per student that
10 is below the State adjusted property tax base per student and if
11 the total average daily membership of all local school
12 administrative units located within the county is from 3,150 to
13 4,000 students. The allocation formula shall:

14 (1) Round all fractions of positions to the next whole
15 position.

16 (2) Provide five and one-half additional regular
17 classroom teachers in counties in which the average
18 daily membership per square mile is greater than
19 four and seven additional regular classroom
20 teachers in counties in which the average daily
21 membership per square mile is four or less.

22 (3) Provide additional program enhancement teachers
23 adequate to offer the standard course of study.

24 (4) Change the duty-free period allocation to one
25 teacher assistant per 400 average daily membership.

26 (5) Provide a base for the consolidated funds allotment
27 of at least one hundred fifty thousand dollars
28 (\$150,000), excluding textbooks.

29 (6) Allot vocational education funds for grade 6 as
30 well as for grades 7-12.

31 If funds appropriated for each fiscal year for small school
32 system supplemental funding are not adequate to fund fully the
33 program, the State Board of Education shall reduce the amount
34 allocated to each county school administrative unit on a pro rata
35 basis. This formula is solely a basis for distribution of
36 supplemental funding for certain county school administrative
37 units and is not intended to reflect any measure of the adequacy
38 of the educational program or funding for public schools. The
39 formula is also not intended to reflect any commitment by the

1 General Assembly to appropriate any additional supplemental funds
2 for such county administrative units.

3 (b) Nonsupplant requirement. -- A county in which a
4 local school administrative unit receives funds under this
5 section shall use the funds to supplement local current expense
6 funds and shall not supplant local current expense funds. For the
7 1997-99 fiscal biennium, the State Board of Education shall not
8 allocate funds under this section to a county found to have used
9 these funds to supplant local per student current expense funds.
10 The State Board of Education shall make a finding that a county
11 has used these funds to supplant local current expense funds in
12 the prior year, or the year for which the most recent data are
13 available, if:

14 (1) The current expense appropriation per student of
15 the county for the current year is less than
16 ninety-five percent (95%) of the average of the
17 local current expense appropriations per student
18 for the three prior fiscal years; and

19 (2) The county cannot show (i) that it has remedied the
20 deficiency in funding, or (ii) that extraordinary
21 circumstances caused the county to supplant local
22 current expense funds with funds allocated under
23 this section.

24 The State Board of Education shall adopt rules to implement this
25 section.

26 (c) Phase-out provision. -- If a local school
27 administrative unit becomes ineligible for funding under this
28 formula solely because of an increase in population or an
29 increase in the county adjusted property tax base per student of
30 the county in which the local school administrative unit is
31 located, funding for that unit shall be phased-out over a two
32 year period. For the first year of ineligibility, the unit shall
33 receive the same amount it received for the prior fiscal year.
34 For the second year of ineligibility, it shall receive half of
35 that amount.

36 (d) Definitions. -- As used in this section:

37 (1) "Average daily membership" means within two percent
38 (2%) of the average daily membership as defined in
39 the North Carolina Public Schools Allotment Policy
40 Manual, adopted by the State Board of Education.

41 (2) "County adjusted property tax base per student"
42 means the total assessed property valuation for
43 each county, adjusted using a weighted average of
44 the three most recent annual sales assessment ratio

1 studies, divided by the total number of students in
2 average daily membership who reside within the
3 county.
4 (2a) "Local current expense funds" means the most recent
5 county current expense appropriations to public
6 schools, as reported by local boards of education
7 in the audit report filed with the Secretary of the
8 Local Government Commission pursuant to G.S. 115C-
9 447.
10 (3) "Sales assessment ratio studies" means sales
11 assessment ratio studies performed by the
12 Department of Revenue under G.S. 105-289(h).
13 (4) "State adjusted property tax base per student"
14 means the sum of all county adjusted property tax
15 bases divided by the total number of students in
16 average daily membership who reside within the
17 State.
18 (4a) "Supplant" means to decrease local per student
19 current expense appropriations from one fiscal year
20 to the next fiscal year.
21 (5) "Weighted average of the three most recent annual
22 sales assessment ratio studies" means the weighted
23 average of the three most recent annual sales
24 assessment ratio studies in the most recent years
25 for which county current expense appropriations and
26 adjusted property tax valuations are available. If
27 real property in a county has been revalued one
28 year prior to the most recent sales assessment
29 ratio study, a weighted average of the two most
30 recent sales assessment ratios shall be used. If
31 property has been revalued the year of the most
32 recent sales assessment ratio study, the sales
33 assessment ratio for the year of revaluation shall
34 be used.
35 (e) Reports. -- The State Board of Education shall
36 report to the Joint Legislative Education Oversight Committee
37 prior to May 1, 1998, on the results of its analysis of whether
38 counties supplanted funds.

1 CODE NO. 97DPI-S005

2

3 Requested by: Senators Winner, Lee

4

5 LITIGATION RESERVE

1 Sec. @. (a) Funds in the State Board of Education's
2 Litigation Reserve that are not expended or encumbered on June
3 30, 1997, shall not revert on July 1, 1997, but shall remain
4 available for expenditure until June 30, 1999.

5 (b) The State Board of Education may expend up to five
6 hundred thousand dollars (\$500,000) for the 1997-98 fiscal year
7 from unexpended funds for certified employees' salaries to pay
8 expenses related to pending litigation.

9 (c) Subsection (a) of this section becomes effective
10 June 30, 1997.

1 CODE NO. 97DPI-S006

2

3 Requested by: Senators Winner, Lee

4

5 EXCEPTIONAL CHILDREN FUNDS

1 Sec. @. The funds appropriated for exceptional children
2 in this act shall be allocated as follows:

3 (1) Each local school administrative unit shall receive
4 for academically gifted children the sum of \$686.38
5 per child for four percent (4.0%) of the 1996-97
6 actual average daily membership in the local school
7 administrative unit, regardless of the number of
8 children identified as academically gifted in the
9 local school administrative unit. The total number
10 of children for which funds shall be allocated
11 pursuant to this subdivision is 47,038 for the
12 1997-98 school year.

13 (2) Each local school administrative unit shall receive
14 for exceptional children other than academically
15 gifted children the sum of \$2,059.14 per child for
16 the lesser of (i) all children who are identified
17 as exceptional children other than academically
18 gifted children or (ii) twelve and five-tenths
19 percent (12.5%) of the 1996-97 actual average daily
20 membership in the local school administrative unit.
21 The maximum number of children for which funds
22 shall be allocated pursuant to this subdivision is
23 137,449 for the 1997-98 school year.

24 The dollar amounts allocated under this subsection for
25 exceptional children shall also increase in accordance with
26 legislative salary increments for personnel who serve exceptional
27 children.

1 CODE NO. 97DPI-S007

2

3 Requested by: Senators Winner, Lee

4

5 **MINIMUM VACATION LEAVE FOR BUS DRIVERS**

1 Sec. @. Notwithstanding any other provision of law, all
2 school bus drivers, who have been employed for at least one
3 academic year and who are not entitled to more than one day of
4 paid vacation leave, are entitled to one day of paid vacation
5 leave in each subsequent school year.

MINUTES
SENATE APPROPRIATIONS COMMITTEE
EDUCATION/HIGHER EDUCATION SUBCOMMITTEE
MARCH 26, 1997

The Senate Appropriations Committee Education/Higher Education Subcommittee met on March 26, 1997 in Room 414 Legislative Office Building at 8:45 a.m. Senator Howard Lee presided. A copy of the agenda is Attachment 1 of the record.

Senator Lee recognized Dr. Roy Carroll, Senior Vice President and Vice President for Academic Affairs, University of North Carolina to give an overview of the UNC Expansion Budget. Dr. Carroll reviewed the Board of Governors 1997-99 academic salary increases request which represented a 6 percent increase over the current base for all EPA salaries for the first year of the biennium and an additional 6 percent increase for the second year. The increases addressed the continuing need for maintaining equity and the competitive position of each of the constituent institutions in the retention and recruitment of faculty and staff. Dr. Carroll then reviewed the requests in the levels of support for educational activities, University-wide, total \$84 million and \$96 million for the two years for current operations and \$842.6 million for capital improvements. A two-part Schedule of Priorities represented a comprehensive expenditure plan for the constituent institutions of the University of North Carolina.

Next on the agenda was Mr. Jeff Davies, Associate Vice President for Finance, University of North Carolina, to review the UNC capital improvements process and the capital budget. (Attachment 3 of the record) Beginning on page 14 of the handout, Mr. Davies reviewed the second part of the Schedule of Priorities which included repairs and renovations. Mr. Davies responded in answer to question on liquidation, that the policy followed by the Board of Governors is that anything that can be liquidated, should be liquidated.

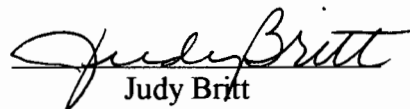
Mr. Kennon Briggs, Higher Education Analyst, Office of State Budget and Management, reviewed the Governor's Expansion and Capital Budget Recommendations for the University of North Carolina. (See Governor's Budget document)

Following discussion, the Chairman announced that the Community Colleges budget would be heard on Thursday.

The meeting was adjourned at 9:50 a.m.



Senator Howard Lee
Committee Chairman



Judy Britt
Committee Clerk

Senate Appropriations Committee on Education/Higher Education

March 26, 1997

8:45 AM

Agenda

Se. Howard Lee, Co-Chair, Presiding

**Overview of UNC Expansion
Budget for Operations**

Dr. Roy Carroll
Sr. Vice President and VP
for Academic Affairs
University of North Carolina

**Review of UNC Capital
Improvements Process and Capital
Request**

Mr. Jeff Davies
Associate Vice President for
Finance
University of North Carolina

**Governor's Expansion and Capital
Budget Recommendations for UNC**

Mr. Kennon Briggs
Higher Education Analyst
Office of State Budget and
Management

**The University of North Carolina
Board of Governors
1997-99 Academic Salary Increases Request**

As a part of its unified budget request, the Board of Governors is directed by the General Assembly to make recommendations for salary increases for faculty members and other academic personnel who are exempt from the State Personnel Act. The Board request for these academic salary increases is for \$48,156,062 for 1997-98 and \$99,649,400 for 1998-99. These amounts represent a 6 percent increase over the current base for all EPA salaries for the first year of the biennium and an additional 6 percent increase for the second year. The increases address the continuing need for maintaining equity and the competitive position of each of the constituent institutions in the retention and recruitment of faculty and staff.

One index of faculty salary competitiveness is the annual Association of American University Professors (AAUP) national rankings of institutions in terms of salary and compensation levels. These data are not the only source of comparative faculty salary data but are the most comprehensive available. While they are not suitable as a quantitative basis for budgeting, they are useful indicators of the relative positions of faculty salaries from one institution to another nationally. In the 1995-96 survey (the most recent available) the two Research I Institutions, UNC-Chapel Hill and North Carolina State University, and the Doctoral I Institution, the University of North Carolina at Greensboro, lost ground in salary rankings.

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Attachment 2
Dr. Carver
3/26/97

compared with similarly classified institutions. For example, associate professors at UNC-Chapel Hill moved from the second to the third quintile compared with associate professors at all comparable institutions while associate professors at North Carolina State University moved from the third to the fourth quintile in the same comparisons. At UNC-Greensboro, both associate and assistant professors moved from the third to the fourth quintile in salary compared with faculty of the same rank at doctoral granting institutions. Overall, these three institutions continued to rank in the 3rd and 4th quintiles compared with Research I and Doctoral I institutions nationally. The losses reported in comparative position occurred because the average increase in faculty salaries nationally in 1995-96 amounted to 2.9 percent compared to a 2 percent increase in North Carolina for the same period.

Masters I institutions in the University of North Carolina, all of which are budgeted at the same average faculty salary with State funds, did slightly better when compared to similarly classified institutions, ranking in the 2nd and 3rd quintiles, while the Baccalaureate II institutions ranked generally in the 2nd quintile. (Because of their special classifications and missions, comparative national data on salaries at UNC-Asheville and the North Carolina School of the Arts are not applicable.)

The same AAUP data on faculty total compensation (salary and benefits) show an even lower competitive position of UNC institutions. Since substantial changes in the benefits program

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are less likely to receive favorable legislative attention, the emphasis in this request is on the salary component.

The 4.5 percent increase in academic salaries given by the General Assembly in the 1996 Second Extra Session combined with the additional one-half percent provided to reward teaching excellence should help restore more competitive salaries during the 1996-97 academic year. Comparative results of the 1996-97 AAUP survey will not be available until spring of 1997. However, it is already known that other Southern Regional Education Board (SREB) states, notably Georgia, awarded higher salary increases (6 percent) for the 1996-97 year than did North Carolina. If similar or higher increases were awarded in many other states, the relative rankings of UNC institutions may fall. Funding the current request at the level indicated (6 percent per year) will assist North Carolina institutions in regaining the top quintile rankings that they held in 1982-83, which helped make higher education in North Carolina a model for the nation. The institutional components of the request for academic salary increases are reflected on the following page.

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Code	Institution	1997-98	1998-99
16080	Appalachian State University	\$ 2,837,250	\$ 5,879,880
	East Carolina University		
16065	Academic Affairs	3,855,536	7,972,427
16066	Health Affairs	1,537,321	3,166,885
16086	Elizabeth City State University	520,961	1,092,795
16088	Fayetteville State University	911,732	1,886,953
16070	North Carolina A & T State University	1,902,130	3,941,822
16090	North Carolina Central University	1,392,905	2,916,243
16092	North Carolina School of the Arts	522,198	1,099,439
16030	North Carolina State University	8,703,360	17,928,920
16055	The University of North Carolina at Asheville	707,859	1,462,394
	The University of North Carolina at Chapel Hill		
16020	Academic Affairs	6,649,500	13,697,975
16021	Health Affairs	5,162,261	10,634,260
16022	Area Health Education Centers	1,589,015	3,273,367
16050	The University of North Carolina at Charlotte	3,291,822	6,849,250
16040	The University of North Carolina at Greensboro	3,132,379	6,531,899
16082	The University of North Carolina at Pembroke	694,630	1,447,039
16060	The University of North Carolina at Wilmington	1,996,663	4,160,724
16075	Western Carolina University	1,654,040	3,430,749
16084	Winston-Salem State University	716,439	1,497,574
16010	The University of North Carolina – General Administration	378,061	778,805
Total – University Operations		48,156,062	99,649,400

The academic salary increases for other parts of the Board's request, which are also based on a 6 percent increase over the current base for all EPA salaries for the first year of the biennium and an additional 6 percent increase for the second year, follow:

	1997-98	1998-99
Agricultural Programs	\$2,493,636	\$5,114,922
UNC Hospitals at Chapel Hill	285,330	585,918
N. C. School of Science & Mathematics	233,709	481,436

UNC-EXP-7

**The University of North Carolina
Board of Governors
1997-99 Expansion Budget Request**

The requests for changes in the levels of support (Expansions and Improvements) for educational activities, University-wide, total \$84 million and \$96 million for the two years respectively for current operations and \$842.6 million for capital improvements. These recommendations, as summarized below in a two-part **Schedule of Priorities**, present to the Governor, the Advisory Budget Commission, and the General Assembly a comprehensive expenditure plan for the constituent institutions of the University of North Carolina.

Budget Request for General Fund Appropriations for			
Line	<u>Current Operations</u>	1997-98	1998-99
1.	Enrollment Changes	\$ (1,895,403)	\$ 3,744,391
2.	Funding Equity	21,000,000	21,000,000
3.	Information Technology – Computing and Telecommunications	19,311,078	19,583,866
4.	Libraries	12,803,652	11,782,276
5.	Rewarding Teaching Excellence	6,322,760	12,781,584
6.	University Outreach to the Public Schools	5,466,101	5,978,301
7.	New Degree Programs	3,000,000	3,000,000
8.	Graduate Education and Research	9,103,699	9,103,699
9.	Area Health Education Centers	4,000,000	4,000,000
10.	Administrative Support for New Processes	906,795	915,466
11.	Remove 2% Reversion Requirement	no appropriation	no appropriation
12.	Distinguished Professors Endowment Trust Fund – State Matching Funds	2,000,000	2,000,000
13.	Interinstitutional Programs	1,981,875	2,100,201
	TOTAL	84,000,557	95,989,784

Parentheses denote a reduction.

Budget Request for General Fund Appropriations for		
Line	<u>Capital Improvements</u>	1997-99
1.	Repairs and Renovations	\$ 130,000,000
2.	Fire Safety Improvements, Student Residence Halls	69,734,400
3.	1997 University-wide Facilities Plan	642,894,800
	TOTAL	842,629,200

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The first request in the **Schedule of Priorities** for current operations is for funding Enrollment Changes. The funds requested on Line 1 are to provide for projected enrollment changes during the 1997-99 biennium. (\$1.9 million reduction for 1997-98 and \$3.7 million increase for 1998-99)

	1995-96 Actual	1996-97 Budgeted	1996-97 Estimated	1997-98 Projected	1998-99 Projected
Appalachian State University	10,941	10,960	10,886	10,975	11,050
East Carolina University	15,005	15,060	15,053	15,115	15,180
Elizabeth City State University	1,857	1,945	1,790	1,835	1,880
Fayetteville State University	3,264	3,360	3,360	3,380	3,400
North Carolina A & T State University	6,978	7,170	6,717	6,800	6,850
North Carolina Central University	4,582	5,025	4,501	4,575	4,675
North Carolina School of the Arts	885	920	934	945	970
North Carolina State University	20,730	21,000	20,750	20,830	20,830
UNC-Asheville	2,566	2,625	2,570	2,625	2,635
UNC-Chapel Hill, Academic	17,265	17,350	16,927	17,200	17,200
UNC-Chapel Hill, Health	5,110	5,030	5,102	5,056	5,056
UNC-Charlotte	12,721	13,100	12,800	12,925	13,075
UNC-Greensboro	10,521	10,400	10,300	10,400	10,550
UNC-Pembroke	2,436	2,515	2,498	2,540	2,575
UNC-Wilmington	7,468	7,535	7,814	7,835	7,940
Western Carolina University	5,705	5,850	5,744	5,795	5,845
Winston-Salem State University	2,378	2,435	2,430	2,480	2,525
TOTAL	130,412	132,280	130,176	131,311	132,236

The preliminary enrollment estimate for 1996-97 is 130,176 average annual full-time equivalent students (FTEs), about 2,100 FTEs below the currently budgeted level. Enrollments are projected to grow to 131,311 FTEs in 1997-98 and to 132,236 FTEs in 1998-99, a growth of 2,060 FTEs, or 1.6 percent, over the biennium.

Since the 1996-97 budgeted enrollment is already 132,280 FTEs, on a budget-to-budget basis, there is no growth projected over the biennium. By the second year of the biennium, 1998-99, the projected enrollment of 132,236 is 44 FTEs less than the current budget. However, there is a need for additional funding by the second year of the biennium because there is projected growth at some institutions and also there is an overall shift between in-state and out-of-state

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enrollment. In-state enrollment estimates increase and out-of-state enrollment estimates decrease over this period. Since the nonresident tuition rates are substantially higher than resident rates and there are projected to be fewer nonresidents enrolled, additional appropriations support is required to replace the reduced level of receipts. The following table shows the enrollment by classification.

	1996-97 Budgeted	1997-98 Projected	1998-99 Projected	Net Change over Biennium
In-State Students	113,375	112,856	113,671	296
Out-of-State Students	18,905	18,455	18,565	(340)
Total	132,280	131,311	132,236	(44)

Parentheses denote a reduction.

Over the 1997-99 biennium, significant growth (100 FTE students or more increase on a budget-to-budget basis) is projected for only three institutions (East Carolina University, UNC-Greensboro, and UNC-Wilmington). In all cases of enrollment increases, the appropriations request is based on the traditional method of calculating the cost of enrollment growth which has been modified to include 100 percent of support costs in accordance with the 1996 legislative directive.

The request on Line 2, Funding Equity, (\$21 million for each year) is for additional funding for the five constituent institutions (Appalachian State University, \$3.4 million; East Carolina University, \$3.1 million; UNC-Charlotte, \$5.1 million; UNC-Greensboro, \$6.8 million; and UNC-Wilmington, \$2.6 million) whose funding rates fall below equitable levels as identified in the Board of Governors' study, *An Analysis of Funding Equity in the University of North Carolina, Phase I Final Report*. The 1996 Extra Session provided partial funding, but on a non-recurring basis for 1996-97 only.

Line 3 seeks funding for Information Technology - Computing and Telecommunications at all of the constituent institutions (\$19.3 million in 1997-98 and \$19.6 million in 1998-99). Each institutional request reflects the point at which that institution is in adoption of information technology and what it sees as its priorities in integrating technology into the educational

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mainstream. This request focuses on two broad outcome areas – heightened effectiveness of teaching and learning and improvements in services and cost effectiveness. There is a related infrastructure capital improvements request of \$32.3 million to complete the installation of fiber optics backbones at all institutions and to complete the wiring of all academic facilities.

The Line 4 request is directed to improvements in University Libraries (\$12.8 million in 1997-98 and \$11.8 million in 1998-99). Funds are requested for expansion of library resources of the 16 constituent institutions and the initiation of the electronic North Carolina Virtual Library, which will extend library access through the universities, the community colleges and the public libraries. During 1995-96, the University has undertaken a University-wide study of library resources to ensure that UNC libraries meet national standards for library resources and services as they enter the 21st century. The institutional funding priorities are consistent with preliminary findings in that study.

Line 5 seeks funds to Reward Teaching Excellence (\$6.3 million and \$12.8 million). In order to carry forward the initiative begun by the 1996 Second Extra Session, a one percent salary increase fund is requested for each year of the biennium to be distributed to faculty members who have demonstrated excellence in teaching. In 1996, the General Assembly made available a sum of one-half percent of salary increase funds for this purpose. These funds, which were awarded to teaching faculty according to strict guidelines, provided the opportunity to reward these effective teachers.

The request on Line 6 seeks funding to further the University Outreach to the Public Schools (\$5.5 million in 1997-98 and \$6 million in 1998-99). These program increases are directed to enhancing the preparation of teachers and administrators and to putting the resources of the University at the service of the public schools. These activities represent part of the University's plan to forge stronger links between the University and other educational sectors in order to improve the quality of education in the state. The priority program in this category, University-School Teacher Education Partnerships, is an innovative model for teacher education that expands the field experience and clinical practice of pre-service teachers and increases the involvement of practicing teachers in the preparation of beginning teachers. Two of the technology-related requests are in support of recommendations of the School Technology Users Task Force Report of October, 1995. Four of the programs focus on the initial preparation and continuing professional development of public school administrators: the Master of School

Administration, the Principal Fellows Program, the Principals Executive Program, and the School Leadership Academy. The North Carolina Center for the Advancement of Teaching, the Mathematics and Science Education Network, and "Late Night Learning" and Learning Link services by the UNC Center for Public Television provide continuing professional development and support for public school teachers. Also, three programs - Early Mathematics Placement Test, Summer Ventures in Science and Mathematics, and the Mathematics and Science Education Network Pre-College program - are targeted to support the development of pre-college students. In addition, funding is requested to support the North Carolina Center for the Prevention of School Violence.

On Line 7 a request is submitted for the additional funding required for New Degree Programs (\$3 million for each year of the biennium). Although significant resources were appropriated by the 1995 General Assembly to fund allied health programs, needs remain to fund additional new programs and to strengthen existing programs, especially those recently established. In addition to allied health, advanced programs in biomedicine, computer and information sciences, chemical and civil engineering, occupational safety, and marine sciences are planned. Most new program costs will be met by reallocation of existing internal resources and enrollment increase funds. Some programs, however, will require additional appropriations support.

Funds on Line 8, Graduate Education and Research, are requested to eliminate the remaining 10 percent overhead receipts offset to General Fund appropriations (\$7.3 million each year of the biennium) and to provide additional tuition remissions for nonresident graduate teaching and research assistants (\$1.8 million for each year of the biennium), (a total of \$9.1 million for each year of the biennium). Management flexibility legislation enacted in 1990 expressed the legislative intent that the practice of using reimbursements of indirect costs on contracts and grants as offsets to General Fund appropriations be phased out. However, a 10 percent offset requirement remains. Additional appropriation support would make these overhead receipts available to enhance research programs and graduate education. Additional tuition remissions will enable additional nonresident graduate teaching and research assistants to pay tuition at the in-state rate. This provides an important competitive tool for recruiting the best graduate students nationwide.

The request on Line 9 for Area Health Education Centers (\$4 million for each year of the biennium) addresses the next phase of a plan to expand the number of primary care residences

UNC-EXP-9

and to increase student clinical training in community sites for medical schools and programs for training nurse practitioners, physicians assistants, and certified nurse midwives. Funds are also included to support a community-based clinical component of a new entry level Doctor of Pharmacy (Pharm D) degree program and to expand information access for students and preceptors in community settings. The request is consistent with a legislative directive for the health sciences schools and the AHECs to develop plans for providing an increased number of generalist physicians and other primary care providers for the state.

Funds are requested on Line 10 to provide Administrative Support for New Processes (\$907 thousand in 1997-98 and \$915 thousand in 1998-99). Additional support positions and equipment are required University-wide in campus institutional research offices to meet data requirements related to assessment measures, transfer articulation and performance agreements, public service contributions of the University, and developing and maintaining a new funding model. The data demands are too great to be addressed only through a redeployment of staff and other campus resources; additional support is required.

Legislative approval is requested to Remove the 2% Required Reversion on Line 11 of the Schedule. Action taken in the 1995 Regular Session reduced the required reversion rate for Special Responsibility Constituent Institutions to a uniform 2% rate. Elimination of the remaining required reversion would increase spending availability by approximately \$25 million annually without increases in appropriated dollars. However, at the end of the fiscal year, reversions to the General Fund would be reduced by the same amount.

Additional State Matching Funds for the Distinguished Professors Endowment Trust Fund are requested on Line 12 (\$2 million each year). Under this program instituted in 1985 by special legislation, every \$2 in private funds raised by the constituent institutions are matched with \$1 of state funds to establish endowments of \$500 thousand and \$1 million in order to provide funds to attract distinguished professors to the faculties.

Funding for special Interinstitutional Programs involving two or more constituent institutions or educational sectors is requested on Line 13 (\$2 million in 1997-98 and \$2.1 million in 1998-99). These inter-institutional programs are diverse and include the Water Resources Research Institute, the Sea Grant Program, the North Carolina Health Careers Access Program, the North Carolina Center for Nursing, the University Council on International Programs, the Summer

Institute of the North Carolina School of the Arts on Roanoke Island, and the North Carolina Scholastic Media Association Program. This request also seeks funds for the North Carolina Arboretum, the UNC Press, the State Education Assistance Authority, and for additional support of the Board's doctoral study assignment program.

UNC-EXP-11

AGRICULTURAL PROGRAMS

The requests for Expansions and Improvements total \$6.0 million for each year of the biennium for current operations. The current operations requests represent a number of proposed expansions and improvements identified by the Agricultural Research Service and the North Carolina Cooperative Extension Service in cooperation with the College of Agriculture and Life Sciences and the agricultural community which these programs serve. The requests are for research and extension program enhancements with special emphasis on compensation and operating support for a dedicated campus and field faculty (\$3.1 million each year), development of agricultural and life sciences industries (\$1.4 million each year), enhancement of the State's natural resources and the environment (\$900,000 each year), and the development of programs focusing on the needs of communities and rural areas (\$600,000 each year). *Note: Capital improvements requests for Agricultural Programs are included in the Schedule of Priorities.*

NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS

The requests for Expansions and Improvements are \$1.1 million for each year of the 1997-99 biennium for current operations and \$7.3 million for capital improvements.

The Expansions and Improvements current operations requests include funds to enhance residential programs; to establish a student leadership development program with Israel; to improve outreach, residential, and support services; and to increase the teachers' salary schedule.

The capital improvements requests of the Board of Trustees are:

Renovate Bryan Center	\$ 3,603,900
Renovate the Royall Outreach Center (Wyche House)	2,579,700
Track and Soccer Field	459,500
Computerized Energy Management System	478,200
Demolish Old Boiler Plant	195,900
TOTAL	7,317,200

UNC-EXP-13

**The University of North Carolina
Capital Improvements Prioritization Process**

Process Prior to the 1997-99 Biennium

- Separate Budget Requests for:

- Repairs and Renovations
- Architectural Barrier Removal Projects
- Occupational Safety and Health Projects
- Utilities Repairs and Improvements
- Roads, Walks, and Drives
- UNC Center for Public Television Facilities
- Automated Energy Management Systems
- Land Acquisition
- Area Health Education Center
- New Facilities and Major Renovations to Existing Facilities
- Agricultural Programs
- North Carolina School of Science and Mathematics

- Within each line of the Budget Request, projects were presented by institution in the priority order recommended by each institution.

**The University of North Carolina
Capital Improvements Prioritization Process**

1995 Session

House Bill 230, Sec. 15.3 (a):

The Board of Governors of the University of North Carolina shall develop a capital improvement request process that can be used to make its capital priorities across campuses known to the General Assembly. The process shall include needs criteria based on mission, enrollment, adequacy of facilities, the functional age of facilities, utilization of facilities, and other objective factors.

UNC-EXP-15

The University of North Carolina Capital Improvements Prioritization Process

The Board of Governors contracted with Eva Klein and Associates, a higher education management consultant, to recommend a method for prioritizing capital improvements projects. Ms. Klein had previously provided assistance to the General Assembly on the work performed by the Government Performance Audit Committee (GPAC). In her research, Ms. Klein:

- conducted a review of current literature related to the prioritization of projects for presentation to Boards and General Assemblies
- conducted interviews with members of the General Assembly, representatives from State Government agencies, representatives from the constituent institutions, representatives from General Administration, and members of the Board of Governors.
- surveyed other states to determine other prioritization methodologies.

In March, 1996, the Board of Governors adopted the consultant's recommendations.

UNC-EXP-16

The University of North Carolina Capital Improvements Prioritization Process

The Board of Governors adopted a new policy framework for all elements of the capital planning and budgeting processes. The new framework articulated, updated, or modified statements of objectives, policy, process, space standards, and information requirements for submissions.

- Descriptions of process have been and are continuing to be reviewed and revised.

Long-Range Capital Planning
Institutional Campus Master Planning
Multi-year Capital Budgeting
Biennial Capital Budget Requests/Submissions
Linking of all Processes to Academic Planning

- Promulgation of new guidelines and standards is an ongoing process.

UNC-EXP-17

The University of North Carolina Capital Improvements Prioritization Process

The Board of Governors Budget Request to the General Assembly outlines a six-year capital plan for General Fund supported facilities. The plan, as refined over time, should be subdivided to further define three two-year capital plans.

The Budget Request is presented in a simplified two-line presentation.

Line 1: Repairs and Renovations

essentially represents all of the projects intended to be funded from the Reserve for Repairs and Renovations.

Line 2: Major Capital Improvements

incorporates all other capital improvements projects, including "major renovations" as well as new facilities

Projects for the North Carolina School of Science and Mathematics are presented separately.

UNC-EXP-18

The University of North Carolina Capital Improvements Prioritization Process

Repair and Renovation projects are those projects that are less than 2/3 of the anticipated annual allocation from the Reserve for Repairs and Renovations. Any project that is estimated to cost in excess of 2/3 of the anticipated annual allocation are "major renovations" and incorporated into Line 2, the 1997-99 University-wide Facilities Plan.

UNC-EXP-17

The University of North Carolina Capital Improvements Prioritization Process

Within the 1997-99 University-wide Facilities Plan, the Board of Governors has established "Program Priority Categories" and prioritized the categories. The categories are as follows:

- (1) Current Capacity
- (2) Future Capacity
- (3) Technology
- (4) Program Quality
- (5) Special Purpose
- (6) Support Facilities
- (7) Land Acquisition

Within each category, projects are listed in institutional order.

UNC-EXP-20

The University of North Carolina Capital Improvements Prioritization Process

The Board of Governors created a secondary set of "other criteria" to further indicate characteristics of projects. This matrix of information is designed to provide further information of interest to the Board and to the General Assembly.

- Is the project a major repair or renovation or a new facility?
- Does the project re-use an existing facility?
- Is the project a renovation in lieu of new construction?
- Does the project complete a partially built facility?
- Does the project achieve material operating savings?
- Does the project benefit a significant portion of the population?
- Does the project reward good planning and management?
- Does the project address an urgent need, e.g., code compliance?
- What other funding is available for this project?

UNC-EXP-21

The University of North Carolina Capital Improvements Prioritization Process

The "matrix" will be enhanced significantly in the next biennial presentation when the Board incorporates "space standards" which are currently under development. Each proposed project will be measured against the standards adopted by the Board.

UNC-EXP-22

The University of North Carolina Capital Improvements Prioritization Process

Institution/Project	Cost Estimate	Supplemental Information								Previous Appropriations, Other Funding
		Major Repair/ Renovation Project	Re-Use of an Existing Facility	Renovation In Lieu of New Construction	Completes a Partially Built Facility	Achieves Material Operating Savings	Benefits a Significant % of the Population	Rewards Good Planning & Management	"Urgent" Need, Code Compliance	
Appalachian State University										
Renovation of Rankin Science Building	\$ 6,666,000	XXX	XXX				XXX	XXX		
Addition and Renovation to Belk Library	10,629,400	XXX					XXX			
East Carolina University, Academic Affairs										
Science Laboratories and Technology Building	47,997,600						XXX	XXX	XXX	\$ 1,000,000
East Carolina University, Health Affairs										
Health Sciences Library Expansion	6,106,600						XXX	XXX		
Elizabeth City State University										
G. R. Little Library Addition and Renovation	10,723,600	XXX					XXX			
Addition to the Academic Computing Center	3,557,600						XXX	XXX		150,000
Fayetteville State University										
Fine Arts and General Classroom Facility	15,524,400						XXX	XXX		750,000
North Carolina Central University										
Lec Biology Building Renovation	1,359,200	XXX		XXX			XXX	XXX	XXX	
Repairs to Five Academic Buildings	10,515,000	XXX		XXX			XXX		XXX	
Robinson Science Building	946,000	XXX		XXX			XXX		XXX	
North Carolina School of the Arts										
Basic Educational Complex	6,133,400						XXX	XXX		
Filmmaking Office/Classroom Post Production Complex	2,000,000				XXX					
North Carolina State University										
Nelson Hall Renovation - Phase II	6,264,900	XXX	XXX	XXX		XXX	XXX	XXX	XXX	1,350,000
Toxicology Building	14,566,700					XXX		XXX	XXX	
College of Veterinary Medicine, Main Building Addition	24,262,000						XXX	XXX		
David Clark Laboratory Renovation and Addition	9,990,800	XXX	XXX	XXX		XXX	XXX	XXX	XXX	
UNC-Asheville										
Asheville Graduate Center, Phase II	792,700				XXX		XXX			
Highsmith Center Renovation and Addition	8,782,000	XXX	XXX				XXX	XXX		
UNC-Chapel Hill, Academic Affairs										
R. B. House Library Renovations	6,629,400	XXX	XXX	XXX			XXX	XXX		
Student Services Building	18,857,500				XXX		XXX	XXX		

UNC-EXP-23

The University of North Carolina Capital Improvements Prioritization Process

In preparing the 1997-99 Budget Request, the Board required input to ensure the linkage of capital planning, academic planning, and capital budgeting.

Campus submissions met guidelines promulgated by General Administration, including project estimates prepared by the Office of State Construction.

Within UNC-General Administration, the capital budget has been prepared by the President and the Vice Presidents for Finance, Academic Affairs, Planning, Public Affairs, and Student Affairs.

This group was assisted by a campus advisory committee.

UNC-EXP-24

The University of North Carolina Capital Improvements Prioritization Process

Given competing demands for limited resources, the Board of Governors determined that it was inappropriate to ask the General Assembly to fund projects that can be funded by each institution on a "self-liquidating" basis.

The Board has provided two additional schedules as "supplementary information" for use by the General Assembly:

- (1) A schedule of institutional priorities
- (2) A schedule of projects with funding for advanced planning or partial construction

UNC-EXP-25

- SUMMARY -

1997-99 BUDGET REQUEST - Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

SCHEDULE OF PRIORITIES

Line	Budget Request for General Fund Appropriations for <u>Current Operations</u>	1997-98	1998-99
1.	Enrollment Changes	\$ (1,895,403)	\$ 3,744,391
2.	Funding Equity	21,000,000	21,000,000
3.	Information Technology - Computing and Telecommunications	19,311,078	19,583,866
4.	Libraries	12,803,652	11,782,276
5.	Rewarding Teaching Excellence	6,322,760	12,781,584
6.	University Outreach to the Public Schools	5,466,101	5,978,301
7.	New Degree Programs	3,000,000	3,000,000
8.	Graduate Education and Research	9,103,699	9,103,699
9.	Area Health Education Centers	4,000,000	4,000,000
10.	Administrative Support for New Processes	906,795	915,466
11.	Remove 2% Reversion Requirement	no appropriation	no appropriation
12.	Distinguished Professors Endowment Trust Fund - State Matching Funds	2,000,000	2,000,000
13.	Interinstitutional Programs	1,981,875	2,100,201
	TOTAL	84,000,557	95,989,784

Parentheses denote a reduction.

Line	Budget Request for General Fund Appropriations for <u>Capital Improvements</u>	1997-99
1.	Repairs and Renovations	\$ 130,000,000
2.	Fire Safety Improvements, Student Residence Halls	69,734,400
3.	1997 University-wide Facilities Plan	642,894,800
	TOTAL	842,629,200

Revised #2
3/26/97
attachment 3

1997-99 BUDGET REQUEST - Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

Legislative approval is requested to Remove the 2% Required Reversion on Line 11 of the Schedule. Action taken in the 1995 Regular Session reduced the required reversion rate for Special Responsibility Constituent Institutions to a uniform 2% rate. Elimination of the remaining required reversion would increase spending availability by approximately \$25 million annually without increases in appropriated dollars. However, at the end of the fiscal year, reversions to the General Fund would be reduced by the same amount. (Document reference pp. 162 - 165)

Additional State Matching Funds for the Distinguished Professors Endowment Trust Fund are requested on Line 12 (\$2 million each year). Under this program instituted in 1985 by special legislation, every \$2 in private funds raised by the constituent institutions are matched with \$1 of state funds to establish endowments of \$500 thousand and \$1 million in order to provide funds to attract distinguished professors to the faculties. (Document reference pp. 166 - 167)

Funding for special Interinstitutional Programs involving two or more constituent institutions or educational sectors is requested on Line 13 (\$2 million in 1997-98 and \$2.1 million in 1998-99). These inter-institutional programs are diverse and include the Water Resources Research Institute, the Sea Grant Program, the North Carolina Health Careers Access Program, the North Carolina Center for Nursing, the University Council on International Programs, the Summer Institute of the North Carolina School of the Arts on Roanoke Island, and the North Carolina Scholastic Media Association Program. This request also seeks funds for the North Carolina Arboretum, the UNC Press, the State Education Assistance Authority, and for additional support of the Board's doctoral study assignment program. (Document reference pp. 168 - 174)

The second part of the **Schedule of Priorities** presents the capital improvements requests of the Board of Governors for the 16 constituent institutions of the University and the UNC Center for Public Television and Agricultural Programs. The request for the biennium is \$842.6 million.

Line 1, Repairs and Renovations, identifies the high priority needs for general repairs and renovations; utilities repairs and improvements; roads, walks, and drives; occupational safety and health act projects; automated energy management systems; and projects to meet requirements of the Americans with Disabilities Act. The Line presents institutional five-year plans for repairs

1997-99 BUDGET REQUEST - Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

and renovations that total \$329,427,900 and requests \$130 million for repair and renovation projects for the biennium. (Document reference pp. 176 - 195)

Line 2, Fire Safety Improvements, Student Residence Halls, presents a request, based on a comprehensive survey at each constituent institution, for the installation of centrally monitored smoke detection and alarm systems and sprinkler systems in all student residence facilities that are not so equipped. In 1996, the General Assembly directed the Board of Governors to survey student residence facilities and to include a request for unfunded fire safety needs within the *1997-99 Budget Request*. In accordance with House Bill 53, Sec. 16.4(c), this Line seeks \$69.7 million to address fire safety needs in all student residence facilities. (Document reference pp. 196 - 204)

Line 3, 1997 University-Wide Facilities Plan, is a comprehensive, \$642.9 million plan for new buildings, major renovations and extensive remodeling of existing buildings, technology infrastructure, and land acquisition. For the first time, the projects within the Plan are categorized, and the categories are prioritized to provide explicit information on the priorities of the Board of Governors. The highest priority category of the Board is that which provides for new facilities or major renovations to existing facilities to meet the needs of students currently enrolled in the University. The second highest priority category addresses facilities which would accommodate enrollment growth. The remaining five categories request funds for technology infrastructure, projects for facilities to improve program quality, projects for facilities to serve special purposes, projects for support facilities, and land acquisition. (Document reference pp. 205 - 255)

While the projects represent current needs, it is recognized that it is not likely that all of this Plan can be funded in a single Session of the General Assembly. The Board therefore commends the approach that was followed in response to the presentation of similar University-wide Facilities Plans in previous biennia. In those instances, successive Sessions funded some projects for construction, others for partial or phased construction and others for advanced planning. This permitted a methodical program for completion of all projects, with the responsibility for the timing and sequence appropriately shared by the Board, the Governor and the Advisory Budget Commission, and the General Assembly. A complete list of the projects in the 1997 University-wide Facilities Plan is shown below:

- SUMMARY -

1997-99 BUDGET REQUEST - Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

Category: Current Capacity

Appalachian State University

Renovation of Rankin Science Building	\$ 6,666,000
Addition and Renovation to Belk Library	10,629,400

East Carolina University

Science Laboratories and Technology Building	47,997,600
Health Sciences Library Expansion	6,106,600

Elizabeth City State University

G. R. Little Library Addition and Renovation	10,723,600
Addition to the Academic Computer Center	3,557,600

Fayetteville State University

Fine Arts and General Classroom Facility	15,524,400
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North Carolina Central University

Lee Biology Building Renovation	1,359,200
Repairs to Five Academic Buildings	10,515,000
Robinson Science Building	946,000

North Carolina School of the Arts

Basic Education Complex	6,133,400
Filmmaking Office/Classroom Post Production Complex	2,000,000

North Carolina State University

Nelson Hall Renovation - Phase II	6,914,900
Toxicology Building	14,566,700
College of Veterinary Medicine, Main Building Addition	24,262,000
David-Clark Laboratory Renovation and Addition	9,990,800

- SUMMARY -

1997-99 BUDGET REQUEST - Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

Category: Current Capacity (Continued)

<u>The University of North Carolina at Asheville</u>	
Asheville Graduate Center - Phase II	\$ 792,700
Highsmith Center Renovation and Addition	8,782,000
<u>The University of North Carolina at Chapel Hill, Academic Affairs</u>	
R. B. House Library	6,629,400
Student Services Building	18,857,500
<u>The University of North Carolina at Chapel Hill, Health Affairs</u>	
Addition to Beard Hall - School of Pharmacy	8,824,600
Medical Biomolecular Research Building	29,493,800
<u>The University of North Carolina at Charlotte</u>	
Academic Facilities - Humanities	20,597,300
Academic Facilities - Sciences	32,371,700
<u>The University of North Carolina at Greensboro</u>	
North Campus Infrastructure Development	5,681,600
<u>The University of North Carolina at Wilmington</u>	
General Classroom Building	8,465,500
School of Education Building	16,656,100
Fine Arts Building	14,041,400
<u>Western Carolina University</u>	
Fine and Performing Arts Center	25,422,100
Renovate Camp Lab School - Phase II	2,226,600
<u>Winston-Salem State University</u>	
Addition and Renovation to the F. L. Atkins Building	5,198,500
Computer Science Facility	6,316,000

- SUMMARY -

1997-99 BUDGET REQUEST - Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

Category: Future Capacity

<u>Appalachian State University</u> Science/Mathematics Complex, Phase II	\$27,495,500
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<u>East Carolina University</u> Third Floor Addition to the Home Economics/Nursing Building	6,700,700
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Category: Technology

Infrastructure for all Sixteen Institutions	32,340,600
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Category: Program Quality

<u>North Carolina A & T State University</u> General Classroom and Laboratory Building Complex #1	31,526,200
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<u>North Carolina Central University</u> B. N. Duke Auditorium, Renovations and Addition	2,962,500
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<u>North Carolina State University</u> Undergraduate Science Teaching Laboratories - Phase I Riddick, Mann, Daniels, and Burlington Hall Renovations	21,228,900 8,644,100
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<u>The University of North Carolina at Chapel Hill</u> Hill Hall Music Library	7,170,900
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<u>The University of North Carolina at Greensboro</u> Science Instructional Building	37,099,400
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<u>The University of North Carolina at Pembroke</u> Regional Center for Economic, Professional, and Community Development	6,157,600
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- SUMMARY -

1997-99 BUDGET REQUEST - Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

Category: Special Purpose

<u>North Carolina State University</u> Research and Teaching Feed Mill	\$ 2,604,400
<u>The University of North Carolina at Asheville</u> Conference Center (partial)	3,000,000
<u>The North Carolina Arboretum</u>	10,681,000
<u>The University of North Carolina at Chapel Hill</u> Addition and Renovation of the Knapp Building - Institute of Government	16,102,700
<u>The University of North Carolina - Center for Public Television</u> Replacement and Upgrade of WUND-TV, Channel 2, Columbia Transmitter, Tower and Ancillary Equipment	7,144,500
Replacement and Upgrade of WUNK-TV, Channel 25, Greenville Transmitter and Ancillary Equipment	2,372,000
Mobile Satellite Uplink	743,700
Replace and Upgrade Studio Production Equipment	3,747,200

Category: Support Facilities

<u>North Carolina Central University</u> New Admissions Building	5,943,400
<u>The University of North Carolina at Pembroke</u> New Residence Hall	5,979,500

Category: Land Acquisition	15,000,000
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1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

CAPITAL IMPROVEMENTS REQUESTS

Schedule of Priorities Request for		
Line	General Fund Appropriations for <u>Capital Improvements</u>	1997-99
1.	Repairs and Renovations	\$ 130,000,000
2.	Fire Safety Improvements, Student Residence Halls	69,734,400
3.	1997 University-Wide Facilities Plan	642,894,800
	Total	842,629,200

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Schedule of Priorities - Capital Improvements

Line 1: Repairs and Renovations - \$130,000,000

In 1993, the General Assembly established a state-wide Reserve for Repairs and Renovations to address the deferred maintenance needs of General Fund supported facilities. General Statute 143-15.3A(a) states that "the State Controller shall reserve to the Repairs and Renovations Reserve Account three percent (3%) of the replacement value of all State buildings supported from the General Fund, at the end of each fiscal year." For the 1995-97 biennium, 46 percent of the amount reserved by the State Controller was allocated to the Board of Governors of the University of North Carolina - totals of \$57.5 million for 1995-96 and \$59.8 million for 1996-97. The repair and renovation funds were then allocated by the Board of Governors to the sixteen constituent institutions in accordance with the Board's Funding Allocation Model developed specifically for this purpose. Other organizations for which the Board has responsibility, e.g., the University of North Carolina Center for Public Television and the North Carolina School of Science and Mathematics, were allocated funds for high priority projects prior to applying the Board's formula to determine institutional allocations.

The Reserve for Repairs and Renovations has provided the University with the ability to begin to address the significant deferred maintenance needs of the institutions. The Board of Governors wishes to express its gratitude to the General Assembly for recognizing that significant expenditures must be made to repair and replace roofs, address fire safety needs, improve classroom facilities, address

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

deteriorating infrastructure, meet federal and State standards and meet the requirements of the Americans with Disabilities Act. Consistent with the requirement of the statutes, none of the repair and renovation funding has been used to increase the footprint of any facility; rather, each dollar has been spent to protect and improve upon the significant investment that the State has made in the facilities that support the University of North Carolina.

The statutes governing the Reserve for Repairs and Renovations define categories of projects that may be funded from the Reserve. Each project that the University has funded, and each that is now requested, fits within one of the categories listed below.

1. Roof repairs and replacements
2. Structural repairs
3. Repairs and renovations to meet federal and state standards
4. Repairs to electrical, plumbing, and heating, ventilating, and air-conditioning systems
5. Improvements to meet the requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq., as amended
6. Improvements to meet fire safety needs
7. Improvements to existing facilities for energy efficiency
8. Improvements to remove asbestos, lead paint, and other contaminants, including the removal and replacement of underground storage tanks
9. Improvements and renovations to improve use of existing space
10. Historical restoration
11. Improvements to roads, walks, drives, and utilities infrastructure
12. Drainage and landscape improvements

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

The list that follows, which totals \$329,427,900, represents the portion of system-wide repair and renovation needs that institutions propose to fund from the Reserve for Repairs and Renovations over the next five years. The specific projects will be revised as buildings and infrastructure deteriorate and lower priority projects move to the top of the list. The amount requested, \$130,000,000, represents anticipated funding for the biennium assuming that the current level of funding prescribed by the statutes continues. The requested amount further assumes that the University's allocation from the state-wide Reserve will increase from 46 percent to 50 percent. Any additional funds provided to the University would allow for the acceleration of institutional repair and renovation plans.

As illustrated in the chart on the following page, all of the projects identified in the five-year institutional plans fit within the statutory categories. The category in need of the largest amount of funding is the one that includes utilities infrastructure. For example, 50 percent of the request for the University of North Carolina at Greensboro, an older campus with significant infrastructural problems, fits within this category. The second greatest category of need is the one that addresses problems with electrical, plumbing, heating, ventilating, and air conditioning systems. Twenty percent of all projects fall within this category. Next, the category for improving the usage of existing space represents 15 percent of the request as institutions strive to meet current standards for classroom and

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

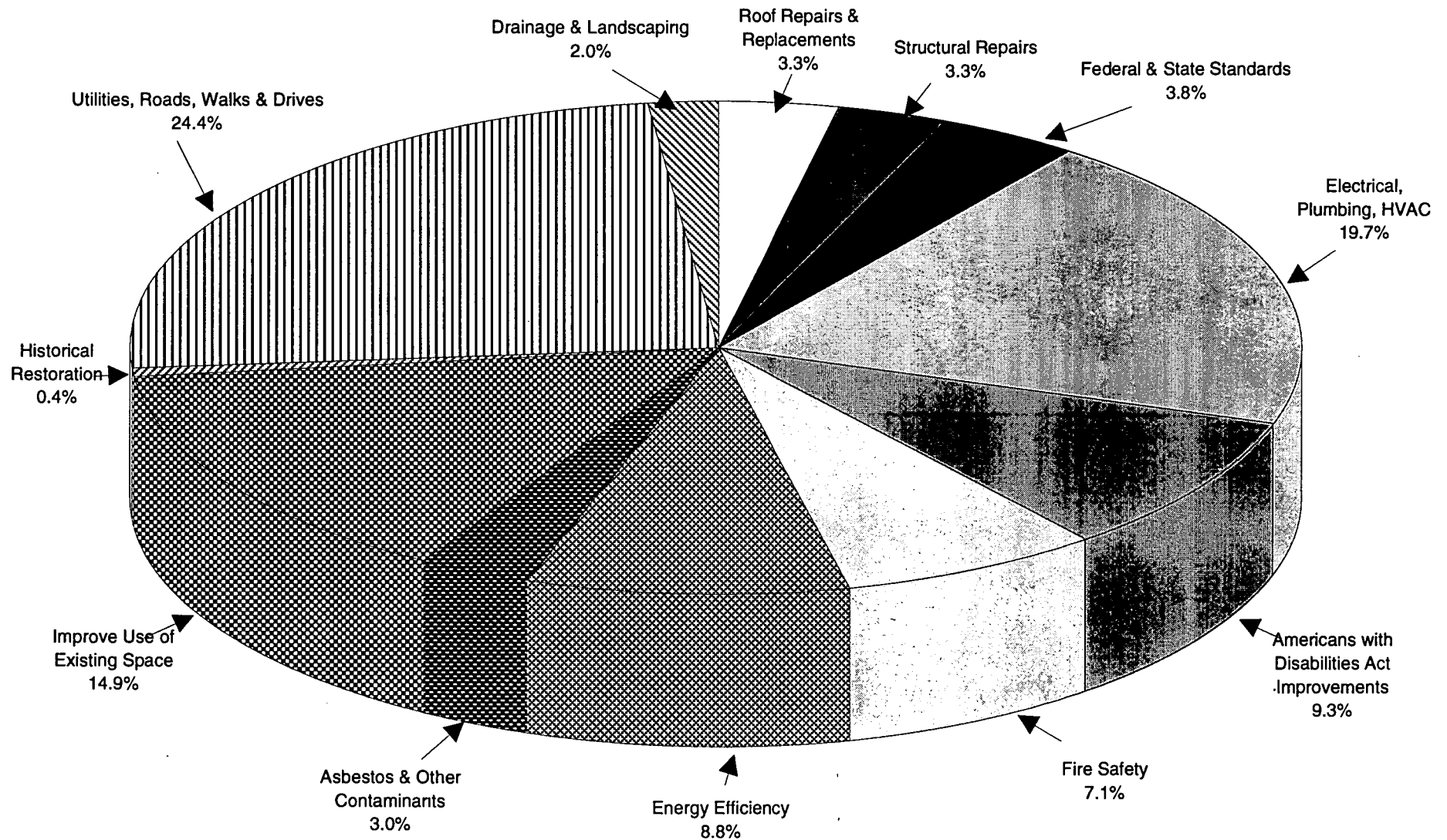
Repairs and Renovations (Continued)

laboratory facilities. The remaining 40 percent of the request covers the remaining nine statutorily defined categories.

It is significant to note that 51 percent of the projects identified, or a total of \$168 million, directly address deficiencies documented by the Facilities Condition Assessment Program conducted by the Office of State Construction.

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

REPAIRS AND RENOVATIONS REQUESTS BY CATEGORY OF PROJECT



PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

The projects to be addressed by each institution over the next five years are listed below. The estimated amount for several of the projects is more than the amount that an institution could reasonably anticipate to be allocated on an annual basis, and institutional plans thus call for these projects to be phased-in over time. The cost of each project has been estimated by the Office of State Construction, Department of Administration.

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

APPALACHIAN STATE UNIVERSITY

Roof Repairs and Replacements - Five Academic Buildings	\$ 677,500
Window/Door Replacements for Seven Buildings, Waterproofing Eight Bldgs.	1,563,500
Improvements to Roads, Walks, Drives, and Utilities	1,422,200
Improvements to Meet Requirements of Americans with Disabilities Act	2,720,800
Improvements to Meet Fire and Life Safety Needs in Academic Buildings	2,489,900
Removal of Asbestos, Lead Based Paint, and Other Contaminants	1,917,600
Renovations to Improve Use of Existing Space	6,298,000
Repairs to Air Conditioning Systems	714,400
Drainage and Landscape Improvements	723,400
Total - Appalachian State University	18,527,300

EAST CAROLINA UNIVERSITY

Renovations to Twelve Academic Buildings	7,327,600
Renovations to Christenbury Gymnasium	5,813,700
Improvements Recommended by Department of Insurance-Academic Bldgs.	4,746,800
Academic Elevators Upgrade	4,207,100
Window Replacements - Seventeen Academic Buildings	3,802,400
Electrical Distribution Upgrade	3,744,900
Upgrade Academic Classrooms and Learning Laboratories	3,636,400
East Campus Irrigation System	2,880,000
Roof Replacements in Academic Facilities	1,831,200
Steam Plant Modifications	1,966,400
Total - East Carolina University	39,956,500

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

ELIZABETH CITY STATE UNIVERSITY

Architectural Barrier Removal Projects - Nine Campus Buildings	\$ 172,100
Elevator Installations - Lester and Williams Halls	356,000
Automated Energy Management System	681,400
G. R. Little Library Sprinkler System	515,600
Improvements to Roads and Walks	477,200
Repairs and Renovations to Eleven Campus Buildings	1,149,100
Structural Repairs to Lane Hall	165,900
Improvements to Four Campus Buildings for Energy Efficiency (Lighting)	253,600
Upgrade Campus Utilities	642,100
Roof Replacement to Dixon Hall	192,800
Roof Replacement to Thomas/Jenkins Facilities Management Building	125,500
Resurfacing Six Tennis Courts	76,300
Total - Elizabeth City State University	4,807,600

FAYETTEVILLE STATE UNIVERSITY

Renovations to the Cook Building	430,000
Renovations to Seabrook Auditorium	488,500
Renovations to the Taylor Science Building	694,600
Renovations to the Taylor Science Annex	478,900
Renovations to the G. L. Butler Building	417,700
Campus Landscaping West Campus	355,200
Renovations to the Lyons Science Building	733,300
Renovations to the Telecommunications Center	156,000
Renovations to Spaulding Infirmary	186,600
Automated Energy Management System	364,900
Floor Tile Replacement, Vance and Bryant Halls	752,400
Carpet Replacement School of Business and Economics	156,300
Mechanical System Upgrade, Harris Hall	189,500

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

FAYETTEVILLE STATE UNIVERSITY (Continued)

Campus Landscaping East Campus	\$ 355,200
Repairs to Connector, Bryant Hall	100,700
Total - Fayetteville State University	5,859,800

NORTH CAROLINA A & T STATE UNIVERSITY

Roof Replacements and Repairs	1,115,300
T. E. Neal Boiler Replacement - Phase II	3,060,800
Barnes Hall Renovations	3,407,500
Benbow Hall Repairs	1,863,400
General Building Repairs - Twelve Academic Buildings	5,089,000
Cherry Hall Renovations	4,141,300
Campus Utilities Improvements	3,387,200
Total - North Carolina A&T State University	22,064,500

NORTH CAROLINA CENTRAL UNIVERSITY

Campus Safety Improvements	2,270,900
Repairs to the Underground Steam Distribution Lines	8,889,500
Removal of Underground Storage Tanks	48,900
Emergency Power Generator System	69,400
Chemistry Building Renovations	550,400
Old Health Building Electrical Upgrade	172,800
Safety Improvements to Physical Plant	762,900
Improvements to Turner Law School Book Storage	163,500
Improvements to Administration Offices - College of Arts and Sciences	459,900
Energy Conservation Improvements	1,220,100
Total - North Carolina Central University	14,608,300

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

NORTH CAROLINA SCHOOL OF THE ARTS

Fire Detection and Sprinkler Systems in Academic Buildings	\$ 942,400
Roof Repairs and Exterior Waterproofing - Four Buildings	361,100
Replace HVAC System in the Chancellor's Residence	34,500
Replace Flooring and Acoustical Retrofit - Gray Building	54,200
Repairs to Campus Roadways and Parking Lots	173,800
Improvements to Costume Shops - Buildings 14 & 15	749,000
Repairs and Renovations to Crawford Hall and Recital Hall	476,100
Renovations to the Stevens Center	1,589,300
Repairs to High Voltage Electrical Service	103,300
HVAC Chiller Replacement in Workplace Building	122,500
Renovations to DeMille Theatre	224,700
Reroofing and Window Replacements in Moore and Sanford Residence Halls	304,900
Masonry Repairs	55,200
Total - North Carolina School of the Arts	5,191,000

NORTH CAROLINA STATE UNIVERSITY

Gardner Hall - Replace Drain System - Phase II	616,800
Fire Suppression Upgrade - Phase II (4 Buildings)	456,900
Campus Automated Energy System Installations and Upgrades - Phase I	653,700
Yarbrough Steam Plant Asbestos Abatement/Reinsulation - Phase I	2,075,200
Campus Masonry, Concrete and Waterproofing Repairs (16 Buildings)	804,100
Renovations to Cox Hall	2,935,300
Lake Wheeler Road Poultry Building Repairs - Phase I	177,000
CVM - Secondary Electrical Service Upgrade	572,500
Fire Detection Upgrade - Phase III (21 Buildings)	1,142,300
Campus - EPA "Greenlights" Lighting Upgrade - Phase I	415,100
Rocky Branch Restoration/Erosion Control - Phase III	417,800
Primary High Voltage Electrical Distribution - Phase IV	386,900

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

NORTH CAROLINA STATE UNIVERSITY (Continued)

Lake Wheeler Road Dairy Building Repairs - Phase I	\$ 87,000
Renovations to Academic Classroom Facilities	929,500
Roof Repair - Phase III (6 Buildings)	748,000
Extension of NE Campus Chilled Water Loop - Phase III	1,783,100
Chilled Water Line Replacement - CVM Finger Barns	484,800
Secondary Electrical Renovations - Phase VII (7 Academic Buildings)	1,208,300
College of Veterinary Medicine - Floor Replacement	249,700
Pamlico Aquaculture Building Repairs - Phase I	163,000
Energy Studies - Demand Side Management and System Efficiency	150,000
Replacement of Steam Distribution Expansion Joints	57,400
Fire Detection Upgrade - Phase IV (29 Buildings)	1,631,800
Architectural Barrier Removal Projects Throughout Campus	3,658,800
Riddick Labs HVAC Renovation	3,454,400
Repair and Replacement of Cates Steam Plant Pumps and Compressors	62,400
Horticultural Crops Research Station Repairs - Phase I	107,000
Gardner Hall HVAC Renovations	3,501,500
Upgrades to Fume Hoods - Riddick, Burlington, Withers, and Research I	5,767,200
Primary High Voltage Electrical Distribution - Phase V	386,900
Fire Code Upgrade - Emergency Egress Lighting - Phase I	337,100
Fire Partition Rating Upgrade (11 Buildings)	135,700
CVM - New Fire Main	313,400
Cunningham Research Station Repairs - Phase I	88,000
Renovations to the Minerals Research Laboratory	2,170,300
Centennial Campus Infrastructure Improvements	2,308,500
Install Fume Hood Air Flow Monitors	2,247,000
Install New Area Lighting - Phase I	261,100
OSHA Handrails/Egress Renovations Throughout Campus	744,100
Fire Suppression Upgrade - Phase III (5 Buildings)	832,300
Reedy Creek Road Building Repairs - Phase I	108,000
Condensate and Steam Line Upgrades - Phase I	329,000

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

NORTH CAROLINA STATE UNIVERSITY (Continued)

Roof Replacement - Phase IV (9 Buildings)	\$ 778,200
Cooling Tower Replacements - Kamphoefner, Biltmore, Harris, and Gardner	299,600
Branch Circuit Renovations - Gardner Hall - Phase I	374,500
Bragaw Substation Upgrade	1,685,200
Cates Plant Oil Contamination Remediation	237,200
Renovations to Poe Hall	852,500
Central Crops Research Station Reports	129,000
Miscellaneous Plumbing Repairs - Phase I	381,700
Substation Landscaping Improvements	181,000
Campus-Wide Recycling Stations	287,200
Window Replacement - Mycotoxin, Patterson, and Kilgore	386,300
Lake Wheeler Road Poultry Building Repairs - Phase II	125,000
Kilgore Hall HVAC Renovations	951,700
Cox Hall Air Quality and Performance Upgrade	1,145,600
Gardner South - Air Quality and Performance Upgrade	2,219,900
Harrelson Hall - Air Quality and Performance Upgrade	1,296,100
Street Repairs - Phase I	624,400
Pamlico Aquaculture Building Repairs - Phase II	200,000
Campus Entrance Landscape Improvements	763,000
Sullivan Site Steam Line Installation	2,995,900
Primary High Voltage Electrical Distribution - Phase VI	395,200
Sullivan Site Utility Development - Phase I	382,000
Yarbrough Steam Plant Smoke Stack Repairs	64,900
Lake Wheeler Road Dairy Building Repairs - Phase II	212,000
Winston, Caldwell, and Tompkins Chilled Water Controls	417,600
Installation of Energy Management Control Center	184,200
Broughton Hall HVAC Renovations	1,862,300
Total - North Carolina State University	64,391,100

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE

Repair and Renovation of Rhoades Science Tower Laboratory	\$ 552,300
HVAC Improvements - Rhoades Science Hall	791,700
Repairs to Lipinsky Hall	513,700
Phillips Hall Window Replacements	188,000
Upgrade Secondary Electrical Distribution System - Two Academic Buildings	376,000
Repairs to Roads, Streets, and Sidewalks	1,018,100
Removal of Underground Storage Tanks	191,500
Upgrade Fire Alarm Systems in Academic Facilities	191,500
HVAC System Improvements - Justice Center	753,400
Phillips Hall Renovations	1,471,100
Asbestos Removal - Campus-wide Mechanical Rooms	127,700
Improvements to Electrical System - Justice Center	178,800
Elevator Installation - Phillips Hall	191,500
Total - UNC-Asheville	6,545,300

THE NORTH CAROLINA ARBORETUM

Improvements to the Utility Corridor	288,700
Fire Safety Improvements	546,500
Roof Replacement - Visitor Education Center	333,500
Total - The North Carolina Arboretum	1,168,700

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL - ACADEMIC AFFAIRS

Hot Water Heating System Replacement (Phase 1 and 2)	\$ 6,087,100
Renovate Carroll Hall for Journalism and Mass Communications	4,370,300
Renovations in Peabody Hall	2,702,800
Infrastructure Improvements, Meadowmont	1,192,400
Install Fire Alarm/Detection Systems in Twenty Buildings	1,343,400
Renovate Murphey Hall	1,727,500
Install Chilled Water A/C in Classroom Buildings (Advance Planning)	600,000
Upgrade Energy Management and Control System	3,381,900
Renovations - Institute of Marine Sciences	1,658,000
Architectural Barrier Removal Projects	5,112,400
Replace/Repair Roofs on Ten Buildings	973,200
Waterproof Foundation of Alumni Building	153,200
Waterproof Foundation of Bynum Hall	127,700
Hill Hall - Refurbish Auditorium and Replace Seating	1,052,800
PlayMakers Theatre - Air Condition and Replace Seating	873,400
Extend Chilled Water System to Davie, Alumni and Morehead	638,400
Install 18-Inch Steam Line, Venable Hall to Dey Hall	296,400
Exhaust Fan Replacement - Venable Hall	420,100
Repairs to Bowman Gray Pool	157,000
Water Line Renovation, Wilson Hall	87,600
Storm Drainage System Repair (Advance Planning)	250,000
Upgrade Electric Service, Hill Hall	150,800
Repairs to Sidewalks	358,300
Repairs to Physical Education Facilities	860,800
Replace Broadcast Antenna System, WUNC	687,600
Roof Repairs and Waterproofing, Smith Center	300,900
Total - UNC-Chapel Hill - Academic Affairs	35,564,000

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL - HEALTH AFFAIRS

Replace Boiler #5	\$ 3,475,900
Renovation of Medical Science Research Building	5,390,800
Renovations to Old Dental Building	5,458,700
HVAC Renovations, Rosenau Hall	3,735,600
Renovations, Beard Hall First Floor	96,500
Replace Emergency Generator, Molecular Biology/Glaxo Building	193,300
Reconstruct Playground, Frank Porter Graham Center	100,600
Architectural Barrier Removal Projects	3,778,600
Renovate Miller Hall	768,900
Recaulk Exterior, Brinkhous-Bullitt Building	126,500
South Chiller Plant Expansion - Phase II	4,467,500
Improvements to Steam Service for Central Research & Burnett Womack Bldgs.	1,021,500
Replace Generator, Taylor Hall	456,700
Steam Line Improvements, Carolina Inn to Beard Hall	766,100
Replace Roofs - Three Buildings	505,800
Health Sciences Library Renovation (Advance Planning)	200,000
Repairs to Roads and Sidewalks	340,500
Steam Absorption Chiller, Wilson-Coker-Mitchell Plant (Advance Planning)	250,000
Renovate Design and Education Support Center - School of Nursing	158,100
Renovate Orthodontic and Pediatric Clinics, Brauer Hall	1,762,000
Door Security Systems, School of Medicine	334,000
Renovate Basement of Rosenau Hall	419,300
Replace Gilsulate Steam Distribution System (Advance Planning)	500,000
Renovate Dental Faculty Practice Area, Brauer Hall	515,800
Classroom Improvements, School of Medicine	416,200
Renovation of Observation Laboratory, Frank Porter Graham Center	59,100
HVAC Upgrade, First Floor Brauer Hall	976,800
Renovations in Animal Quarters, Burnett-Womack Building	633,400
Renovate Graduate Student Clinic, Brauer Hall	834,100
Construct South Loop Road - Phase I	4,268,800
Total - UNC-Chapel Hill, Health Affairs	42,011,100

1997-99 BUDGET REQUEST - Board of Governors of The University of North Carolina

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE

Academic Facilities Renovations - Phase 2	\$ 638,900
Roadway Improvements - Phase 1	2,798,600
Chiller Replacement and Conversion	740,200
Campus Sign System	572,300
Library Renovations - Phase 1	1,185,900
Renovations to the Physical Sciences Building Chemistry Laboratories	235,900
Improvements to Exterior Lighting - Phase 1	154,600
Repairs and Improvements to Campus Roadways	407,200
Classroom Improvements - Phase 1	494,600
Renovations for Multimedia Language Laboratory	334,300
Fire Safety Improvements in Academic Facilities	321,000
High Voltage Switch Replacement	558,100
Architectural Barrier Removal Projects - Phase 1	12,700
Installation of Water System Loop - Phase 2	299,600
Window Replacements - Kennedy Building	230,700
Academic Facilities Renovations - Phase 3	997,500
Energy Monitoring System - Phase 2	262,100
Roadway Improvements - Phase 2	1,766,700
Total - UNC-Charlotte	12,010,900

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

Fire and Life Safety Improvements - Academic Buildings	373,000
High Voltage Electrical Switch Replacements	1,105,600
Roof Replacements and Repairs - Academic Buildings	109,700
Asbestos Removal	208,000
Building Waterproofing	658,300
Underground Fuel Storage Removal - Phase I	304,800
Architectural Barrier Removal Projects - Phase I	233,100

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO (Continued)

Utilities Infrastructure Improvements	\$ 4,486,300
New Electrical Substation	1,874,600
Elevator Upgrade - Phase I	261,700
CFC Refrigerant Management and Mechanical Systems Replacement	1,344,300
Campus-wide Utility Repairs, Replacements and Extensions	1,029,500
Central Automated Utilities Control - Phase I	1,841,200
Renovations for Energy Efficiency	1,147,800
HVAC System Controls Replacement - Phase I	546,200
Architectural Barrier Removal Projects - Phase II	466,200
Renovations to Sanitary Sewer System	251,200
Improvements to Roads and Walks - Phase II	228,900
Carpet Replacement - Various Locations	400,500
Mechanical, Electrical, and Plumbing System Improvements	972,600
Repairs and Improvements to Campus Landscaping	326,200
Renovations to Brown and Brown Annex Buildings	1,366,800
Wall Repairs - Eberhart Building	944,000
Total - UNC-Greensboro	20,480,500

THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE

Window Replacements in Campus Facilities	769,900
Boiler Replacement - Jacobs Hall	71,300
Improvements for Fire Safety in Academic and Administrative Facilities	320,500
Electrical System Improvements	33,400
New Earth Science Laboratory - Business Administration Building	130,200
Roof Replacement - Upper Levels of Health and Physical Education Building	469,000
Roof Replacement - Central Stores	219,000
Lighting and Sound System Improvements - Performing Arts Center	560,000
Power Winches - Health and P.E. Building	11,900
Automated Energy Management System	343,600
Renovations to Old Main	255,900
Total - UNC-Pembroke	3,184,700

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT WILMINGTON

Roof Repairs - Main Campus	\$ 414,800
Structural Repairs to Campus Facilities	454,400
HVAC Improvements to Campus Facilities	491,000
Repairs and Improvements to Electrical Distribution System	419,400
Renovations to Academic Facilities	153,500
Water Tower Protective Coating	65,900
Sidewalk Improvements and Bike Paths	239,100
Improvements to Storm Drainage System	410,700
Natural Gas Loop Completion and Cathodic Protection	290,400
Facility Improvements for Energy Efficiency	617,700
Improvements to Primary Electrical Distribution System	1,093,400
Renovation of Hoggard Hall	1,727,200
Renovation of Physical Plant Administration Building	114,700
Emergency Electrical Generators	227,800
Architectural Barrier Removal Projects - Phase I	34,700
HVAC Improvements - Alderman, Hanover, and Westside Halls	1,075,200
Campus Road Improvements - Hooker Road	568,000
Total - UNC-Wilmington	8,397,900

WESTERN CAROLINA UNIVERSITY

Roof Replacement and Repairs	442,500
Improvements to Roads, Walks, and Drives	469,800
Minor Building Renovations - Various Locations	227,900
Chiller Replacement/CFC Retrofit - Academic and Support Buildings	1,433,900
Renovations to Clinic Annex	2,709,900
Window Replacement - Belk Building	715,400
Steam Distribution System Renovations	737,500
Installation of Automated Energy Management System	725,200

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

WESTERN CAROLINA UNIVERSITY (Continued)

Correct Fire Safety Deficiencies - Academic and Administrative Facilities	\$ 328,000
Renovations to Bird Building	1,093,100
Steam Plant Improvements	1,033,700
Central Fire Reporting - Phase IV	403,700
OSHA Improvements - Phase II	441,200
Renovations to Breese Gym - Phase II	283,500
Repairs to Exterior Walls	125,400
Upgrade Underground Electrical Distribution System	1,003,700
Architectural Barrier Removal Projects - Phase I	953,600
HVAC Improvements - Old Student Union	178,800
Repairs to Ice Rink - Ramsey Activity Center	523,900
Renovate Lockset Hardware in Eleven Buildings	114,900
Renovate Child Care Area - Camp Building	882,500
Upgrade Overhead Electrical Distribution System	776,700
Renovate Tennis Courts	289,600
Art Department Renovation - Belk Building	284,600
Activate Broadband Cable System	232,800
Fire Safety Renovations - Hunter Library	329,700
Reconstruct Physical Education Track Facility	741,200
Highlands Biological Station - Renovate Clark Foreman Museum Building	187,800
Total - Western Carolina University	17,670,500

WINSTON-SALEM STATE UNIVERSITY

Renovations of Anderson Jr. High School - Phase III	1,490,700
Campus Infrastructure Improvements for Roads and Pedestrian Walkways	3,053,900
Building Repairs to Academic Facilities	321,100
HVAC System Repairs - Hill Hall	1,012,300
Total - Winston-Salem State University	5,878,000

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

Repairs and Renovations (Continued)

THE UNIVERSITY OF NORTH CAROLINA CENTER FOR PUBLIC TELEVISION

Electrical System Improvements - Bryan Center	\$ 333,600
Emergency Generator Systems at Transmitter Sites	624,300
Improvements to the Emergency Broadcast System	152,300
Total - The University of North Carolina Center for Public Television	1,110,200
TOTAL - REPAIRS AND RENOVATIONS	329,427,900

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

Schedule of Priorities – Capital Improvements

Line 2: Fire Safety Improvements, Student Residence Halls – \$69,734,400

House Bill 53, Sec. 16.4(a), which was ratified by the General Assembly in 1996, required that the Board of Governors conduct a comprehensive survey of campus residential facilities, including facilities at the North Carolina School of Science and Mathematics, to examine "potential fire hazards at those facilities, and the fire detection and safety equipment currently installed in those facilities." The survey found that \$4,721,040 was needed to complete the installation of central smoke detection and alarm systems in all residence halls. This estimate provides for systems that would be interconnected with a central campus alarm system that is continuously monitored at a single location beyond the confines of each residence building. The Board of Governors' survey reported that the installation of sprinkler systems in all residence halls not so equipped would cost \$76,514,121. The University's residence halls house approximately 49,000 occupants in 25,371 separate residence rooms.

House Bill 53, Sec. 16.4(b) required that improvements to fire safety systems be addressed by using institutional housing trust funds and other institutional resources as a first source of funding. The legislation further allowed the University to use 1996 repair and renovation funds as a secondary source of funding. In 1996 the Board of Governors authorized fire safety projects in residence halls totaling \$9.9 million – \$4.1 million to be financed from Institutional Housing

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

Line 2: Fire Safety Improvements, Student Residence Halls (Continued)

Trust Funds and \$5.8 million from the 1996 Reserve for Repairs and Renovations. House Bill 53, Sec. 16.4(c) required that all unfunded needs identified by the survey be addressed by the Board of Governors in the 1997-99 Budget Request. This line, coupled with an additional \$1.6 million from anticipated institutional housing trust fund reserves, meets that legislative directive and identifies unfunded fire safety projects totaling \$69,734,400.

The installation of fire safety and sprinkler systems throughout campus residence halls is anticipated to occur throughout and beyond the 1997-99 biennium. In the majority of residence halls, to avoid disruption of the academic life of residents, fire sprinkler systems would be installed when all occupants have been removed. Removal of residence halls from service during the academic year would result in problems for large numbers of students who would be forced to obtain local private housing. For this reason, much of the program would be accomplished during the summer term, when the demand for housing is lower. A secondary issue for consideration is the market limitation on the contracting capacity of licensed fire sprinkler contractors.

The following program is based on institutional project groupings of residential facilities. All cost estimates have been approved by the Office of State Construction, Department of Administration.

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

Line 2: Fire Safety Improvements, Student Residence Halls (Continued)

APPALACHIAN STATE UNIVERSITY

Sprinkler Systems - East Area Residence Halls (Cannon, Hoey, Doughton, Lovill, White, Coffey, Cone, and East Residence Halls)	\$ 1,448,900
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*This \$2,448,900 project would be funded through a combination of Institutional
Housing Trust Funds (\$1,000,000) and 1997-99 appropriated funds (\$1,448,900).*

Sprinkler Systems - West Area Residence Halls (Justice, Gardner, Coltrane, Bowie, Eggers, Winkler, Frank, and Belk Residence Halls)	2,507,900
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TOTAL – Appalachian State University	3,956,800
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EAST CAROLINA UNIVERSITY

Fire Safety Renovations for Greene and Clement Residence Halls	1,347,900
Fire Safety Renovations for Cotten Residence Hall	401,200
Fire Safety Renovations for White Residence Hall	684,700
Fire Safety Renovations for Tyler Residence Hall	783,200
Fire Safety Renovations for Fleming Residence Hall	285,400
Fire Safety Renovations for Fletcher Residence Hall	2,022,300
Fire Safety Renovations for Garrett Residence Hall	451,200
Fire Safety Renovations for Aycock Residence Hall	737,000
Fire Safety Renovations for Jones Residence Hall	840,600
Fire Safety Renovations for Belk Residence Hall	2,219,900
Fire Safety Renovations for Scott Residence Hall	799,100
Fire Safety Renovations for Slay and Umstead Residence Halls	512,100

TOTAL – East Carolina University	11,084,600
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PART I UNIVERSITY OPERATIONS – Expansions and Improvements

Line 2: Fire Safety Improvements, Student Residence Halls (Continued)

ELIZABETH CITY STATE UNIVERSITY

Sprinkler Systems for Five Residence Halls (Bias, Butler, Cale, Doles, and Mitchell-Lewis Residence Halls)	599,800
Sprinkler Systems (Symera and Wamack Residence Halls)	285,300
TOTAL – Elizabeth City State University	885,100

FAYETTEVILLE STATE UNIVERSITY

Sprinkler Installations (Bryant and Harris Residence Halls)	\$ 341,500
Sprinkler Installations (New Residence, Smith, Vance, and Williams Residence Halls)	687,000
TOTAL – Fayetteville State University	1,028,500

NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY

Residence Halls Fire Safety Systems - Phase III (Barbee, Cooper, Gamble, Haley, Holt, Morrison, Morrow, Scott, and Vanstory Residence Halls)	2,372,600
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PART I UNIVERSITY OPERATIONS – Expansions and Improvements

Line 2: Fire Safety Improvements, Student Residence Halls (Continued)

NORTH CAROLINA CENTRAL UNIVERSITY

Installation of Sprinkler Systems in Eagleson/Graduate Apartments	\$ 500,000
<i>This \$578,900 project would be funded using \$78,900 from Institutional Housing Trust Funds and \$500,000 from appropriated funds.</i>	
Installation of Sprinkler Systems in Baynes and McLean Residence Halls	500,000
<i>Project total cost is \$667,000 to be funded using \$167,000 from Institutional Housing Trust Funds and \$500,000 from appropriated funds.</i>	
Installation of Sprinkler Systems in Annie Day/Latham/Rush Residence Halls	701,700
Installation of Sprinkler Systems in Chidley Hall	834,200
TOTAL – North Carolina Central University	2,535,900

NORTH CAROLINA SCHOOL OF THE ARTS

Automatic Sprinkler and Fire Control System for Eight Residence Halls (Moore, Sanford, and Residence Halls A-F)	670,800
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PART I UNIVERSITY OPERATIONS – Expansions and Improvements

Line 2: Fire Safety Improvements, Student Residence Halls (Continued)

NORTH CAROLINA STATE UNIVERSITY

Fire Suppression Systems (Bowen, Carroll, and Metcalf Residence Halls)	\$ 1,505,700
Fire Suppression Systems (Lee and Sullivan Residence Halls)	2,160,000
Fire Suppression System (North Residence Hall)	599,900
Fire Suppression Systems (Bagwell, Becton, & Berry Residence Halls)	549,000
Fire Suppression Systems (Gold, Welch, and Syme Residence Halls)	438,700
Fire Suppression Systems (E. S. King Village)	1,457,200
Fire Suppression Systems (Alexander, Tucker, Owen, and Turlington Residence Halls)	1,263,800
Fire Suppression System (Watauga Residence Hall)	240,000
Fire Suppression System Installations (12 Fraternity Residence Buildings)	745,100
Fire Suppression System Installations (Bragaw & Wood Residence Halls)	1,675,900
TOTAL – North Carolina State University	10,635,300

THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE

Install Sprinkler Systems in 11 Residence Halls (9 Governor's Village units, High Rise, and Mills Residence Halls)	868,500
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PART I UNIVERSITY OPERATIONS – Expansions and Improvements

Line 2: Fire Safety Improvements, Student Residence Halls (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

Install Sprinkler Systems in High Rise Residence Halls (Craigie, Ehringhaus, Hinton-James, and Morrison)	\$ 11,684,100
Install Sprinkler Systems (Alderman, Kenan, McIver, Spencer, Carmichael, Cobb, and Whitehead Residence Halls)	1,285,700
Install Sprinkler Systems (Parker, Teague, and Avery Residence Halls)	2,477,900
Install Sprinkler Systems (Ruffin, Grimes, Manly, Mangum, Lewis, Everett, and Stacy Residence Halls)	503,600
Install Sprinkler Systems (Alexander, Connor, Joyner, and Winston Residence Halls)	581,700
Install Sprinkler Systems in Odum Village	1,498,000
TOTAL – UNC-Chapel Hill	18,031,000

THE UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE

Residence Halls Fire Detection Systems - Phase II (Scott, Sanford, Holshouser, Moore, Hickory, Sycamore, Cedar, Hawthorn, Poplar, Oak, Maple, Elm, and Pine)	1,055,400
Residence Halls Sprinkler Systems (Scott, Sanford, Holshouser, Moore, Hunt Village, Martin Village - Phase III, Hickory, Sycamore, Cedar, Hawthorn, Oak, Maple, Elm, and Pine)	5,327,800
TOTAL – UNC-Charlotte	6,383,200

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

Line 2: Fire Safety Improvements, Student Residence Halls (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

Fire Sprinkler Systems (Grogan and Reynolds Residence Halls)	\$ 983,500
Fire Sprinkler Systems for Quad Residence Halls (Shaw, Hinshaw, Gray, Bailey, Cotton, Jamison, and Coit Residence Halls)	1,134,700
Fire Sprinkler Systems for Nine Residence Halls (Winfield, Weil, Ragsdale, Mendenhall, S. Spencer, N. Spencer, Guilford, Mary Foust, and Spring Garden Apartments)	2,435,400
TOTAL – UNC-Greensboro	4,553,600

THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE

Sprinkler Systems in Five Dorms (Belk, North, West, Jacobs, and Wellons Residence Halls)	912,600
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THE UNIVERSITY OF NORTH CAROLINA AT WILMINGTON

Sprinkler System for Galloway Residence Hall	402,000
Sprinkler Systems (Belk and Graham Residence Halls)	312,300
Sprinkler Systems (Hewlett and Schwartz Residence Halls)	341,200
Alarm Detection System for Galloway Residence Hall	128,700
Sprinkler Systems (Suites O through U)	514,000
Alarm Detection Systems (Bell, Graham, and Hewlett Residence Halls)	245,600
TOTAL – UNC-Wilmington	1,943,800

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

Line 2: Fire Safety Improvements, Student Residence Halls (Continued)

WESTERN CAROLINA UNIVERSITY

Fire Safety Improvements - Residential Facilities - Phase II (Albright-Benton, Buchanan, Helder, Leatherwood, and Reynolds Residence Halls)	\$ 2,277,800
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WINSTON-SALEM STATE UNIVERSITY

Fire Safety System for Brown Hall	1,594,300
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GRAND TOTAL – FIRE SAFETY	69,734,400
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PART I UNIVERSITY OPERATIONS – Expansions and Improvements

Schedule of Priorities – Capital Improvements

Line 3: 1997 University-Wide Facilities Plan – \$642,894,800

On this Line the Board of Governors presents the comprehensive six-year plan on behalf of the sixteen constituent institutions, the North Carolina Arboretum, and the University of North Carolina Center for Public Television for new buildings, major additions to or extensive remodeling of existing buildings, and infrastructure improvements. The Plan includes the highest priorities for new construction and renovations. The General Assembly has previously appropriated advanced planning or partial financing for a number of the projects. Those projects are included in this request and the amounts appropriated are detailed in the project descriptions.

The Board of Governors in May 1996 adopted a new format for the presentation of the capital improvements request to the General Assembly. Projects are categorized and the categories are presented in priority order to provide explicit information about the Board's priorities. The category of projects to meet "current capacity" needs is the highest priority category and the largest category. The University is currently establishing standards for instructional, laboratory, and faculty and administrative office space. When the standards are finalized, they will provide substantially improved information to assist in prioritizing projects

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

within this category, as well as other categories. The completion of the development of standards will allow for projects within categories to be prioritized.

At the end of each category is a matrix containing supplemental information for each project. These matrices are presented to the General Assembly for the first time in this budget request and provide useful information for identifying projects for funding. As the University's capital improvements processes are further defined and space standards are developed, the information presented in matrix format should become even more useful.

The project priority categories of the Board of Governors are as follows:

Project Category	Request
Current Capacity	\$ 388,250,000
Future Capacity	34,196,200
Technology	32,340,600
Program Quality	114,789,600
Special Purpose	46,395,500
Support Facility	11,922,900
Land Acquisition	15,000,000
Total	642,894,800

While the projects represent current needs, it is recognized that it is not likely that all of this plan can be funded in a single Session of the General Assembly. The Board therefore commends the approach that was followed in response to the presentation of similar University-wide Plans in

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

previous biennia. In those instances, successive Sessions funded some projects for construction, others for partial or phased construction, and others for advanced planning. This permitted a methodical program for completion of all projects, with the responsibility and the timing of sequence appropriately shared by the Board, the Governor and the Advisory Budget Commission, and the General Assembly.

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity
\$388,250,000

The first priority category of the Board of Governors provides for new facilities or major renovations to existing facilities to meet the needs of students currently enrolled in the University. Twenty-eight projects totaling \$352,702,300 provide for expanded and improved classrooms, laboratories, and libraries. Three projects totaling \$29,866,100 provide expanded student service facilities and one project for \$5,681,600 provides for infrastructure development.

Descriptions of the projects follow, including cost estimates approved by the Office of State Construction, Department of Administration. Following the project descriptions is a matrix that summarizes the current capacity projects and provides supplementary information.

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

APPALACHIAN STATE UNIVERSITY

Renovation of Rankin Science Building, \$6,666,000

The project would provide modernized laboratory and classroom facilities throughout the 134,984 square-foot Rankin Science Building, constructed in phases from 1962 through 1970. Interior and exterior renovations would include new windows, doors, roofing, flooring, ceilings, stairs, and elevators as well as major changes to the plumbing, electrical, and data wiring systems. Toxic surveys and asbestos abatement are requirements of this project. The Rankin Science Building renovation would allow modernization of areas to accommodate the departments of Biology, Geography and Planning, Geology, and Astronomy. In the last five years, the number of students in these four departments has grown from 500 to over 800 with similar growth projected through the year 2001. The major cost components are:

Design	\$ 327,800
Site Preparation	135,000
Construction	5,468,200
Fixed and Movable Equipment	735,000
Total	6,666,000

Addition and Renovation to Belk Library, \$10,629,400

The project would provide for construction of a 65,000 square-foot addition to Belk Library as well as substantial renovation of the existing 142,672 square-foot facility. Belk Library was constructed in 1980 to provide facilities for 10,000 students; enrollment at Appalachian State University is now approaching 13,000 students. The project would provide expanded study and research areas, improvements to the Reference Department, and major technological updates to meet the specialized library requirements of today's students. The major cost components are:

Design	\$ 531,200
Site Preparation	381,900
Construction	9,251,300
Fixed and Movable Equipment	465,000
Total	10,629,400

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

EAST CAROLINA UNIVERSITY – ACADEMIC AFFAIRS

Science Laboratories and Technology Building, \$47,997,600

The project would provide for construction of a 259,000 square-foot building for use by the Departments of Chemistry and Industrial Technology. The building would contain laboratories, classrooms, an auditorium, faculty offices, and support areas. Currently, the departments utilize a facility constructed during the 1930s with laboratories that have not been updated since the 1950s. The newly constructed building would serve in excess of 2,300 students majoring in science and technology curricula. In 1996 the General Assembly appropriated \$1,000,000 toward this \$48,997,600 project. The major cost components are:

Design	\$ 2,519,500
Site Preparation	360,000
Construction	44,118,100
Fixed and Movable Equipment	2,000,000
Total	48,997,600

EAST CAROLINA UNIVERSITY – HEALTH AFFAIRS

Health Sciences Library Expansion, \$6,106,600

The project would provide for construction of a 37,074 square-foot addition to the Brody Building to expand the existing Health Sciences Library. Fifty-five percent of the addition would consist of stacks for housing books; the remainder would consist of carrels, individual and group study areas, and administrative offices. The library facilities serve 2,600 students in the Schools of Medicine, Nursing, Allied Health, and Social Work. The major cost components are:

Design	\$ 410,900
Site Preparation	15,000
Construction	5,430,700
Fixed and Movable Equipment	250,000
Total	6,106,600

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

ELIZABETH CITY STATE UNIVERSITY

G. R. Little Library Addition and Renovation, \$10,723,600

The project would provide for renovation of the 42,000 square-foot G. R. Little Library and for an addition to double the amount of space currently available. The addition would house 700,000 volumes and contain study rooms and cubicles for students, conference and seminar rooms, and office space. The current facilities seat 500 students; when the renovations and addition are completed, the facilities would seat 2,500 students. The major cost components are:

Design	\$ 637,300
Site Preparation	84,000
Construction	9,038,400
Fixed and Movable Equipment	963,900
Total	10,723,600

Addition to the Academic Computer Center, \$3,557,600

The project would provide a 25,000 square-foot addition to the Academic Computer Center. The addition would contain instructional laboratories, general purpose areas, a technical library, and administrative offices. New videoconferencing and data communications services would be available through this project. Construction of the new facility would permit consolidation of the university computing function which is currently housed in four separate locations on campus. The consolidated facility would serve all students and faculty. In 1995, \$150,000 in advance planning funds were provided for this project. The major cost components are:

Design	\$ 278,100
Construction	3,279,500
Fixed and Movable Equipment	150,000
Total	3,707,600

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

FAYETTEVILLE STATE UNIVERSITY

Fine Arts and General Classroom Facility, \$15,524,400

The project would provide for construction of a 114,000 square-foot building with classrooms, laboratories, studios, galleries, and a theater. The building would accommodate the fine arts program and provide classrooms to meet the instructional requirements of the College of Arts and Sciences. The facilities would serve 1,800 students majoring in disciplines offered by this college as well other students taking required and elective courses. The General Assembly has previously appropriated \$750,000 toward this \$16,274,400 project. The major cost components are:

Design	\$ 1,070,600
Site Preparation	300,000
Construction	14,493,800
Fixed and Movable Equipment	410,000
Total	16,274,400

NORTH CAROLINA CENTRAL UNIVERSITY

Lee Biology Building Renovation, \$1,359,200

The project would provide for renovation of the 31,000 square-foot building which houses the Department of Biology. The renovations would include improvements to laboratories, improvements to the electrical system, roof replacement, basement waterproofing, and modifications to meet the requirements of the Americans with Disabilities Act. The building currently serves 297 undergraduate and 30 graduate students pursuing academic majors in biology as well as 400 additional students taking elective courses in the field of biology. The major cost components are:

Design	\$ 104,500
Construction	1,254,700
Total	1,359,200

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

NORTH CAROLINA CENTRAL UNIVERSITY (Continued)

Repairs to Five Academic Buildings, \$10,515,000

The project would provide for the renovation of several academic facilities containing over 120,000 square feet of space. Included are improvements to Taylor Education Building, Edmonds Classroom Building, Farris-Newton Communications Building, the Fine Arts Building, and five cottages. The project includes roof repairs and replacements, HVAC system repairs and replacements, the installation of energy efficient lighting, and modifications to meet requirements of the Americans with Disabilities Act. The major cost components are:

Design	\$ 868,400
Construction	9,646,600
Total	10,515,000

Robinson Science Building, \$946,000

The proposed project would provide for improvements to the 28,000 square-foot Robinson Science Building including electrical system upgrades, asbestos and lead paint removal, roof replacement, and telecommunications improvements. The building supports 1,800 students taking courses in the Mathematics and Computer Science Department and the Physics Department. The major cost components are:

Design	\$ 56,200
Construction	789,900
Fixed Equipment	99,900
Total	946,000

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

NORTH CAROLINA SCHOOL OF THE ARTS

Basic Education Complex, \$6,133,400

The proposed project would provide for the construction of a 37,100 square-foot complex with general purpose classrooms, a 250-seat recital hall, a hall for drama rehearsal and informal public performances, and faculty offices. Also, the project would provide 7,000 additional square feet of housing for 60 high school students. The major cost components are:

Design	\$ 399,000
Site Preparation	100,000
Construction	5,059,400
Fixed and Movable Equipment	575,000
Total	6,133,400

Filmmaking Office/Classroom Post Production Complex, \$2,000,000

The project would provide for construction of a 14,769 square-foot facility to support the School of Filmmaking. Included would be classrooms, offices, a library, and a computer laboratory. The major cost components are:

Design	100,300
Construction	1,799,700
Fixed and Movable Equipment	100,000
Total	2,000,000

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

NORTH CAROLINA STATE UNIVERSITY

Nelson Hall Renovation - Phase II, \$6,914,900

The project would provide for conversion of existing space (150,000 square feet) in Nelson Hall into functional, efficient space for the new College of Management. The renovation would include HVAC installation and internal reconfigurations as required. The College of Management serves 2,650 students in its academic major fields with 4,465 additional students taking elective courses each semester. Advance planning funds totaling \$1,350,000 have been previously appropriated for this \$8,264,900 project. The major cost components are:

Design	\$ 562,600
Construction	7,702,300
Total	8,264,900

Toxicology Building, \$14,566,700

The project would provide for construction of a 55,000 square-foot facility on the Centennial Campus to consolidate the existing Toxicology Program into one building. The facility would include classrooms, research laboratories, and offices. The use of toxic and carcinogenic chemicals and radioactive substances requires precise design and construction with particular attention devoted to air quality, life safety, and waste management. The major cost components are:

Design	\$ 760,600
Site Preparation	1,004,000
Construction	11,262,100
Fixed and Movable Equipment	1,540,000
Total	14,566,700

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

NORTH CAROLINA STATE UNIVERSITY (Continued)

College of Veterinary Medicine, Main Building Addition, \$24,262,000

The project would provide for a 100,000 square-foot addition to the College of Veterinary Medicine. Included in the project are 40 research laboratories, four multipurpose central procedural laboratories, ten central research facilities, two clinical research laboratories, one electron and light microscopy laboratory, one population medicine/computer laboratory, nine animal rooms, 24 seminar/conference rooms, and a 300-seat lecture hall. The facility would serve all 460 students in the College of Veterinary Medicine. The major cost components are:

Design	\$ 1,657,900
Construction	20,054,100
Fixed and Movable Equipment	2,550,000
Total	24,262,000

David-Clark Laboratory Renovation and Addition, \$9,990,800

The project would provide for the addition of 18,368 square feet and the renovation of 37,124 square feet of space in David-Clark Laboratory. The building has been partially vacant since the Department of Textiles moved to the Centennial Campus in 1991. The project would provide needed laboratory, classroom, and office facilities for zoology programs. The facilities would serve 2,400 students taking courses in the field of zoology. The major cost components are:

Design	\$ 521,700
Construction	8,521,500
Fixed and Movable Equipment	947,600
Total	9,990,800

PART I UNIVERSITY OPERATIONS - Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE

Asheville Graduate Center - Phase II, \$792,700

The project would provide for completion of 7,900 square feet of space on the third floor of Karpen Hall to house the Department of Mass Communications. The major cost components are:

Design	\$ 53,350
Construction	499,350
Fixed and Movable Equipment	240,000
Total	792,700

Highsmith Center Renovation and Addition, \$8,782,000

The project would provide for the renovation of 34,000 square feet and the addition of 41,400 square feet to the Highsmith Center, a facility that is utilized by the entire student body as well as faculty and staff. The Center houses the student union, the campus bookstore, and student program facilities: the career center, student government operations, the school newspaper, student lounges, and the campus post office. The center also provides student dining facilities. The Highsmith Center was constructed in the early 1980s when campus enrollment was approximately 1,400 students; the enrollment for 1996 is anticipated to be in excess of 2,600 students. The major cost components are:

Design	\$ 458,600
Site Preparation	235,000
Construction	7,578,400
Fixed and Movable Equipment	510,000
Total	8,782,000

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)**Category: Current Capacity (Continued)**

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL – ACADEMIC AFFAIRS

R. B. House Library, \$6,629,400

The project would provide for complete renovation of the R. B. House Library, constructed in 1968. The library would be reconfigured to serve library needs of over 17,000 undergraduate students as well as the needs of the Office of Information Technology (OIT). The library and the OIT would share a lecture/demonstration room and a computer-equipped classroom. Student study areas would be expanded and group study rooms would be provided. The computing lab of the Office of Information Technology would contain 80 workstations. The project also includes new HVAC and electrical systems, as well as asbestos removal. The major cost components are:

Design	\$ 403,200
Site Preparation	645,000
Construction	4,330,900
Fixed and Movable Equipment	1,250,300
Total	6,629,400

Student Services Building, \$18,857,500

The project would provide a six-story 116,000 square-foot addition on top of the existing Daniels Building (Student Stores). The Daniels Building was constructed with foundations to accommodate later addition if required. The addition would support student needs including Student Affairs, Records and Registration, Student Aid, the Placement Service, General College Advisors, Arts and Sciences Advisors, Housing, Job Counseling, the Reading Program, and the Cashier's Office. Centralizing these administrative functions will free campus space for academic purposes. The major cost components are:

Design	\$ 948,000
Site Preparation	435,000
Construction	16,414,500
Fixed and Movable Equipment	1,060,000
Total	18,857,500

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL – HEALTH AFFAIRS

Addition to Beard Hall - School of Pharmacy, \$8,824,600

The project would provide a 50,000 square-foot addition to Beard Hall containing classrooms, laboratories, student work space, and faculty offices. The School of Pharmacy first occupied Beard Hall in 1960 when the School consisted of 248 students and 13 faculty and staff members. The School currently has 619 students and 85 faculty and staff members. Advance planning funds of \$1,000,000 have previously been appropriated for this \$9,824,600 project. The major cost components are:

Design	\$ 597,600
Site Preparation	630,000
Construction	7,347,000
Fixed and Movable Equipment	1,250,000
Total	9,824,600

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL – HEALTH AFFAIRS (Continued)

Medical Biomolecular Research Building, \$29,493,800

The project would provide for construction of a 125,000 square-foot building to house basic research components and allow for the initiation and development of new programs that incorporate the tools of cellular and molecular biology. The proposed building would contain faculty laboratories and facilities for laboratory support including specialized laboratories for sequencing and synthesizing proteins; tissue culture laboratories; environmental rooms (both warm and cold); photographic dark rooms; equipment rooms for high-speed and refrigerated centrifuges; radioisotope laboratories, including special fume hoods; maintenance shop facilities; and facilities to house and maintain a number of different species of animals. Advance planning funds of \$1,000,000 have previously been appropriated for this \$30,493,800 project. The major cost components are:

Design	\$ 1,730,300
Site Preparation	645,000
Construction	24,143,500
Fixed and Movable Equipment	3,975,000
Total	30,493,800

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE

Academic Facilities - Humanities, \$20,597,300

The project would provide for construction of a 120,000 square-foot building to support the Department of Music, the Department of Dance and Theater, and other humanities departments. The facility would house classrooms, teaching studios, meeting rooms, offices, and theater space. UNC-Charlotte has the lowest ratio of academic facilities per student within the University. This facility would serve 2,400 students enrolled in music, dance, and theater courses each semester, as well as 1,800 students enrolled in other humanities courses. Completion of the facility would release space in Rowe building to accommodate an overcrowded and expanding Art Department. Advance planning funds of \$1,000,000 have previously been appropriated for this \$21,597,300 project. The major cost components are:

Design	\$ 1,110,500
Site Preparation	666,000
Construction	18,170,800
Movable Equipment	1,650,000
Total	21,597,300

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE (Continued)

Academic Facilities - Sciences, \$32,371,700

The project would provide for construction of a 180,000 square-foot building for departments and programs in the sciences and engineering, including Adult Health Nursing, Family and Community Nursing, and Health Promotion and Kinesiology in the College of Nursing and Health Professions; civil engineering in the College of Engineering; and the interdisciplinary areas of Environmental Science and Health Science. The facility would provide classroom space for over 7,500 students enrolled in these courses each semester. It also would provide auditoriums, instructional lab space, computer labs, study rooms, seminar and conference rooms, and faculty and administrative offices. The major cost components are:

Design	\$ 2,178,300
Site Preparation	44,000
Construction	27,649,400
Movable Equipment	2,500,000
Total	32,371,700

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

North Campus Infrastructure Development, \$5,681,600

The project would provide for rebuilding and adding to utility systems located throughout the northeast quadrant of the University campus. The project further provides for new traffic and pedestrian walkway facilities. The new Music Building and the McIver Street Parking Deck are to be located in areas served by the proposed infrastructure development. This project complements those projects listed under Line 1, Repairs and Renovations, to provide for necessary improvements to infrastructure throughout the UNC-Greensboro campus. The major cost components are:

Design	\$ 345,600
Site Preparation	1,479,600
Construction	3,856,400
Total	5,681,600

THE UNIVERSITY OF NORTH CAROLINA AT WILMINGTON

General Classroom Building, \$8,465,500

The project would provide for construction of a 51,600 square-foot general classroom and office building. The project would alleviate the severe shortage of instructional and laboratory space as well as a general shortage of faculty office spaces. The facility would contain two auditoriums (one with 200 seats and one with 250 seats), 21 classrooms (for a total of 1,085 seats), four seminar rooms, two large conference rooms, and 83 offices. The major cost components are:

Design	\$ 536,500
Construction	7,619,400
Fixed and Movable Equipment	309,600
Total	8,465,500

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT WILMINGTON (Continued)

School of Education Building, \$16,656,100

The project would provide for an 80,000 square-foot building to house the Watson School of Education. The facility would contain 23 classrooms, two auditoriums, 35 faculty offices, as well as numerous learning laboratories and other instructional space. In the last five years, the University has added three master's degree programs, a baccalaureate program, and fourteen outreach programs in the School of Education. Student enrollment has grown from 621 students to 1,031 students during this same period. The facility is needed to accommodate the present enrollment and to gather teaching faculty into one building. The major cost components are:

Design	\$ 819,000
Construction	14,837,100
Movable Equipment	1,000,000
Total	16,656,100

Fine Arts Building, \$14,041,400

The project would provide for construction of an 87,000 square-foot building to house the Departments of Visual Arts, Theater and Dance, Music, and Speech Communications. The facility would include 23 classrooms, three auditoriums, eight seminar rooms, 16 individual studios, 13 teaching studios, and 23 faculty offices. The Department of Fine Arts is currently housed in Kenan Hall which was originally designed as a general classroom facility and lacks adequate facilities, e.g., sound isolation and acoustical control, that are needed for specialized instruction. The major cost components are:

Design	\$ 882,500
Construction	12,458,900
Movable Equipment	700,000
Total	14,041,400

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

WESTERN CAROLINA UNIVERSITY

Fine and Performing Arts Center, \$25,422,100

The project would provide for construction of a 139,200 square-foot building to be used by the Visual Art, Music and Communication, and Theater Arts Departments. Included in the project would be three galleries; 39 private studios for faculty, senior/graduate students, and artists in residence; 12 classroom studios; 12 studio support rooms, e.g., dark rooms, ceramic preparation rooms; three critique rooms, two lecture auditoriums, one seminar room, and one production studio, as well as faculty and support facilities. The General Assembly has previously appropriated \$2,000,000 toward this \$27,422,100 project. The major cost components are:

Design	\$ 1,738,000
Site Preparation	900,000
Construction	21,241,500
Fixed and Movable Equipment	3,542,600
Total	27,422,100

Renovate Camp Lab School - Phase II, \$2,226,600

The project would provide for conversion of building interiors configured for a public school (K-12) to space designed for University programs and operations. Phase I of the project, financed from the 1993 University Improvement Bonds, provided for general repairs to correct deferred maintenance and code compliance deficiencies. The Camp Lab facilities consist of a classroom building (55,618 square feet), a shop (4,826 square feet), and a gymnasium (14,821 square feet). The major cost components are:

Design	\$ 132,300
Site Preparation	325,500
Construction	1,768,800
Total	2,226,600

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

WINSTON-SALEM STATE UNIVERSITY

Addition and Renovation to the F. L. Atkins Building, \$5,198,500

The project would provide for renovations to the F. L. Atkins Building and for the construction of a 19,044 square-foot addition to meet the requirements of the Nursing, Medical Technology, and Physical Therapy Departments and to provide space for the new occupational therapy program. The addition would primarily be a laboratory facility with faculty offices and conference rooms. The major cost components are:

Design	\$ 349,800
Site Preparation	126,500
Construction	4,375,000
Fixed and Movable Equipment	347,200
Total	5,198,500

Computer Science Facility, \$6,316,000

The project would provide for construction of a new 35,700 square-foot facility which would consolidate computer science activities currently housed in three separate facilities. Included in the facility would be eight classrooms, two microcomputer laboratories, a research laboratory, facilities to house computer mainframes in support of both academic and administrative computing, and 16 faculty offices. The facility would accommodate 3,400 students taking courses in computer science. The major cost components are:

Design	\$ 463,100
Site Preparation	326,700
Construction	4,806,200
Fixed and Movable Equipment	720,000
Total	6,316,000

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

Institution/Project	Cost Estimate	Supplemental Information								
		Major Repair/ Renovation Project	Re-Use of an Existing Facility	Renovation In Lieu of New Construction	Completes a Partially Built Facility	Achieves Material Operating Savings	Benefits a Significant % of the Population	Rewards Good Planning & Management	"Urgent" Need, Code Compliance	Appropriations, Other Funding
Appalachian State University										
Renovation of Rankin Science Building	\$ 6,666,000	XXX	XXX				XXX	XXX		
Addition and Renovation to Belk Library	10,629,400	XXX					XXX			
East Carolina University, Academic Affairs										
Science Laboratories and Technology Building	47,997,600						XXX	XXX	XXX	\$ 1,000,000
East Carolina University, Health Affairs										
Health Sciences Library Expansion	6,106,600						XXX	XXX		
Elizabeth City State University										
G. R. Little Library Addition and Renovation	10,723,600	XXX					XXX			
Addition to the Academic Computing Center	3,557,600						XXX	XXX		150,000
Fayetteville State University										
Fine Arts and General Classroom Facility	15,524,400						XXX	XXX		750,000
North Carolina Central University										
Lee Biology Building Renovation	1,359,200	XXX		XXX			XXX	XXX	XXX	
Repairs to Five Academic Buildings	10,515,000	XXX		XXX			XXX		XXX	
Robinson Science Building	946,000	XXX		XXX			XXX		XXX	
North Carolina School of the Arts										
Basic Educational Complex	6,133,400						XXX	XXX		
Filmmaking Office/Classroom Post Production Complex	2,000,000				XXX					
North Carolina State University										
Nelson Hall Renovation - Phase II	6,914,900	XXX	XXX	XXX		XXX	XXX	XXX	XXX	1,350,000
Toxicology Building	14,566,700					XXX		XXX	XXX	
College of Veterinary Medicine, Main Building Addition	24,262,000						XXX	XXX		
David Clark Laboratory Renovation and Addition	9,990,800	XXX	XXX	XXX		XXX	XXX	XXX	XXX	
UNC-Asheville										
Asheville Graduate Center, Phase II	792,700				XXX		XXX			
Highsmith Center Renovation and Addition	8,782,000	XXX	XXX				XXX	XXX		
UNC-Chapel Hill, Academic Affairs										
R. B. House Library Renovations	6,629,400	XXX	XXX	XXX			XXX	XXX		
Student Services Building	18,857,500				XXX		XXX	XXX		

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Current Capacity (Continued)

Institution/Project	Cost Estimate	Supplemental Information								Appropriations, Other Funding
		Major Repair/ Renovation Project	Re-Use of an Existing Facility	Renovation In Lieu of New Construction	Completes a Partially Built Facility	Achieves Material Operating Savings	Benefits a Significant % of the Population	Rewards Good Planning & Management	"Urgent" Need, Code Compliance	
UNC-Chapel Hill, Health Affairs										
Medical Biomolecular Research Building	\$29,493,800							XXX		\$ 1,000,000
Addition to Beard Hall - School of Pharmacy	8,824,600						XXX		XXX	1,000,000
UNC-Charlotte										
Academic Facilities - Humanities	20,597,300						XXX	XXX		1,000,000
Academic Facility - Sciences	32,371,700						XXX	XXX		
UNC-Greensboro										
North Campus Infrastructure Development	5,681,600						XXX	XXX	XXX	
UNC-Wilmington										
General Classroom Building	8,465,500						XXX	XXX		
School of Education Building	16,656,100						XXX	XXX		
Fine Arts Building	14,041,400						XXX	XXX		
Western Carolina University										
Fine and Performing Arts Center	25,422,100						XXX	XXX		2,000,000
Renovate Camp Lab School - Phase II	2,226,600	XXX	XXX		XXX		XXX			
Winston-Salem State University										
Addition and Renovation to the F.L. Atkins Building	5,198,500						XXX		XXX	
Computer Science Facility	6,316,000						XXX	XXX		
Total - Current Capacity	388,250,000									

3/25/97

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Future Capacity
\$34,196,200

The Board of Governors requests two projects to expand instructional facilities to accommodate growth in enrollment. The 1993 University Improvement Bonds provided \$15,000,000 to Appalachian State University for the first phase of expansion to science and mathematics facilities; Phase II of the project is estimated to cost \$27,495,500. At East Carolina University, an addition to the Rivers Building would provide expanded facilities for the Schools of Nursing and Human Environmental Sciences.

Descriptions of the projects follow, including cost estimates approved by the Office of State Construction, Department of Administration. Following the project descriptions is a matrix that summarizes the "future capacity" projects and provides supplementary information.

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Future Capacity (Continued)

APPALACHIAN STATE UNIVERSITY

Science/Mathematics Complex, Phase II, \$27,495,500

The project would provide for construction of a 112,000 square-foot building to upgrade the facilities for the Natural and Mathematical Sciences – the second phase of a major institutional initiative to improve science facilities. The building would contain instructional classrooms, teaching laboratories, research laboratories, and computer laboratories as well as offices for faculty and graduate assistants. Phase I of the Science/Mathematics Complex was financed through the 1993 University Improvement Bonds. The major cost components are:

Design	\$ 1,413,800
Site Preparation	10,000
Construction	23,071,700
Fixed and Movable Equipment	3,000,000
Total	27,495,500

EAST CAROLINA UNIVERSITY, ACADEMIC AFFAIRS

Third Floor Addition to the Home Economics/Nursing Building, \$6,700,700

The project would provide for the construction of a third floor addition to the Rivers Building which houses the Schools of Nursing and Human Environmental Sciences. The Rivers Building was constructed in 1967 with plans to add a third floor when funding became available. The addition would provide lecture rooms, laboratories, educational technology support facilities, and offices for faculty and graduate assistants. The major cost components are:

Design	\$ 424,700
Site Preparation	88,600
Construction	5,822,100
Fixed and Movable Equipment	365,300
Total	6,700,700

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Future Capacity (Continued)

Project	Estimated Cost	Supplemental Information		
		Completes an Underfunded or Partially Built Facility	Benefits a Significant % of the Population	Rewards Good Facilities Planning & Management
Appalachian State University				
Science/Mathematics Complex, Phase II	\$27,495,500	XXX	XXX	
East Carolina University, Academic Affairs				
Third Floor Addition to the Home Economics/ Nursing Building	6,700,700	XXX	XXX	XXX
Total - Future Capacity	34,196,200			

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Technology
\$32,340,600

The Board of Governors' budget request for "Information Technology - Computing and Telecommunications" in the section on "Expansions and Improvements Current Operations" (Line 3) discusses the need for institutions to transform themselves to "realize the potential of information technology for instruction and foster the innovation that is bound to follow." The initial investment in required infrastructure is both substantial and critical to ensure that faculty and students have the technological resources available as they make the transition to the 21st century. The installation of basic network infrastructure throughout all academic, administrative, and student facilities is essential to the teaching, learning, and research processes. Long-range institutional plans provide for the wiring of all residence halls to ensure that students have access to technology at all times. For the biennium, the request of \$32,340,600 would complete the installation of fiber optics backbones at all institutions and complete the wiring of all academic facilities.

Institutional investments to date in technology have occurred as fast as resources have become available for this purpose. State appropriations, institutional trust funds, and borrowed funds have been used to make the necessary investment in technology. As a result, the level of technology available to students and faculty varies among the institutions. This request helps

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Technology (Continued)

ensure that all campuses will have the resources available to make technology available throughout all academic facilities.

Institutional requests for funds for technology infrastructure are identified in the following table:

Institution	Budget Request
Appalachian State University	\$ 770,000
East Carolina University	1,033,000
Elizabeth City State University	1,011,000
Fayetteville State University	507,000
North Carolina A & T State University	1,250,800
North Carolina Central University	5,866,700
North Carolina School of the Arts	1,303,800
North Carolina State University	4,028,400
University of North Carolina at Asheville	1,420,000
University of North Carolina at Chapel Hill	8,682,800
University of North Carolina at Charlotte	1,690,300
University of North Carolina at Greensboro	1,511,200
University of North Carolina at Pembroke	395,600
The University of North Carolina at Wilmington	445,000
Western Carolina University	670,600
Winston-Salem State University	1,754,400

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Program Quality
\$114,789,600

The third project category of the Board of Governors presents seven projects to improve the quality of programs offered at six institutions. The projects provide for improvements in undergraduate instructional opportunities and for enhancements to meet and exceed prescribed academic standards and long established missions or programs offered by institutions. The request addresses specific needs of institutions in the areas of science, music, engineering, and business. Quality facilities enable an institution to attract high caliber students and faculty and to compete successfully for research grants.

Descriptions of the projects follow, including cost estimates approved by the Office of State Construction, Department of Administration. Following the project descriptions is a matrix that summarizes the "program quality" projects and provides supplementary information.

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Program Quality (Continued)

NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY

General Classroom and Laboratory Building Complex #1, \$31,526,200

The project would provide for the construction of a 135,200 square-foot building and the renovation of two buildings, Crosby Hall (57,796 square feet) and Merrick Hall (57,485 square feet), to support classroom and laboratory needs of the College of Arts and Sciences, the School of Business and Economics, and the Academic Advisory Counseling Center. The three-building complex would be connected with overhead pedestrian crosswalks. Included in the proposed new building are 44 classrooms, three computer classrooms, four teleclassrooms, three computer laboratories, 15 small rooms for advising/counseling, two departmental libraries, a mainframe computer facility, and offices for academic administration, faculty, and staff. The renovations in Crosby Hall and Merrick Hall would provide modernized laboratory facilities, upgraded classrooms and teleclassrooms, roof and window replacements, and HVAC system improvements. The project further includes the construction of a 300 car parking structure. Advance planning funds totaling \$2,000,000 have been previously appropriated for this \$33,526,200 project. The major cost components are:

Design	\$ 1,723,900
Construction	26,464,600
Fixed and Movable Equipment	5,337,700
Total	33,526,200

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Program Quality (Continued)

NORTH CAROLINA CENTRAL UNIVERSITY

B. N. Duke Auditorium, Renovations and Addition, \$2,962,500

The project would provide for renovation of the 14,316 square-foot B. N. Duke Auditorium building to provide improvements to the projection, sound, and lighting systems and to meet all requirements of the Americans with Disabilities Act. In addition, the second floor of the existing band room would be expanded by 5,684 square feet. Elevator installation, improvements to the HVAC system, and roof repairs are all components of this project. The major cost components are:

Design	\$ 244,700
Construction	2,667,800
Fixed and Movable Equipment	50,000
Total	2,962,500

NORTH CAROLINA STATE UNIVERSITY

Undergraduate Science Teaching Laboratories - Phase I, \$21,228,900

The project would provide for construction of a 45,000 square-foot Science Teaching Laboratory building. The facility would support undergraduate instruction in chemistry, biochemistry, and physics. Each semester 7,500 students take courses in these subject areas. The project further includes the construction of parking facilities. The General Assembly has previously appropriated \$650,000 toward this \$21,878,900 project. The major cost components are:

Design	\$ 1,142,500
Site Preparation	5,019,000
Construction	14,603,600
Fixed and Movable Equipment	1,113,800
Total	21,878,900

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Program Quality (Continued)

NORTH CAROLINA STATE UNIVERSITY (Continued)

Riddick, Mann, Daniels, and Burlington Hall Renovations, \$8,644,100

The project would provide for the renovation of 60,000 square feet of instructional and office space in four buildings in the College of Engineering. The renovations would include building reconfigurations and general refurbishment, increased electrical system capacity, and improved HVAC systems and ventilation systems. The four buildings support 2,495 undergraduate and 474 graduate students. The major cost components are:

Design	\$ 451,400
Construction	6,122,700
Fixed and Movable Equipment	2,070,000
Total	8,644,100

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL, ACADEMIC AFFAIRS

Hill Hall Music Library, \$7,170,900

The project would provide for a 34,250 square-foot addition to Hill Hall to house the library for the Department of Music. Hill Hall was originally constructed in 1907 and has been the home of the Department of Music since 1929. The current library has less than 7,000 square feet and houses over 90,000 volumes, 6,000 microfilms, and 24,500 sound recordings. Much of the collection is housed in stacks on the basement level which has been expanded by excavating a catacomb around the pier foundation. The resulting space is contorted, damp, and not satisfactory for its use. The current library space would be renovated for seminar and music practice rooms. Advance planning funds of \$850,000 have previously been appropriated for this \$8,020,900 project. The major cost components are:

Design	\$ 552,400
Site Preparation	415,000
Construction	5,853,500
Movable Equipment	1,200,000
Total	8,020,900

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Program Quality (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

Science Instructional Building, \$37,099,400

The project would provide for construction of 157,000 square feet of classroom, laboratory, and office space for use by the Departments of Chemistry, Biology, Anthropology, Physics, Psychology, and Food Management. The facility would include 23 classrooms, 2 auditoriums, 46 laboratories, and 32 faculty offices. The Petty Science Building and the Eberhart Building, which currently house the chemistry and biology programs, would later be renovated to meet general classroom and research needs. Completion of the facility would significantly enhance the program quality of the science curriculum of the University. Advance planning funds of \$2,000,000 have previously been appropriated for this \$39,099,400 project. The major cost components are:

Land	\$ 1,500,000
Design	1,965,500
Site Preparation	375,000
Construction	32,481,400
Fixed and Movable Equipment	2,777,500
Total	39,099,400

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Program Quality (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE

Regional Center for Economic, Professional and Community Development, \$6,157,600

The project would provide for construction of a 71,854 square-foot building for use as a Continuing Education Center for Business and Economics. The center would house research and assistance programs for businesses and potential entrepreneurs to enhance the economic quality of life in the south central region of North Carolina. The facility includes guest sleeping quarters. The School of Business would also be housed within the center. The total cost of the project is \$12,315,200; matching funds would be provided from a federal grant. The major cost components are:

Design	\$ 792,400
Site Preparation	646,700
Construction	10,157,500
Fixed and Movable Equipment	718,600
Total	12,315,200

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)**Category: Program Quality (Continued)**

Institution/Project	Estimated Cost	Supplemental Information						
		Major Repair/ Renovation Project	Re-Use of an Existing Facility	Achieves Material Operating Savings	Benefits a Significant % of the Population	Rewards Good Facilities Planning & Management	"Urgent" Need, Code Compliance	Previous Appro- priations
North Carolina A & T State University								
General Classroom and Laboratory Building Complex #1	\$ 31,526,200				XXX	XXX		\$2,000,000
North Carolina Central University								
B. N. Duke Auditorium	2,962,500	XXX					XXX	
North Carolina State University								
Undergraduate Science Teaching Laboratories - Phase I	21,228,900				XXX	XXX	XXX	650,000
Riddick, Mann, Daniels and Burlington Hall Renovations	8,644,100	XXX	XXX	XXX		XXX	XXX	
UNC-Chapel Hill, Academic Affairs								
Hill Hall Music Library	7,170,900						XXX	850,000
UNC-Greensboro								
Science Instructional Building	37,099,400				XXX	XXX		2,000,000
UNC-Pembroke								
Regional Center for Economic, Professional and Community Development	6,157,600				XXX			
Total – Program Quality	114,789,600							

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Special Purpose
\$46,395,500

The next priority category of the Board of Governors presents projects that serve special purposes and provide service to both student and non-student constituencies. These projects meet state-wide public policy needs and contribute to the economic development and growth of the state. The category requests funds for a project at North Carolina State University for agricultural research, projects for the continued development of the North Carolina Arboretum, a proposed conference center at UNC-Asheville, a project for expanding the services of the Institute of Government, and four projects for the University of North Carolina Center for Public Television.

Descriptions of the projects follow, including cost estimates approved by the Office of State Construction, Department of Administration. Following the project descriptions is a matrix that summarizes the special purpose projects and provides supplementary information.

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Special Purpose (Continued)

NORTH CAROLINA STATE UNIVERSITY

Research and Teaching Feed Mill, \$2,604,400

The proposed project would provide for construction of a 10,000 square-foot building to serve as a research and demonstration facility for feed manufacturing processes. The major cost components are:

Design	\$ 157,200
Construction	1,137,200
Fixed and Movable Equipment	1,310,000
Total	2,604,400

THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE

Conference Center, \$3,000,000

The project would provide for construction of the multi-purpose Asheville Conference Center Complex of approximately 76,650 square feet. The project has five components: a 1200 seat regional meeting center; conference center clusters; the Center for Creative Retirement; support offices; and space for maintenance, circulation, mechanical, and toilet facilities. Advance planning funds and partial construction funds totaling \$4,251,400 have been previously appropriated for this \$21,320,600 project. The requested funds would allow the University to continue to plan the facility and extend infrastructure to the proposed site. Full funding is anticipated to be requested in the 1999-2001 biennium. The major cost components are:

Design	\$ 887,500
Site Preparation	390,500
Construction	17,092,600
Fixed and Movable Equipment	2,950,000
Total	21,320,600

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Special Purpose (Continued)

THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE (Continued)

THE NORTH CAROLINA ARBORETUM, \$10,681,000

The projects would provide for the continuing, orderly development of the North Carolina Arboretum, a special activity of the University administered through a Board of Directors and The University of North Carolina at Asheville. The projects, in priority order, are:

Demonstration Greenhouse	\$ 3,269,600
Bus Parking	843,100
Main Entrance Road Utility and Landscape Development	1,956,200
Entrance Gates and Gatehouses	689,900
Plant Development and Introduction Center	1,677,800
Maintenance and Operations Facility	1,124,600
Roads and Walks	1,119,800
Total	10,681,000

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL – ACADEMIC AFFAIRS

Addition and Renovation of the Knapp Building - Institute of Government, \$16,102,700

The project would provide for complete renovation of 55,000 square feet and the addition of 64,300 square feet to the Knapp Building to meet the requirements of the Institute of Government. The building was constructed in 1956 when the Institute had 21 faculty members and a support staff of 20; the Institute now has 96 faculty and staff members. More than 6,000 people take courses at the Institute each year. The project also includes the construction of a parking deck. In 1994 the General Assembly appropriated \$700,000 for planning this \$16,802,700 project. The major cost components are:

Design	\$ 1,022,000
Site Preparation	1,588,000
Construction	13,174,700
Fixed and Movable Equipment	1,018,000
Total	16,802,700

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Special Purpose (Continued)

THE UNIVERSITY OF NORTH CAROLINA – CENTER FOR PUBLIC TELEVISION

Replacement and Upgrade of WUND-TV, Channel 2, Columbia Transmitter, Tower and Ancillary Equipment, \$7,144,500

The project would provide for construction of a 1,500 foot tower and replacement of the existing transmitter with a 60kw transmitter to better serve fifteen counties in the northeastern region of North Carolina. The project also provides for replacement of terminal and remote control equipment and microwave interconnection equipment and the purchase of a 500kw emergency generator and load management system. The transmitter building would be renovated and updated. Advance planning funds of \$500,000 have previously been appropriated for this \$7,644,500 project. The major cost components are:

Land	\$ 50,000
Design	514,400
Site Preparation	100,000
Construction	4,931,200
Fixed Equipment	2,048,900
Total	7,644,500

Replacement and Upgrade of WUNK-TV, Channel 25, Greenville Transmitter and Ancillary Equipment, \$2,372,000

The project would provide for replacement of the transmitter and transmission line and modifications to the tower which serves ten counties surrounding Greenville. Included in the project are terminal equipment updates, a 500kw emergency generator, and general refurbishment of the transmitter building. The major cost components are:

Design	\$ 160,000
Construction	736,800
Fixed Equipment	1,475,200
Total	2,372,000

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Special Purpose (Continued)

THE UNIVERSITY OF NORTH CAROLINA – CENTER FOR PUBLIC TELEVISION (Continued)

Mobile Satellite Uplink, \$743,700

The project would provide for the purchase of a mobile satellite uplink and related support equipment. The uplink would send electromagnetic signals capable of carrying broadcast quality video and audio as well as text and data to communications satellites for subsequent broadcast to viewers. The mobile uplink would support and improve the live production of the Center's original programs, especially from remote locations across the State.

Replace and Upgrade Studio Production Equipment, \$3,747,200

The project would provide for replacement of production equipment for studios in the Joseph and Kathleen Bryan Communications Center in the Research Triangle Park.

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)**Category: Special Purpose (Continued)**

Institution/Project	Estimated Cost	Supplemental Information							
		Major Repair/ Renovation Project	Renovation In Lieu of New Construction	Completes an Underfunded or Partially Built Facility	Achieves Material Operating Savings	Benefits a Significant % of the Population	Rewards Good Facilities Planning & Management	"Urgent" Need, Code Compliance	Previous Appropriations, Other funds
North Carolina State University									
Research and Teaching Feed Mill	\$2,604,400						XXX		
UNC-Asheville									
Asheville Conference Center - Phase II	3,000,000			XXX		XXX			\$4,251,400
The North Carolina Arboretum									
Demonstration Greenhouse	3,269,600					XXX			
Bus Parking	843,100					XXX	XXX		
Main Entrance Road Utility & Landscape Development	1,956,200					XXX	XXX		
Entrance Gates and Gatehouses	689,900					XXX		XXX	
Plant Development and Introduction Center	1,677,800					XXX			
Maintenance and Operations Facility	1,124,600						XXX	XXX	
Roads and Walks	1,119,800					XXX	XXX	XXX	
UNC-Chapel Hill, Academic Affairs									
Additions and Renovations to the Knapp Building – Institute of Government	16,102,700	XXX	XXX			XXX	XXX		700,000
UNC Center for Public Television									
Replacement and Upgrade of WUND-TV, Channel 2, Columbia Transmitter, Tower & Ancillary Equipment	7,144,500	XXX			XXX	XXX		XXX	500,000
Replacement and Upgrade of WUNK-TV, Channel 25 Greenville Transmitter and Ancillary Equipment	2,372,000	XXX			XXX	XXX		XXX	
Mobile Satellite Uplink	743,700					XXX			
Replace and Upgrade Studio Production Equipment	3,747,200	XXX			XXX	XXX		XXX	
Total – Special Purpose	46,395,500								

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Support Facilities
\$11,922,900

The sixth priority category of the Board of Governors presents two projects for new "support facilities." The first project would provide a new admissions building for North Carolina Central University. The admissions office currently occupies an old converted house that does not serve the institution well. The second project would provide a new residence hall at UNC-Pembroke. The General Assembly has authorized UNC-Pembroke to issue bonds for a portion of this project with the remainder to be provided through State appropriations.

Descriptions of the projects follow, including cost estimates approved by the Office of State Construction, Department of Administration. Following the project descriptions is a matrix that summarizes the projects for support facilities and provides supplementary information.

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Support Facilities (Continued)

NORTH CAROLINA CENTRAL UNIVERSITY

New Admissions Building, \$5,943,400

The project would provide for construction of a 34,000 square-foot building to support the Undergraduate and Graduate Admissions Departments. The building would contain office space, classrooms, conference rooms, and an auditorium. The major cost components are:

Design	\$ 329,500
Construction	4,763,900
Fixed and Movable Equipment	850,000
Total	5,943,400

THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE

New Residence Hall, \$5,979,500

The project would provide for construction of a 72,000 square-foot residence hall to house 300 students. The facility would replace Wellons Hall and Jacobs Hall, two outdated and unattractive residence halls which house 235 students and are not code compliant. The University proposes to borrow \$2,800,000 toward financing this project as authorized by the General Assembly in 1996. The major cost components are:

Design	\$ 521,800
Construction	8,149,000
Fixed Equipment	108,700
Total	8,779,500

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Support Facilities (Continued)

Institution/Project	Estimated Cost	Supplemental Information		
		Benefits a Significant % of the Population	"Urgent" Need, Code Compliance	Other Funds
North Carolina Central University				
New Admissions Building	\$ 5,943,400	XXX		
UNC-Pembroke				
New Residence Hall	5,979,500	XXX	XXX	\$2,800,000
Total – Support Facilities	11,922,900			

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Category: Land Acquisition
\$15,000,000

The final priority of the Board of Governors requests \$15,000,000 to be utilized by the University for acquisition of land. The request is presented without identification of specific requirements for individual institutions of the University, as advance disclosure of land acquisition plans tends to push prices higher. Further, a detailed land acquisition plan is often subject to interruptions of timing by factors which are not entirely controllable by the State and the University. Land acquisitions are planned to accommodate long-range growth and development and usually involve properties adjoining or near campus boundaries. Such properties are generally advantageous building or parking sites or serve to provide buffer areas for the campus.

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

Supplementary Information

Two tables are provided as supplementary information to the Board of Governors' request for capital improvements projects. The first table lists projects for new facilities or for major repairs to existing facilities in the order of institutional priority. The second table lists projects for which funds have previously been provided for advanced planning or for partial construction.

**Institutional Priorities -
New Facilities or Major Renovations to Existing Facilities**

Appalachian State University

Renovation of Rankin Science Building	\$ 6,666,000
Addition and Renovation to Belk Library	10,629,400
Science/Mathematics Complex, Phase II	27,495,500

East Carolina University

Science Laboratories and Technology Building	47,997,600
Health Sciences Library Expansion	6,106,600
Third Floor Addition to the Home Economics/Nursing Building	6,700,700

Elizabeth City State University

G.R. Little Library Addition and Renovation	10,723,600
Addition to the Academic Computer Center	3,557,600

Fayetteville State University

Fine Arts and General Classroom Facility	15,524,400
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North Carolina A&T State University

General Classroom and Laboratory Building Complex #1	31,526,200
--	------------

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

North Carolina Central University

Lab Biology Building Renovation	\$ 1,359,200
B. N. Duke Auditorium, Renovations and Addition	2,962,500
Repairs to Five Academic Buildings	10,515,000
Robinson Science Building	946,000
New Admissions Building	5,943,400

North Carolina School of the Arts

Basic Education Complex	6,133,400
Filmmaking Office/Classroom Post Production Complex	2,000,000

North Carolina State University

Nelson Hall Renovation - Phase II	6,914,900
Toxicology Building	14,566,700
Research and Teaching Feed Mill	2,604,400
Undergraduate Science Teaching Laboratories - Phase I	21,228,900
Riddick, Mann, Daniels, and Burlington Hall Renovations	8,644,100
College of Veterinary Medicine, Main Building Addition	24,262,000
David-Clark Laboratory Renovation and Addition	9,990,800

The University of North Carolina at Asheville

Asheville Graduate Center - Phase II	792,700
Highsmith Center Renovation and Addition	8,782,000
Conference Center	3,000,000

The North Carolina Arboretum

Demonstration Greenhouse	3,269,600
Bus Parking	843,100
Main Entrance Road Utility and Landscape Development	1,956,200
Entrance Gates and Gatehouses	689,900
Plant Development and Introduction Center	1,677,800
Maintenance and Operations Facility	1,124,600
Roads and Walks	1,119,800

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

The University of North Carolina at Chapel Hill

R. B. House Library	\$ 6,629,400
Addition to Beard Hall - School of Pharmacy	8,824,600
Student Services Building	18,857,500
Medical Biomolecular Research Building	29,493,800
Addition and Renovation of the Knapp Building - Institute of Government	16,102,700
Hill Hall Music Library	7,170,900

The University of North Carolina at Charlotte

Academic Facilities - Humanities	20,597,300
Academic Facilities - Sciences	32,371,700

The University of North Carolina at Greensboro

Science Instructional Building	37,099,400
North Campus Infrastructure Development	5,681,600

The University of North Carolina at Pembroke

New Residence Hall	5,979,500
Regional Center for Economic, Professional and Community Development	6,157,600

The University of North Carolina at Wilmington

General Classroom Building	8,465,500
School of Education Building	16,656,100
Fine Arts Building	14,041,400

Western Carolina University

Fine and Performing Arts Center	25,422,100
Renovate Camp Lab School - Phase II	2,226,600

Winston-Salem State University

Addition and Renovation to the F.L. Atkins Building	5,198,500
Computer Science Facility	6,316,000

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

The University of North Carolina - Center for Public Television

Replacement and Upgrade of WUND-TV, Channel 2, Columbia Transmitter, Tower and Ancillary Equipment	\$ 7,144,500
Replacement and Upgrade of WUNK-TV, Channel 25, Greenville Transmitter and Ancillary Equipment	2,372,000
Mobile Satellite Uplink	743,700
Replace and Upgrade Studio Production Equipment	3,747,200

Projects With Funding for Advanced Planning or Partial Construction

East Carolina University

Science Laboratories and Technology Building	\$1,000,000
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Elizabeth City State University

Addition to the Academic Computer Center	150,000
--	---------

Fayetteville State University

Fine Arts and General Classroom Facility	750,000
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North Carolina A&T State University

General Classroom and Laboratory Building Complex #1	2,000,000
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North Carolina State University

Nelson Hall Renovation - Phase II	1,350,000
Undergraduate Science Teaching Laboratories – Phase I	650,000

The University of North Carolina at Asheville

Conference Center	4,251,400
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The University of North Carolina at Chapel Hill, Academic Affairs

Addition and Renovation of the Knapp Building - Institute of Government	700,000
Hill Hall Music Library	850,000

The University of North Carolina at Chapel Hill, Health Affairs

Addition to Beard Hall - School of Pharmacy	1,000,000
Medical Biomolecular Research Building	1,000,000

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

PART I UNIVERSITY OPERATIONS – Expansions and Improvements

1997 University-Wide Facilities Plan (Continued)

The University of North Carolina at Charlotte	
Academic Facilities - Humanities	\$1,000,000
The University of North Carolina at Greensboro	
Science Instructional Building	2,000,000
The University of North Carolina at Pembroke	
New Residence Hall	2,800,000 ✓
Western Carolina University	
Fine and Performing Arts Center	2,000,000
The University of North Carolina Center for Public Television	
Replacement and Upgrade of WUND-TV, Channel 2, Columbia Transmitter, Tower and Ancillary Equipment	500,000

Note: All of the funds provided have been specific appropriations made by the General Assembly except for the following projects: ECSU Addition to the Academic Computer Center funds were allocated by the Board of Governors from a general appropriation for Advance Planning; UNC-P was authorized by the General Assembly to issue revenue bonds; and UNC CPTV funds were allocated from the Reserve for Repairs and Renovations as required by legislation.

VISITOR REGISTRATION SHEET

Subcommittee Education/Higher Ed
Name of Committee

3-27-97
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<u>Benom Ohio</u>	<u>NCCCS</u>
<u>Jane Pittard</u>	<u>OSBM</u>
<u>Lee Adams</u>	<u>OSBM</u>
<u>Jerry Owens</u>	<u>NCCCS</u>
<u>Dorothy Hunt</u>	<u>NCCCS</u>
<u>Barry Russell</u>	<u>NCCCS</u>
<u>Roy Funchall</u>	<u>UNC</u>
<u>Joni Worthington</u>	<u>UNC</u>
<u>RB Nelson</u>	<u>OSBM</u>
<u>MH/Kin</u>	<u>"</u>
<u>Judy Davis</u>	<u>UNC</u>

VISITOR REGISTRATION SHEET

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tom Glavin	OSBM
David Brown	OSBM
Alicia Hane	Public School Forum
P. Ann Abner	" " "
Kary Dwyer	OSPL
Clifton B. Hietroff	UNC
Charles R. Noble	unc General Administration
D. G. Martin	UNC
Ken Logan	UNC
Judith Puley	UNC
Bill McCoy	UNC

Name of Committee	Date
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Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
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FIRM OR AGENCY AND ADDRESS

POEN Ruffin

V. Chair Board of Governors

Jim Dixon

NCCCS

Donna Wimer

ELIAS

George Howe

MCNC

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**SENATE APPROPRIATIONS SUBCOMMITTEE
ON
EDUCATION
MARCH 27, 1997**

SENATOR WINNER, CHAIRING

AGENDA

Presentation on the Expansion Budget
Requests of the State Board of
Community Colleges

Dr. Barry Russell
Senior Vice President
Department of
Community Colleges

Occupational Extension Explanation

Mr. David Siler
Human Resources
Director
Parker-Hannifan
Corporation

and

Dr. Marvin Joyner
President
Central Carolina
Community College

Capital Budget Presentation

Dr. Barry Russell

Presentation on the Governor's
Expansion Budget Recommendations
for Community Colleges

Maurice King
Office of State Budget
and Management

Committee Action on Base Budget

**SENATE APPROPRIATIONS SUBCOMMITTEE
ON EDUCATION**

Thursday, March 27, 1997

MINUTES

The Senate Appropriations Subcommittee on Education met on Thursday, March 27, 1997, at 8:30 a.m. in Room 414 of the Legislative Office Building. Five of the members of the Committee attended the meeting, including the Co-Chair, Senator Leslie Winner, who presided. She introduced Sara Kinsey, a page from Cary, sponsored by Senator Reeves.

Senator Winner introduced Dr. Barry Russell, Senior Vice-President, Department of Community Colleges to present the Expansion Budget Requests of the State Board of Community Colleges. (See attachment 1).

Senator Winner introduced Mr. David Siler, Director of Human Resources at Parker-Hannifan Corporation to present and explain Occupational Extension.

Senator Winner introduced Dr. Marvin Joyner, President of Central Carolina Community College who also spoke on Occupational Extension.

Senator Winner introduced Dr. Barry Russell, Senior Vice-President, Department of Community Colleges to present the Capital Budget Requests of the State Board of Community Colleges. (See attachment 2).

Senator Winner introduced Maurice King, Office of State Budget and Management to present the Governor's Expansion Budget Recommendations for Community Colleges. (See attachment 3).

Senator Garwood moved that the Committee approve the Continuation Budget.

Senator Lee seconded the motion.

The Committee voted unanimously in favor of the Continuation Budget proposals for Community Colleges.

The Committee was adjourned at 9:30 a.m.


Senator Leslie Winner, Co-Chair


Vickie Spears, Committee Clerk

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Summary List of Expansion Budget Requests

<u>Program Description</u>	<u>1997-98</u>	<u>Requested</u> <u>1998-99</u>
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Priority A:

Occupational Extension Unit Value	\$9,993,517	\$19,987,034
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Additional funds will expand availability, increase customization, and ensure quality instruction in occupational courses. It is also a first step in moving occupational extension to curriculum-level funding.

New and Expanding Industry	4,000,000	4,000,000
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The New and Expanding Industries Program assists companies creating new jobs in North Carolina by providing training for new employees. These funds would be used to expand the customized training offered to new or prospective employees in specific job skills needed by new or expanding industries. This will increase the allocation to this program to \$10,150,000.

*Basic Skills (\$3,572,036 - Recurring)		
(\$2,500,000 - Non-Recurring)	*6,072,036	7,144,072

Additional funds will help employers meet needs for workers who can read, write, and speak English, compute, and solve problems. Colleges are experiencing increased demands for customized basic skills programs, workplace literacy, family literacy and corrections programs. Funds are needed to purchase equipment to maximize the probability of success. These funds will also bring basic skills to curriculum-level funding.

Curriculum Instruction	16,538,724	33,077,448
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Funds will be used to provide salary enhancements to ensure quality instruction and to adjust the faculty-to-student funding ratio so that adequate resources will be available for instructional programs.

Semester Conversion	1,900,000	-0-
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Funds will be used to off-set the anticipated shortfall in tuition receipts due to the semester system conversion.

<u>Program Description</u>	<u>Requested</u>	
	<u>1997-98</u>	<u>1998-99</u>

Education Equipment	\$15,000,000	\$30,000,000
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Funds will be used to provide state-of-the art equipment for preparing students for jobs in today's technologically advanced workplaces. The majority of technical and vocational equipment now in use is more than five years old.

Subtotal:	<u>\$53,504,277</u>	<u>\$94,208,554</u>
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Priority B:

Focused Industrial Training	\$1,222,303	\$2,444,606
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Funds will be used to create four new FIT Centers in colleges with 7,000 manufacturing employees in their service area. The scope of the training is tailored to the needs of the particular production and manufacturing industry served.

*Small Business Centers (\$312,500 - Recurring)	*3,212,500	625,000
(\$2,900,000 - Non-Recurring)		

Funds will be used to meet growing demands from small business, promote entrepreneurship, and enable small business centers to broker the resources of the state's community college to small businesses. The majority of the funds will be used to enable small business centers to establish a computer network and electronic databases.

Program Start-Up	1,900,000	1,900,000
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Funds will be used to cover costs associated with starting new programs to support technical and other key occupations in the state that have arisen as jobs have become more complex as workplaces have been affected by increased computerization, new methods of work organization and increases competitiveness.

Instructional Support	7,432,450	14,882,450
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Funds will be used to provide additional instructional support such as learning disabilities specialists, skills enhancement, workforce specialists, and basic skills support staff. Additional funds would expand administrative and instructional support services to adult learners, especially those with special needs and to retain skilled support staff through more competitive salaries.

Subtotal:	<u>\$13,767,253</u>	<u>\$19,852,056</u>
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<u>Program Description</u>	<u>Requested</u>	
	<u>1997-98</u>	<u>1998-99</u>

Priority C:

Specialized Technology Centers	\$687,500	\$1,375,000
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Funds will be used to provide equipment, additional staff, staff retraining and up-grading and curriculum improvement at the Center for Applied Textile Technology at Belmont. Two hosiery technology centers would receive funds to replace federal support which has been discontinued and to fund expansion of operations to serve more firms and provide additional services. Funds would also be used to fund two new centers as designated by the State Board.

Multi-Campus Support	3,135,000	2,200,000
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Funds will be used to provide additional counselors, library workers, financial advisers, clerical staff and other instructional support personnel. The current funding formula does not provide enough funds for salaries, supplies, travel and other additional costs of multiple campuses.

Subtotal:	<u>\$3,822,500</u>	<u>\$3,575,000</u>
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<u>Program Description</u>	<u>1997-98</u>	<u>Requested</u> <u>1998-99</u>
Priority D:		
Faculty Up-Grade	\$1,243,181	\$2,486,362
Scholarships	2,000,000	2,000,000
*Student Monitoring (\$3,617,500 - Recurring) (\$700,000 - Non-Recurring)	*4,317,550	3,617,550
Child Care	750,000	1,500,000
Supplies & Materials	3,050,000	6,100,000
High Cost Programs	500,000	1,000,000
Library Enhancement	2,900,000	2,900,000
Distance Education	5,356,454	5,356,454
Networking	7,250,000	7,250,000
Systemwide Projects	560,000	560,000
Cultural Enrichment	<u>600,000</u>	<u>600,000</u>
Subtotal:	<u>\$28,527,185</u>	<u>\$33,370,366</u>
TOTAL REQUESTED	<u>\$99,621,215</u> =====	<u>\$151,005,976</u> =====

1998-99 reflects continuation from 1997-98 plus new funding requests.

SUMMARY LIST OF CAPITAL BUDGET REQUESTS

Department

Community Colleges

Capital
Priority
Number

	<u>Project Description</u>		<u>1997-98</u>	<u>1998-99</u>
1	Project request from colleges capped at \$2.5 million per request, pending survey update and priority listing to be determined by the State Board of Community Colleges.	Requirements	\$ 91,570,954	\$
		Receipts (Source)	0	0
		Appropriation	\$ 91,570,954	\$ 0
2	Renovation and repair allocation of \$100,000 per college	Requirements	\$ 5,900,000	\$
		Receipts (Source)	0	0
		Appropriation	\$ 5,900,000	\$ 0
3	Center for Applied Textile Technology	Requirements	\$ 2,412,600	\$
		Receipts (Source)	0	0
		Appropriation	\$ 2,412,600	\$ 0
		Total Requirements	\$ 99,883,554	\$
		Total Receipts	0	0
		Total Appropriation	\$ 99,883,554	\$ 0

Submit 6 copies on 8 1/2 x 11-inch light blue paper.

COMMUNITY COLLEGES:

	Senate:		Governor:	
	<u>FY 1997-98:</u>	<u>FY 1998-99:</u>	<u>FY 1997-98:</u>	<u>FY 1998-99:</u>
1. Enrollment Increase- Funds the enrollment increases for the community college system.	\$ 1,715,534 R	\$ 1,715,534 R	\$ -	\$ -
2. Occupational Extension- Enhance the occupational extension formula to provide more funds for job skill training courses. This raises the occupational extension unit value half way to the curriculum value and funds benefits for half of the occupational extension positions in the formula.	\$ 8,300,000 R	\$ 8,300,000 R	\$ -	\$ -
3. New and Expanding Industry Funds- These funds will provide money for customized training projects to attract new industry and to support training needs of existing industries that expand their workforce.	\$ 6,000,000 NR	\$ -	\$ 8,000,000 NR	\$ -
4. Equipment and Books- Funds for the purchase of additional equipment (\$10,000,000) and library books (\$1,950,000).	\$ 11,950,000 NR	\$ -	\$ 9,950,000 NR	\$ -
5. Reward Excellence in Community College Teaching- Non-recurring funds to provide a bonus to community college faculty who have demonstrated excellence in teaching. These funds equate to a .5% average salary increase for faculty.	\$ 1,300,000 NR	\$ -	\$ 1,300,000 NR	\$ -
6. Specialized Technology Centers- Additional funding for specialized technology centers in hosiery and the Center for Applied Textile Technology and some start-up for two additional centers.	\$ -	\$ -	\$ -	\$ 687,500 R
Recurring:	\$ 10,015,534	\$ 10,015,534	\$ -	\$ 687,500
Nonrecurring:	\$ 19,250,000	\$ -	\$ 19,250,000	
TOTAL:	\$ 29,265,534	\$ 10,015,534	\$ 19,250,000	\$ 687,500

VISITOR REGISTRATION SHEET

Senate

~~JOINT~~ APPROPRIATIONS/Education Subcommittee Thursday, March 27, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Cuyler A. Dunbar	Catawba Valley Community College
Janet Pittard	OSBA
Hal Miller	NC ACCT
Helen Dowdy	NC ACCT
Rick Kemrey	NCCCS
Scott Ralls	NCCCS
Larry Gray	OSPL
Dorothy Hunt	NCCCS
Jim Nichols	NC Dept. of Commerce
Angie Harris	Commerce
Lonnie Brown	Wilson CC
Larry Moag	NCCCS

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Education Subcommittee Thursday, March 27, 1997 8:00 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

John Malia	NCCCS
Alice L. Smith	NCCCS
DG Martin	UNC
Ann Bertram	SPB
Ray Epley	Central Carolina Comm. Coll CCCC
DAVID D. SILER	PARKER HANNAFORD CORP
MARVIN R. JOYNER	N. C. Comm Coll Pres Assoc.
Jenson Ohio	NCCCS
Tim Dixon	NCCCS
Jimmy Owens	NCCCS
Maurice King	OSBA

VISITOR REGISTRATION SHEET
EDUCATION/HIGHER EDUCATION COMMITTEE

Wednesday, March 26, 1997 10:00 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Tim McNeill</i>	<i>McAICU</i>
<i>Deborah Perry</i>	<i>Charlotte-Mecklenburg Schools</i>
<i>Laura Crumpler</i>	<i>AG/SBE</i>
<i>Ann Beilman</i>	<i>SBE</i>
<i>Bill Wilson</i>	<i>NCAE</i>
<i>John Crutts</i>	<i>NCASA</i>
<i>Tom Langdon</i>	<i>Sampson</i>
<i>Alicia Hare</i>	<i>Public School Forum</i>
<i>Glenn Adams</i>	<i>// // //</i>
<i>Larry Peters</i>	<i>EEBC</i>
<i>PE Winger</i>	<i>EGHHS</i>
<i>Susan Harrison</i>	<i>WCPSS</i>

Wednesday, March 26, 1997 10:00 AM

Date[illegible]

**SENATE APPROPRIATIONS SUBCOMMITTEE
ON
EDUCATION
MARCH 27, 1997**

SENATOR WINNER, CHAIRING

AGENDA

Presentation on the Expansion Budget
Requests of the State Board of
Community Colleges

Dr. Barry Russell
Senior Vice President
Department of
Community Colleges

Occupational Extension Explanation

Mr. David Siler
Human Resources
Director
Parker-Hannifan
Corporation

and

Dr. Marvin Joyner
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Central Carolina
Community College

Capital Budget Presentation

Dr. Barry Russell

Presentation on the Governor's
Expansion Budget Recommendations
for Community Colleges

Maurice King
Office of State Budget
and Management

Committee Action on Base Budget

MINUTES
SENATE APPROPRIATIONS COMMITTEE
EDUCATION/HIGHER EDUCATION SUBCOMMITTEE
APRIL 1, 1997

The Senate Appropriations Committee Education/Higher Education Subcommittee met on April 1, 1997 in Room 414 Legislative Office Building at 3:30 p.m. Senator Howard Lee presided.


Dr. Richard Thompson, Department of Public Instruction, made a slide presentation to the Committee on teacher attrition and provided data on teacher turnover. Dr. Thompson said that three surveys were conducted during the summer of 1996 at the request of the State Board of Education to gather information as to why teachers are leaving the profession.

One questionnaire was sent to the personnel office of each school system; a second questionnaire was mailed directly to 5,577 teachers who resigned from the school systems between July 1, 1995 and June 30, 1996. Over 2,079 teachers responded.

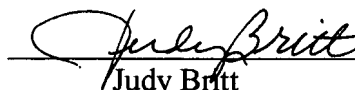
The third was an independent telephone survey of 1,011 randomly-selected teachers. The survey was conducted by the Center for Urban Affairs at North Carolina State University.

The general conclusions as cited in all three reports were student behavior and/or motivation, compensation, class size, and administrative support.

Copies of the transparencies as presented by Dr. Thompson are a part of the record. One transparency had been added to the group (at the bottom of the third page) to address a question posed by Senator Leslie Winner regarding factors not driving teachers out of the profession.



Senator Howard Lee
Committee Chairman



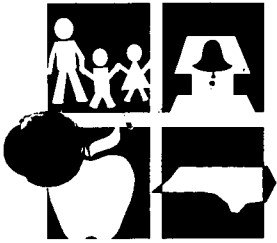
Judy Britt
Committee Clerk

**SENATE APPROPRIATIONS SUBCOMMITTEE
ON
EDUCATION**

**April 1, 1997, Afternoon
Senator Howard Lee**

Teacher Attrition

Dr. Richard Thompson



Public Schools of North Carolina

State Board of Education
Jay Robinson, Chairman

Department of Public Instruction
Michael E. Ward, State Superintendent

April 2, 1997

MEMORANDUM

To: Ann Berlam

From: Linda Suggs, Section Chief
School Personnel Support *LS*

Re: Teacher Attrition and Teacher Turnover Data

Ann, Attached are copies of the transparencies Dr. Thompson used yesterday in the Senate Committee for Appropriations On Education/Higher Education. I have added one transparency to the group (at the bottom of the third page) which addresses Senator Winner's question about factors not driving teachers out of the profession. I have also attached a brief executive summary to clarify the differences in the three data sources. Please let me know if there is any additional information I could provide which you think might be helpful.

LSS:smj

Attachment

cc: Richard Thompson
Jim Barber

Teacher Turnover Findings

At the request of the State Board of Education and in accordance with G.S. 115C-12(22), three surveys were conducted during the summer of 1996 to gather information about the reasons teachers are leaving the profession.

- One questionnaire (Report One) went to the personnel office of each school system to gather data on why teachers left the system. One hundred eleven systems responded.
- A second questionnaire (Report Two) was mailed directly to 5,577 teachers who left school systems between July 1, 1995, and June 30, 1996. Over 2,079 teachers responded.
- An independent telephone survey (Report Three) of 1,011 randomly-selected teachers was conducted by the Center for Urban Affairs at NCSU.

Report One: Personnel Office Responses

- Personnel officers identified retirement (21%), relocation (18%) and teaching elsewhere (15%) as the primary reasons teachers left their systems during 1995-96.
- Slightly more than 95 percent of the school systems responding said better compensation would help them retain the talented teachers they lost. They also said reducing class size, better training, improving discipline, and increasing administrator support would help.

Report Two: Written Teacher Responses

- About 37 percent of the 2,079 teachers responding left because of retirement, loss of contract, health, or relocation; 42 percent took jobs not in education, and 21 percent transferred to other school systems.
- When asked about issues which influenced the decision to leave teaching or their current system, 60 percent cited student behavior as having moderate or great impact, followed by lack of administrative support (55.9%), salary (52.6%) and student motivation (51.9%).

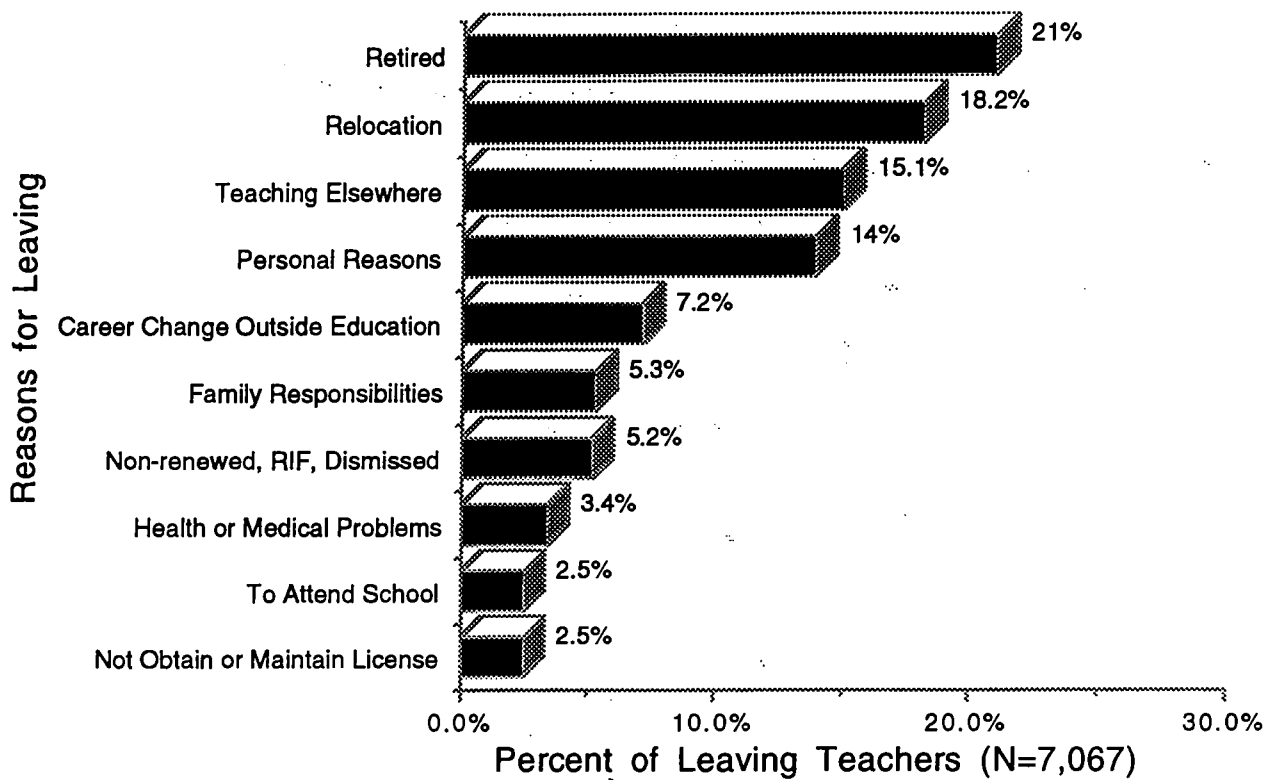
Report Three: Telephone Teacher Responses

- While this survey identified a different primary reason for leaving (pregnancy/child care), it provided findings similar to the written survey regarding administrative support and salary as issues in the decision to leave. (Salary was in fact the primary reason cited by males and minorities who responded.) Higher pay and lower class size were identified most often by the entire group as a strong or moderate incentive to continue teaching. Over half of the teachers surveyed said they intend to teach in the future; however, one-third said they will never return to teaching, no matter what incentive is offered.
- It is important to note that teachers who retired, whose contracts were not renewed, or who are teaching in another school system or another state were not included in this survey. Responses for these groups were included in Reports One and Two.

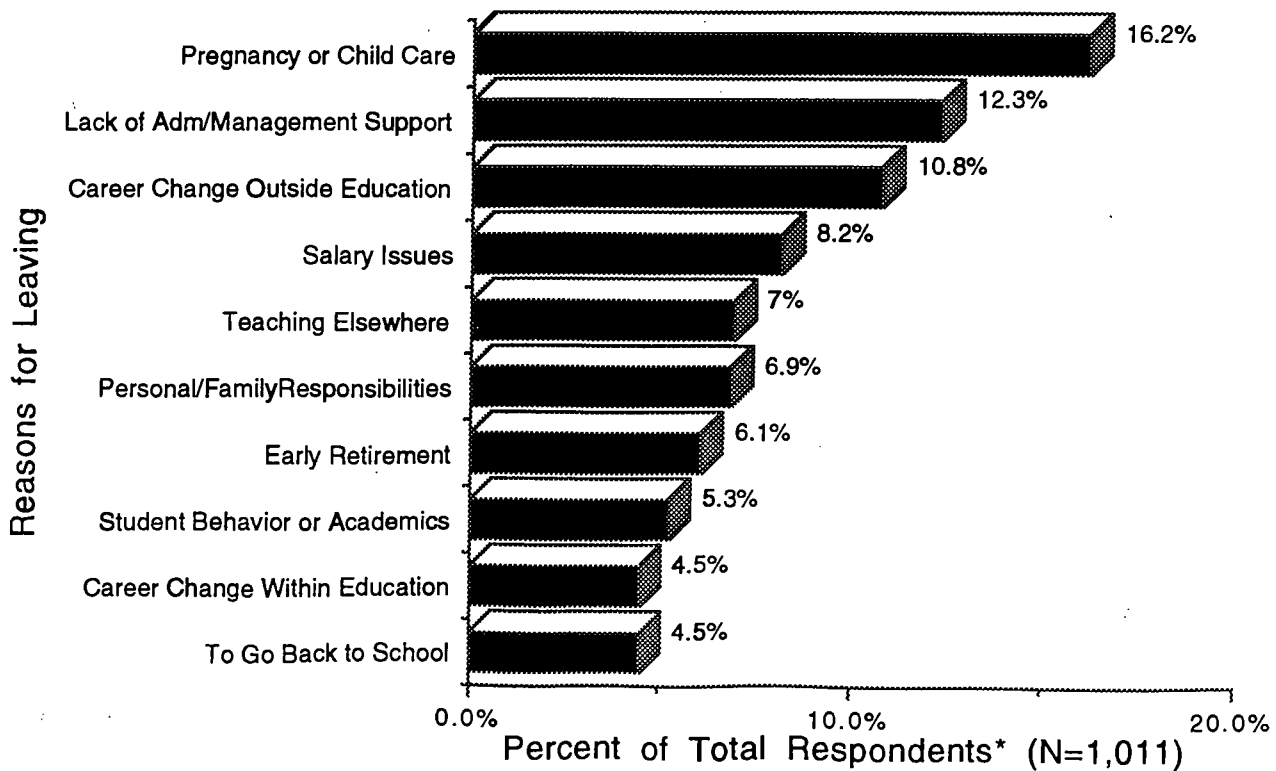
General Conclusions: While the three surveys identify different primary reasons reported by teachers leaving, they are consistent in identifying issues that are influencing teachers in arriving at the decision to leave. The issues cited in all three reports are

- Student Behavior and/ or Motivation
- Compensation
- Class Size, and
- Administrative Support.

1996 PERSONNEL OFFICE SURVEY TOP TEN REASONS FOR TEACHERS LEAVING

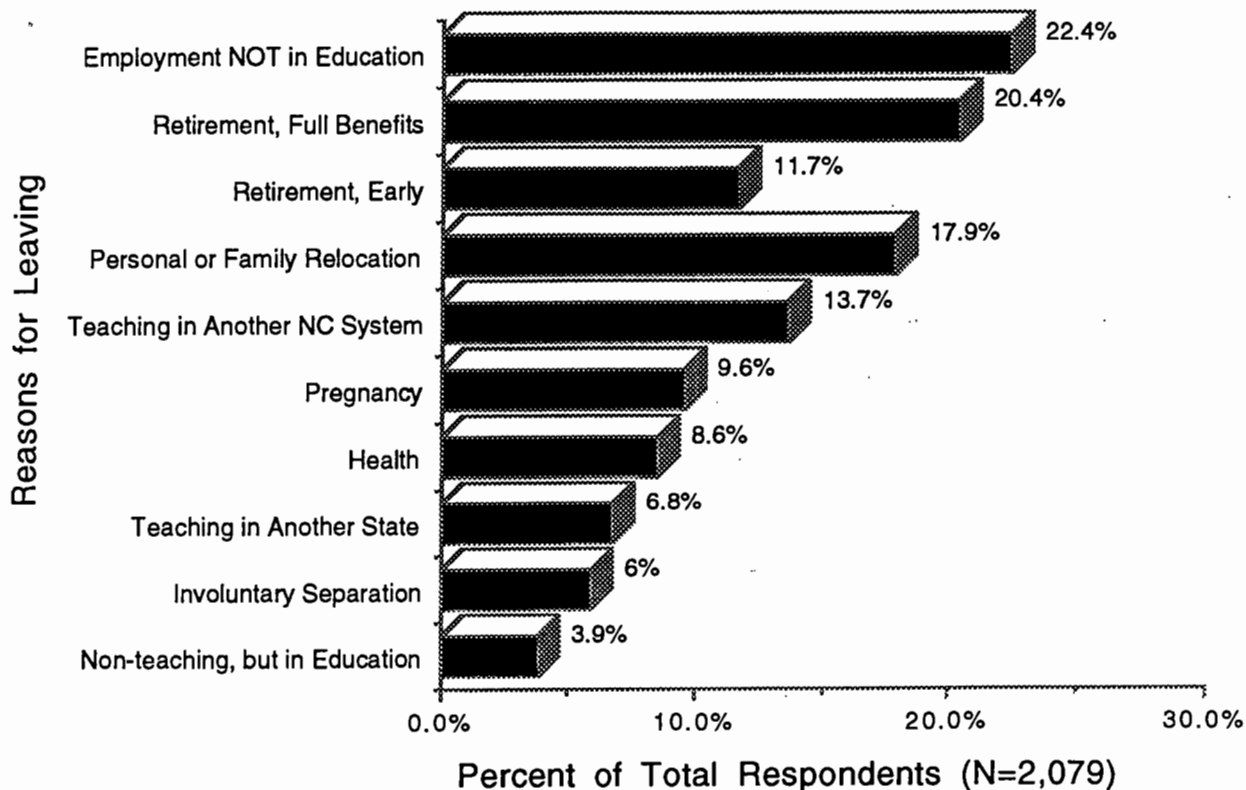


1996 TELEPHONE SURVEY TOP TEN REASONS FOR TEACHERS LEAVING

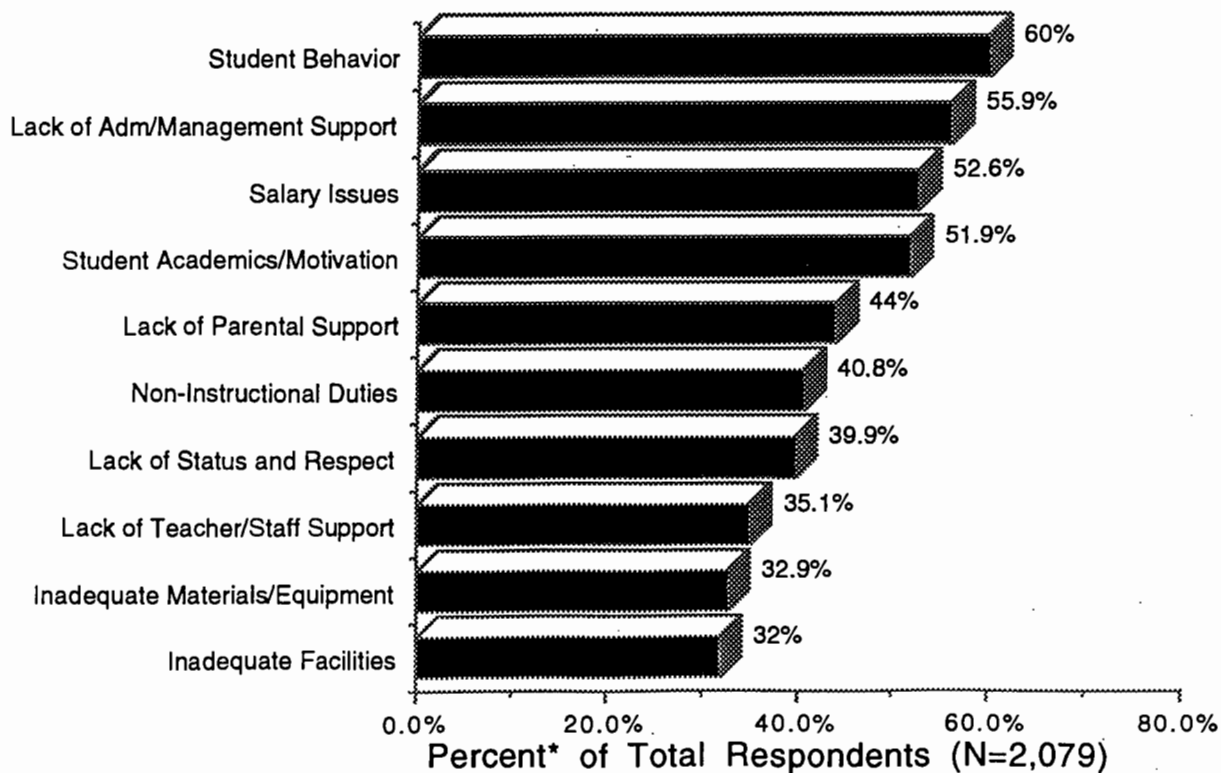


*Teachers eligible for unreduced retirement were excluded.

1996 WRITTEN (MAILED) SURVEY MAIN REASONS FOR TEACHERS LEAVING



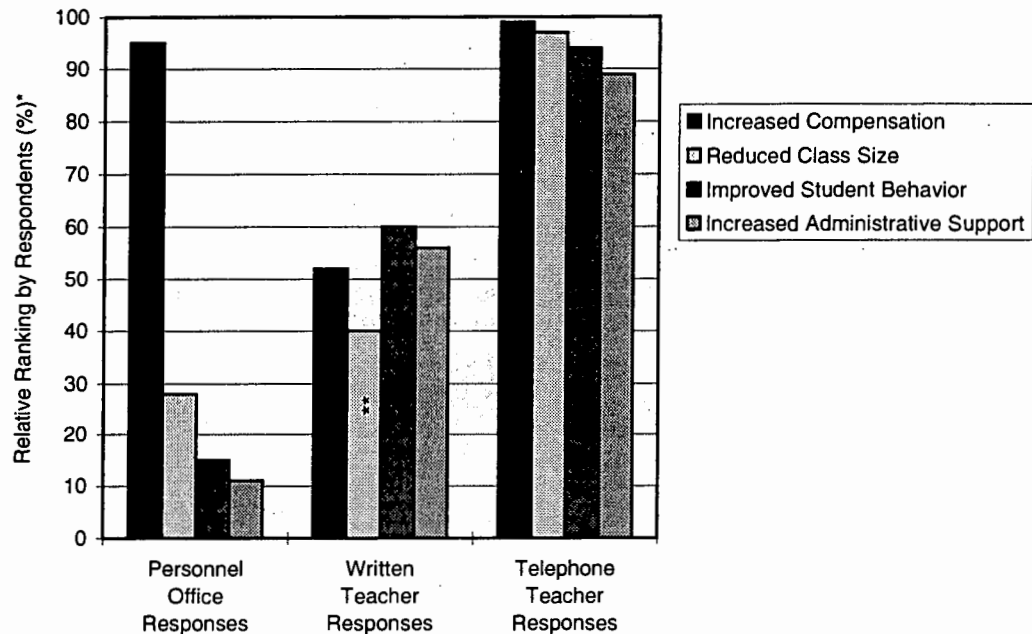
1996 WRITTEN (MAILED) SURVEY FACTORS INFLUENCING TEACHERS' DECISIONS TO LEAVE



*Percentages total more than 100% because the respondents could choose more than one alternative.

Key Strategies to Reduce Teacher Turnover, 1995-96

Strategies Rated by Participants as Having a Moderate or Great Impact



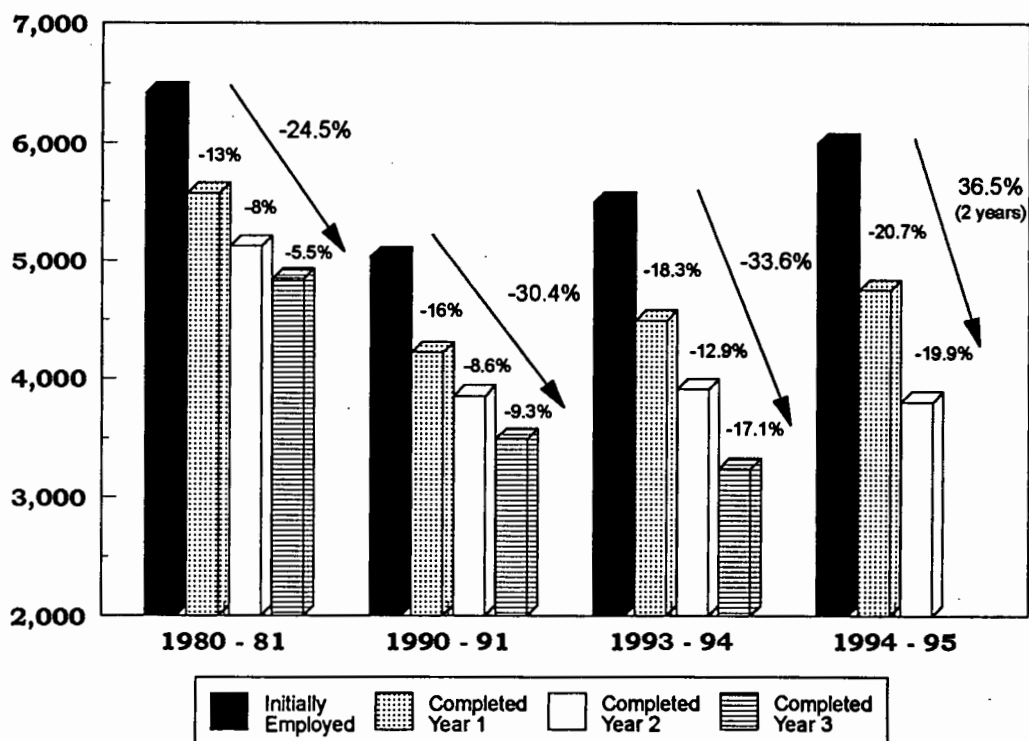
Note: * Total responses for each survey exceed 100% because respondents could select more than one strategy.

** Although class size was not a specified item on the written questionnaire, this response is estimated from the participants' written comments.

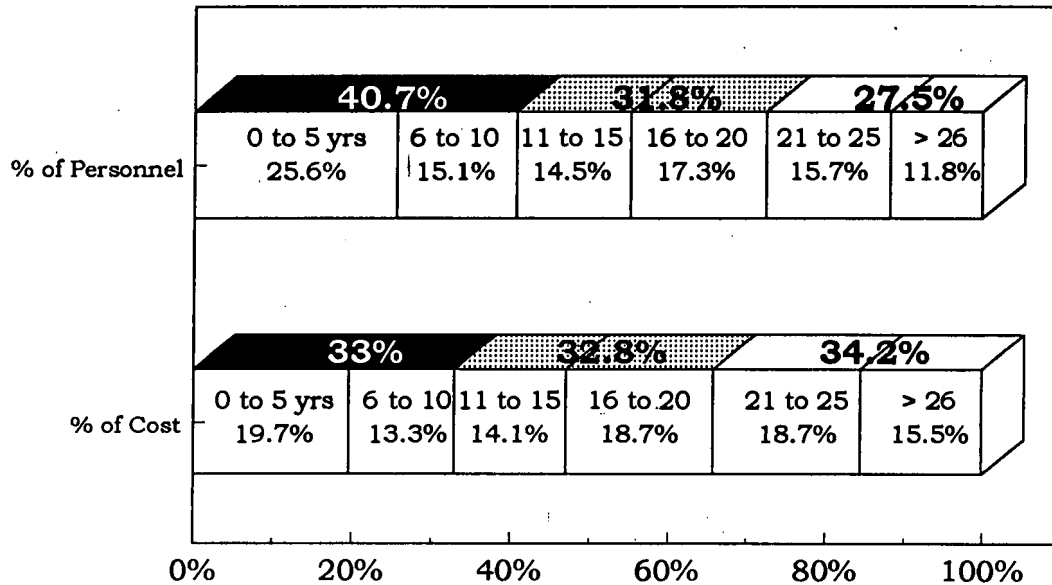
Annual Teacher Turnover Rates

School Years	Total Teachers	Teachers Employed the Previous Year	Total of New Teachers	Total of Teachers not Returning this Year	Annual Turnover Rate
1996-97	75,588	66,047	9,541	7,182	9.81%
1995-96	73,229	64,767	8,462	6,671	9.34%
1994-95	71,438	63,599	7,839	6,197	8.88%
1993-94	69,796	62,167	7,629	5,767	

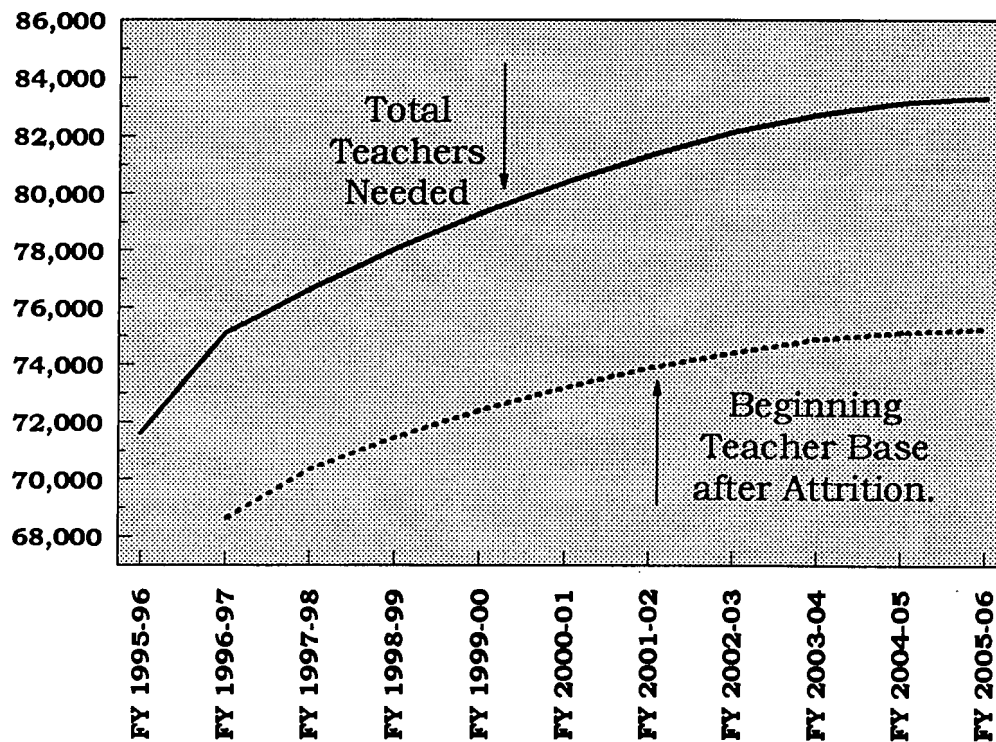
Teacher's Leaving After First Three Years



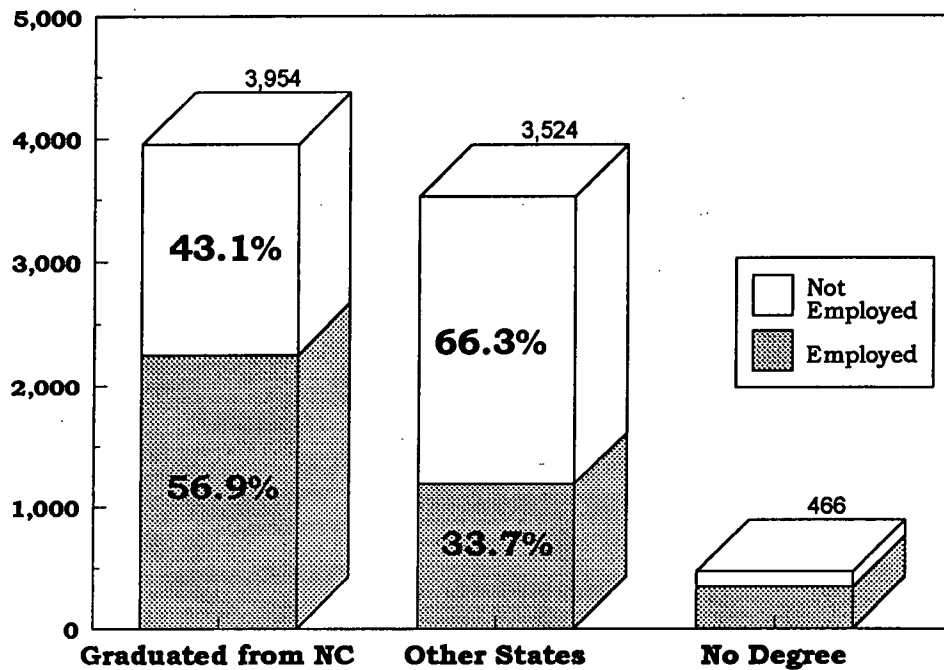
Number of Teachers and Instructional Support Positions by Years of Experience All Sources - FY 1995-96 (6th pay period)



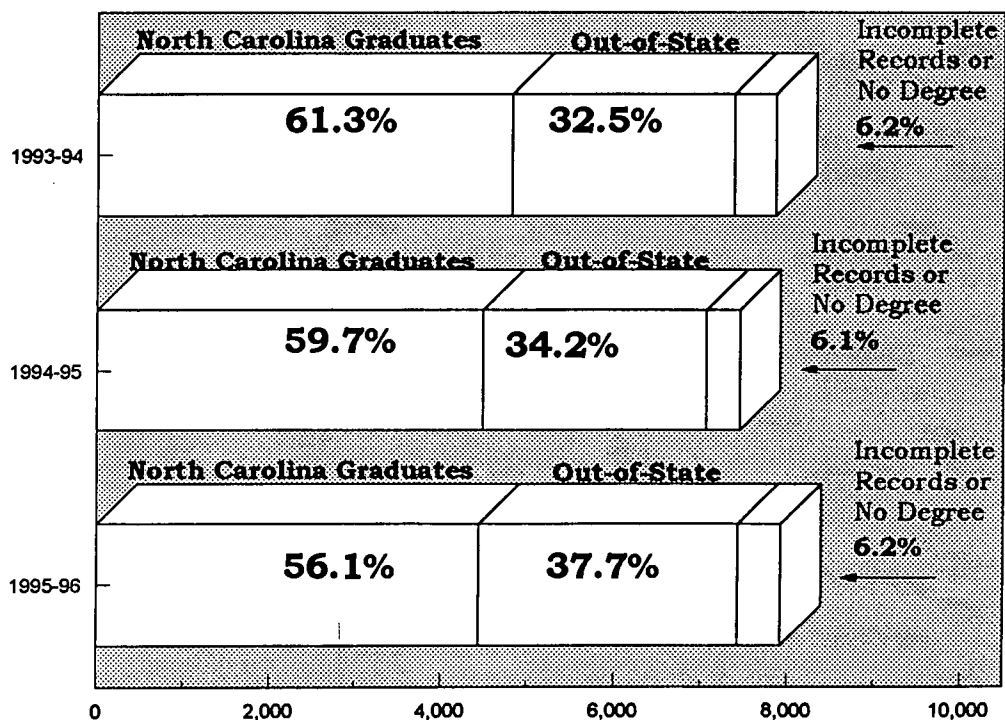
Teacher Population Changes



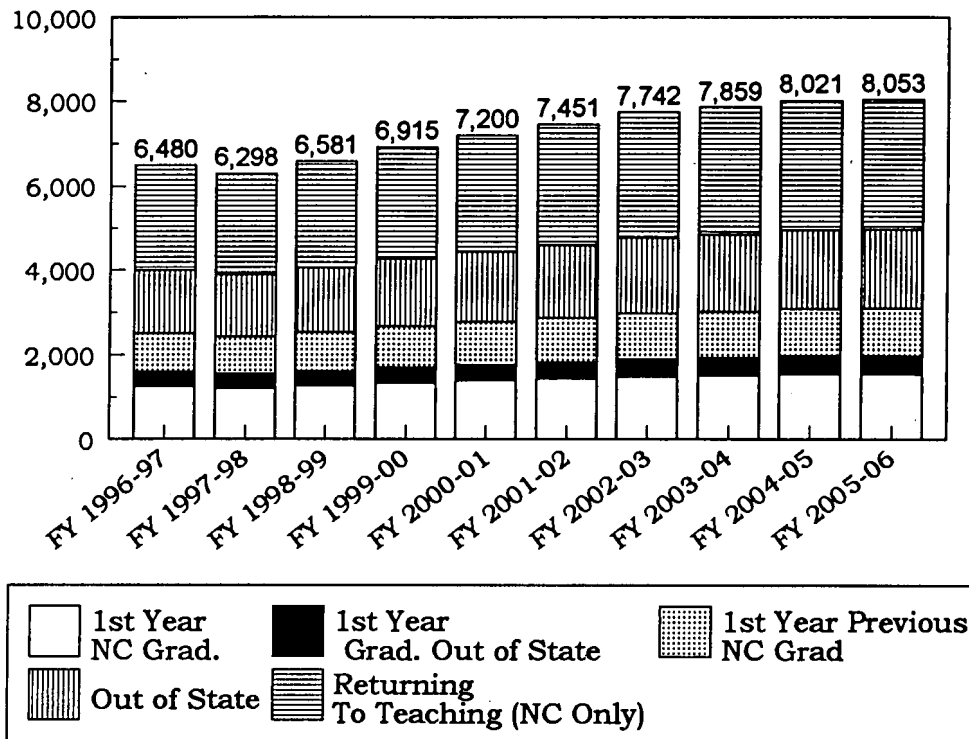
Initially Licensed Teachers (7,944) Compared To Initially Hired Teachers (3,776) In North Carolina FY 1994-95



Where Do New Teachers Come From?



Where Will New Teachers Come From?



VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Education Subcommittee ^{April 1, 1997} ~~Thursday, March 27, 1997 9:00 AM~~

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

John Wilson	NCAE
Carlinda Purcell	Superintendent, Warren Co.
Jan Kratts	NCAEA
Anna Burlow	SBE
Jim Barber	DPI
Linda Suggs	NC DPI
Kay Ormery	OSP L
David Baker	OSBA
Kim Byrns	"
Deborah Perry	Charlotte-Mecklenburg Schools
Deanne Turner	ElmHQS
Anna Nommo	Public School. Town of NC

~~Wednesday, March 26, 1997 10:00 AM~~

April 1, 1997

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

FIRM OR AGENCY AND ADDRESS[illegible]

**SENATE APPROPRIATIONS SUBCOMMITTEE
ON
EDUCATION**

**April 2, 1997, Morning
Senator Leslie Winner**

State Board of Education 1997-99 Budget Request	Superintendent of Public Instruction Mike Ward Dr. Richard Thompson
--	--

School Technology	Gary Steppe, Superintendent of Cherokee County Schools
-------------------	---

Governor Hunt's Recommended 1997-99 Expansion Budget	Janet Pittard, Office of State Budget and Management
---	---

Governor Hunt's Teacher Salary Proposals	Sue Adams, Office of State Budget and Management
---	---

SENATE APPROPRIATIONS SUBCOMMITTEE
ON EDUCATION

Wednesday, April 2, 1997

MINUTES

The Senate Appropriations Subcommittee on Education met on Wednesday, April 2, 1997, at 8:30 a.m. in Room 414 of the Legislative Office Building. Five of the members of the Committee attended the meeting, including the Co-Chair, Senator Leslie Winner, who presided. She introduced Hannah Pugh, a page from Fayetteville, sponsored by Senator Tony Rand.

Senator Winner introduced Superintendent of Public Instruction Mike Ward to present and give a general explanation of the State Board of Education's Expansion Budget Request. (See attachment 1).

Senator Winner introduced Dr. Richard Thompson to present and explain the State Board of Education's Expansion Budget Request and to go over line items. (See attachment 2).

Senator Winner introduced Mr. Gary Steppe, Superintendent of Cherokee County Schools to speak on School Technology. He explained the five year plan for School Technology and stated the cost would be 381 million dollars. He stated that is the minimum amount of money it would take to reach a critical mass in North Carolina's Public Schools Technology programs. He continued to say that amount of money would provide enough computers to make a difference in improving student performance. There has already been 72 million appropriated and they are asking for 71 million this year. He went on to explain the importance of School Technology in today's world.

The Committee was adjourned at 9:30 a.m. to reconvene at 4:00 p.m. that afternoon.

Senator Leslie Winner, Co-Chair

Vickie Spears, Committee Clerk

N.C. State Budget, 1997-99: Summary of Recommendations

V. General Fund - Adjustments to the Budget

A Adjustments to the Continuation Budget

Adjustments Reflected in Volume 1. Education

Public Education

	<u>1997-98</u>	<u>1998-99</u>
✓ 1. Average Teacher Salary Adjustment Average teacher salary adjustments are made based on the third pay period resulting in a reduction in General Fund appropriation.	\$ (20,415,665)	\$ (20,779,145)

Adjustments Reflected in Volume 2. General Government

Department of Administration

1. Science and Technology Program Funds are reduced for communications expense.	\$ (13,110)	\$ (13,110)
2. State Capital Police Two vacant property guard positions are deleted from the budget. Number of Positions	(42,524) (2.0)	(42,524) (2.0)
3. Advocacy for Disabled Program Funds are reduced for contractual services, and board member travel and subsistence.	(8,600)	(8,600)
4. Human Relations Council Funds are reduced for various operating line items.	(11,938)	(11,938)
5. Management Information Systems Funds are reduced for data processing maintenance and office furniture and equipment.	(3,463)	(3,463)



Public Schools of North Carolina

State Board of Education
Jay Robinson, Chairman

Department of Public Instruction
Michael E. Ward, State Superintendent

March 13, 1997

MEMORANDUM

TO: The Honorable Howard Lee, Co-Chair
The Honorable Leslie Winner, Co-Chair
Education/Higher Education Appropriations Subcommittee
The Honorable Gene Arnold, Co-Chair
The Honorable Robert Grady, Co-Chair
The Honorable Jean Preston, Co-Chair
Education Appropriations Subcommittee

FROM: Mike Ward *MW*

SUBJECT: Continuation Adjustments to the Biennial 1997-99 Base Budget

We have completed our annual review of student population growth and certified salary changes. As we routinely do every spring, we are respectfully requesting the General Assembly to adjust our continuation budget request to reflect these changes.

Attached to this letter is a summary of the adjustments which are necessary to allow us to continue to allot funds to local schools based on the higher of current year or projected 1997-98 Average Daily Membership. Please note that the overall adjustments will decrease what is currently in the budget. The decrease will reduce the budget by \$582,203 for 1997-98 and \$2,873,726 for 1998-99.

As we continue to invest in our future through the education of our children, we all must continue to commit resources and look for expanded uses of our current resources. I look forward to our continued joint efforts to make North Carolina a leader in education. Thank you for your consideration of this request.

MW:mp

c The Honorable James B. Hunt, Jr., Governor
Mr. Marvin Dorman, State Budget Officer

Adjustments Required to the State Public School Fund

Continuation (Base) Budget

1997 - 1999 Biennium

Changes in ADM:	FY 1997-98	FY 1998-99	Notes
Revised ADM for Allotments	1,226,060	1,247,150	Several private schools are changing their operations to become Charter Schools. Children currently enrolled in these schools are not included in ADM. To allocate the State funding to a Charter School the LEA's ADM must be increased to include the private school population. The 400 is an estimate based on applications currently in review. The reserve is based on \$3,195.97 times 400.
Original ADM Used for Base Budget	1,226,180	1,248,430	
Decrease in ADM	(120)	(1,280)	
Reserve for Charter Schools (See Note)	400	400	
Total Budgeted ADM	1,226,460	1,247,550	
ADM Change from FY 1996-97 (1,201,688)	24,772	45,862	

Dollar Impact	FY 1997-98	FY 1998-99	Notes
Included in Continuation (Base) Budget	\$76,084,438	\$155,780,795	Even with a decrease in overall ADM, the budget reflects an increase. Overall ADM increases in the lower grades and grades 7-12 account for the increase. Allotment formulas for these grades generate funding at a level higher than other grades.
Actual Cost to Cover Allotted ADM	79,624,748	157,124,661	
Continuation (Base) Budget Increase	\$3,540,310	\$1,343,866	
Reserve for Charter Schools (See Note above)	1,278,308	1,278,308	
Total ADM Adjustment	\$4,818,618	\$2,622,174	

Changes in Average Salary	FY 1997-98	FY 1998-99	Notes
Guaranteed Salaries Based on Dec. 1996	(\$7,704,040)	(\$7,825,991)	Original budget based on Sept. 1996 salaries

Net Budget Decrease - General Fund	(\$2,885,422)	(\$5,203,817)	Does not include Highway Fund
------------------------------------	---------------	---------------	-------------------------------

Adjustment to Highway Fund	\$2,303,219	\$2,330,091	Driver Training (ADM and one-time funding)
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Total Public School Fund Budget Adjustment	(\$582,203)	(\$2,873,726)	
--	-------------	---------------	--

Average Daily Membership (ADM) used for Allotments:

The sum of the number of days in membership for all students in individual Local Education Agencies (LEAs), divided by the number of school days in the term. Allotments for each LEA will be made on the basis of the higher of the first two months total projected ADM for the next school year or the higher of the first two months total current year ADM.

Average Salary:

Funds distributed for position allotments allow each LEA to hire certified teachers and other educators without being limited to a specific dollar allotment. The State guarantees the salary as long as the employee is paid according to the State Salary Schedule which is based on years of experience and education. The statewide average salary is calculated based on actual payroll data for each employee. When less experienced personnel are hired, the statewide average salary tends to decrease. Allotments are normally based on December average salaries.

**PUBLIC SCHOOLS
CONTINUATION SPECIAL PROVISIONS**

1. **Low Wealth Supplemental Funding** -- Language implementing the low wealth supplemental funding for FY1997-98 and FY1998-99.
2. **Small School Supplemental Funding** -- Language implementing the small school supplemental funding formula for FY1997-98 and FY1998-99.
3. **Career Development** -- Hold harmless language on teacher salaries for FY1997-98 and FY1998-99.
4. **Exceptional Children Allocations** -- Allocation of exceptional children funds for FY1997-98 and FY1998-99.
5. **Minimum Vacation for School Bus Drivers** -- Provides a minimum of one day of vacation for school bus drivers.
6. **Use of Substitute Teacher Funds for Leave From Sick Leave Banks** -- Allows state to be used substitute teachers on days that teachers use voluntary sick bank days.
7. **Litigation Reserve** -- Allows the State Board of Education to expend funds to pay expenses related to pending litigation.

State Board of Education Expansion Budget Request

April 2, 1997

Note: Portions of this Expansion Budget Request are based on data available as of October 1, 1996.

Improve Student Performance		
1997-1998	1998-1999	
\$ 28,614,077	\$ 28,614,077	Reduce class size in grade 3 from 1 teacher and 1 teacher assistant per 26 students to 1 teacher and 1 teacher assistant per 23 students
18,750,609	18,750,609	Reduce student to adult ratio in grades 1-2 by funding 1 teacher assistant per 23 students (not funded when class size was reduced)
50,588,019	51,336,883	Award incentives to schools that meet exemplary growth in student performance
3,085,900	3,964,834	Provide supporting funds for assistance teams and technical services to help low-performing schools
10,000,000	10,000,000	Improve services to students with limited proficiency in English
28,859,166	57,718,332	Increase funds for school safety and violence prevention through additional funds for the At-Risk Student Services/Alternative Schools allotment
29,853,688	60,180,742	Fund exceptional children's areas at levels closer to needs, including Handicapped, Gifted, Willie M., and the Governor's Schools
300,000	300,000	Fund special projects including the Geographic Alliance, Math/Science Centers, Writing Project and Athletic Trainers
71,000,000	72,000,000	Fund 3-5 networked computer systems and accompanying software for every K-12 classroom
3,000,000	3,000,000	Support initiatives to improve student achievement in reading, writing and mathematics basic skills

Enhance the Teaching Profession		
263,658,086	592,977,943	Support salary increases for teachers to achieve the national average in 4 years
63,721,535	63,721,535	Provide for three days of extended staff development time for all teachers and extend the months of employment for some teachers, allowing local flexibility in determining which teachers will work the extended calendar
36,000,000	36,000,000	Provide laptop computers, software, and related training for all teachers in grades 4-8
850,699	1,122,404	Reward teachers who receive national certification through the National Board for Professional Teaching Standards by funding the application fee, three days of preparation time, and four percent additional pay annually
1,747,465	2,747,465	Increase number of scholarships available for prospective teachers
2,382,375	2,382,375	Provide a comprehensive support program for new teachers during the initial certification period

Fully Implement Legislated Statutory Requirements		
575,000	575,000	Support state services for charter schools (HB955, Chapter 731)
498,800	283,900	Support state services for school facilities initiatives (GS 115C-521(a), HB 53 Sec. 18.18, HB 1100 Chapter 631)
10,000,000	10,000,000	Upgrade ten year old Uniform Education Reporting System to ensure accurate financial, personnel and student information (GS 115C-12(18))
<u>\$ 623,485,419</u>	<u>\$ 1,015,676,099</u>	

VISITOR REGISTRATION SHEET

Senate

~~JOINT~~ APPROPRIATIONS/Education Subcommittee Wednesday, April 2, 1997 8:30 AM

Name of Committee

Date

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Will Lawrence	McAfee
Gene Causby	E-ERC
Jim Causby	NASA
Jim Barber	DPI
Maurie King	OSBM
Thomas J. McLean	NCBCE
David Brown	OSBM
Janet Pittard	OSBM
Ken Byers	"
Vincent Mangz	A+Schools
Larry M. L.	DPI
Becky McCorkle	DPI

Senate

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David Howell	DPI
Len Thompson	DPI
Peggy Harrison	WCPSB
P. M. Van	WVLE C.
Jay R. R. R.	EEBC
Glen Allen	Public School Forum
Alicia Hare	Public School Forum
Jan Crutts	NCASA
Callinda Purcell	Supt. - Warren County Schs.
Ann Beilman	SPE
Lee Adams	OSBM
Loren Gurr	Gov's Office

Senate

Name of Committee

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FIRM OR AGENCY AND ADDRESS

NC Center for Prevention of School Violence

OS BM

Communities in Schools of NC

NAME

NCAFO

OLD FA

Senate

JOINT

Date _____

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Date

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<i>Walter B. Metcalf</i>	<i>UNC GA</i>
<i>Clark Smith</i>	<i>Lexington Chamber of Commerce</i>
<i>Cynthia A. Smith</i>	<i>" " " "</i>
<i>Mary Stepper</i>	<i>Cherokee Co. Schools</i>
<i>Zaren Gask</i>	<i>Gov.'s Office</i>
<i>Margaret Bingham</i>	<i>NC DPI</i>
<i>Thomas J. Williams</i>	<i>N.C. Business Committee for Ed (NCBCE)</i>
<i>Hal Miller</i>	<i>NC ACCT</i>
<i>Harry O'neal</i>	<i>OSPL</i>
<i>David Brown</i>	<i>OSBM</i>
<i>Kenn Burt</i>	<i>"</i>
<i>Dorothy Hunt</i>	<i>NCCCS</i>

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Education Subcommittee Wednesday, April 2, 1997 8:30 AM

Name of Committee

Date

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NAME

FIRM OR AGENCY AND ADDRESS

Mamie King	OSBM
Vivian Manner	4 + Schools
Jim Bahr	DPI
Lon Thompson	"
Larry McLant	"
Philip Price	"
Ann Berlan	"
Shirley Adams	State Admin.
John Norris	Public School System of NC
Jan Crath	NCAASA
Carinda Purcell	Supt. Warren Co. Schs
Becky McConkey	DPI

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Education Subcommittee Wednesday, April 2, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Janet Pettit	OSBM
Gam Riley	Center for Prevention of School Violence
Loretta Martin	Commission on Workforce Preparedness
Bill Wilson	NC AE
John Wilson	NCAE
Charlie Sen	Lexington Chamber of Commerce
Tim Boggs	South Davidson School

SENATE APPROPRIATIONS SUBCOMMITTEE

ON

EDUCATION

April 2, 1997, ~~Morning~~ ^{AFTERNOON}

Senator Leslie Winner

State Board of Education 1997-99
Budget Request

Superintendent of Public Instruction Mike Ward
Dr. Richard Thompson

School Technology

Gary Steppe, Superintendent of Cherokee County
Schools

Governor Hunt's Recommended
1997-99 Expansion Budget

Janet Pittard, Office of State Budget and
Management

Governor Hunt's Teacher Salary
Proposals

Sue Adams, Office of State Budget and
Management

SENATE APPROPRIATIONS SUBCOMMITTEE
ON EDUCATION

Wednesday, April 2, 1997 P.M.

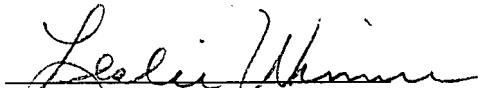
MINUTES

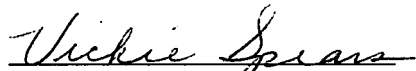
The Senate Appropriations Subcommittee on Education met on Wednesday, April 2, 1997, at 4:00 P.M. in Room 414 of the Legislative Office Building. Five of the members of the Committee attended the meeting, including the Co-Chair, Senator Leslie Winner, who presided.

Senator Winner introduced Ms. Janet Pittard, Office of State Budget and Management, who reviewed and explained the Governor's Proposed K-12 Expansion Budget. (See attachment 1).

Senator Winner introduced Ms. Sue Adams, Office of State Budget and Management, who reviewed and explained the Governor's Teacher Salary Proposals. . (See attachment 2).

The Committee was adjourned at 5:00 p.m.


Senator Leslie Winner, Co-Chair


Vickie Spears, Committee Clerk



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
RALEIGH 27603-8001

JAMES B. HUNT JR.
GOVERNOR

Dear Friends:

The next four years can be a period of great growth and opportunity for all North Carolinians if we set a progressive and responsible course and focus our efforts on the next generation.

That's what my budget recommendation for the 1997-99 biennium is all about. It charts that course by expanding Smart Start statewide, raising standards and pay for our teachers, maintaining our economic growth, and protecting our families and our environment.

This budget reflects our top priorities by making state government more effective and efficient and doing more for education and children -- without raising taxes.

If we work together to put our children and their future first, these coming years can be the most important -- and the best -- in North Carolina's history.

My warmest personal regards.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "J. B. Hunt".

James B. Hunt Jr.



The North Carolina State Budget Summary of the Recommendations, 1997-99

Prepared by
Office of State Budget and Management

Marvin K. Dorman, Jr.
State Budget Officer

Robert L. Powell
Deputy State Budget Officer

Additional information and further explanation of the The North Carolina State Budget Summary of the Recommendations, 1997-99 are available from the Office of State Budget and Management, 116 West Jones Street, Raleigh, North Carolina, 27603-8005, (919)733-7061. Contact one of the following staff members:

Susan S. Adams	Public Education Department of Community Colleges Board of Governors of the University of North Carolina University of North Carolina Hospitals at Chapel Hill
Allen J. Barwick	Management and Productivity Services
Mike Kiltie	Economic Forecast Revenue Forecast Revenue and Tax Issues Economic Impact on Rules
Robert O. Nelson	Capital Improvements Special Appropriations
J.W. Reel	Departments of General Government Departments of Natural and Economic Resources Department of Transportation
Nina M. Yeager	Department of Human Resources Department of Correction Department of Crime Control and Public Safety Judicial Department Department of Justice

Editorial assistance was provided by Jean Surles, Publications Coordinator. Summary tables were prepared by Aleta Mills, Budget Analyst. The OSBM secretarial staff, under the direction of Janie Johnson, provided much assistance in preparing this document for publication.

February 1997

N.C. State Budget, 1997-99: Summary of Recommendations

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IV. General Fund - Expansion

Public Education

The focus of this expansion budget is to improve education for the children of North Carolina. This focus emphasizes continued development and implementation of The New ABCs of Public Education (accountability, basics, and local control), continuation of efforts to make schools safe, and measures to recruit and retain excellent teachers. Recent surveys have consistently identified four primary issues reported by teachers as influencing their decision to leave the teaching profession:

- Student Behavior
- Compensation
- Class Size
- Administrative Support

1. **Higher Teacher Standards and Raise Average Teacher Salary to the National Average**

In a continuing effort to attract and retain highly qualified and experienced teachers, funding is recommended for compensation for performance bonuses as defined in the ABCs, achievement of higher standards by certified teaching personnel, and special assignments performed by certified teaching personnel. A recommended 8% funding includes: a revised salary schedule with additional compensation for achieving National Board for Professional Teaching Standards certification and achievement of State Board of Education requirements, stipends for mentor duties and other special assignments, and increasing the salaries for beginning teachers.

A. ABC Incentive Awards

In May 1995, the State Board of Education issued The New ABCs of Public Education (accountability, basics, and local control) as the response to Senate Bill 16 (1995 Session Laws, c. 6) which charged the board with examining the structure and functions of the public school system in North Carolina. The plan gives local schools control over how their students are taught and how the individual schools are run. In return, schools are held accountable for how much progress their students make in the basic subject areas of reading, writing, and mathematics. 1996-97 is the first year for implementation of the new ABC Plan for grades K-8; the plan takes effect in the fall of 1997 for high schools.

1997-98

1998-99

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion
Public Education - Continued

1997-98

1998-99

Higher Teacher Standards and Raise Average Teacher Salary to the National Average - Continued

ABC Incentive Awards - Continued

The ABCs initiative directs that each year a school must assure that the students receive a year's worth of education for a year of instruction. Incentive awards will be given when a school exceeds that initiative by 110%. Under current State Board of Education policy, certified personnel (local and state paid) assigned to a school that is eligible for awards will receive an award of no less than \$500 and no more than \$1,000. Teacher assistants (local and state paid) assigned to an eligible school will receive an award of no less than \$250 and no more than \$500. The State Board of Education may choose to adjust the maximum award within the amount of this recommendation if possible. Nonrecurring funds are recommended for these awards for the 1997-99 biennium. It is intended that these awards be supported from recurring funds beginning with the 1999-00 fiscal year.

\$ 52,500,000

\$ 47,500,000

B. National Board for Professional Teaching Standards

The National Board for Professional Teaching Standards (NBPTS) was established in 1987 as an independent, non-profit organization to establish high standards for teachers' knowledge and performance and for development and operation of a national voluntary system to assess and certify teachers who meet those standards. To encourage teachers to undertake this task, the General Assembly has appropriated funding to: (1) provide teachers with three days of release time during the year to attempt certification; (2) pay the certification fees of teachers attempting certification; (3) and provide teachers achieving certification with an annual bonus of 4%. Funding is recommended to continue support of this effort to increase the number of teachers practicing in North Carolina who have higher degrees of skill and/or significantly advanced training as a result of meeting certification requirements of the NBPTS. Specifically, funding is recommended to continue support for the payment of certification fees and release time. It is recommended that all funds currently budgeted in the continuation budget for NBPTS be dedicated to payment of certification fees and release time and that funding to continue the bonus and to raise the bonus from 4% to 12% be included as part of the adjustment to the teacher salary schedule as described in "C".

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion
Public Education - Continued

	<u>1997-98</u>	<u>1998-99</u>
Higher Teacher Standards and Raise Average Teacher Salary to the National Average - Continued		
National Board for Professional Teaching Standards - Continued		
Currently, there are 93 teachers in North Carolina who have achieved the National Board for Professional Teaching Standards certification and are receiving the bonus; 81 additional are projected for 1997-98 and 162 additional for 1998-99.	\$ 567,330	\$ 567,330

C. Adjust Teacher Salary Schedule

It is recommended that funding be provided for a revised teacher salary schedule to compensate certified teaching personnel for achieving higher standards, performing special assignments, and increasing the salaries for beginning teachers. All these steps will advance the goal of increasing the North Carolina average teacher salary to the national average. The latest National Education Association's (NEA) Ranking of the States for 1995-96 indicates the national average teacher salary for that year was \$37,794. The North Carolina state average teacher salary for 1995-96 was \$30,564. The increases would apply to certified teachers and certified instructional support, including psychologists, social workers, counselors, librarians, media coordinators, and school nurses.

The funding also includes a separate schedule for those who have achieved certification from the **National Board for Professional Teaching Standards**. The schedule reflects an increase in the annual bonus for this certification from 4% of the teacher's state-paid salary for the ten-month school year for state-paid teachers to 12%. The bonus is paid for the life of the certification, which is ten years. At the end of that period, the teacher may apply for recertification. If recertification is not achieved, the bonus is discontinued.

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion
Public Education - Continued

	<u>1997-98</u>	<u>1998-99</u>
Higher Teacher Standards and Raise Average Teacher Salary to the National Average - Continued Adjust Teacher Salary Schedule - Continued Funds are included in the 8% funding to provide a support program for initially licensed teachers by providing a stipend for teacher mentors. Teacher mentors for new teachers will help facilitate the transition of new teachers into the profession.	\$ 219,120,912	\$ 222,531,184
2. Salary Increases - Other Public School Employees Funds are recommended to provide a 3% salary increase effective July 1, 1997 for all public school employees not paid from the teacher salary schedule. This includes the certified nonteaching positions in central office administration (superintendents and school administrators) and noncertified employees such as finance officers, clerical workers, teacher assistants, custodians, bus drivers, bus mechanics, and maintenance supervisors.	22,013,892	22,900,878
Principals and assistant principals are paid from a separate schedule, but that schedule maintains a 3% differential from the teacher salary schedule. In order to continue maintenance of this differential, 8% funding is recommended for the principals and assistant principals salary schedule.	16,589,832	16,850,736
3. Reduction in Class Size in Grades 6-7 for Students Below Grade Level Funds are recommended for additional teachers in middle schools with 50 or more students who are academically below grade level. The funds would be used to significantly lower class size in grades 6-7 for students who score at achievement level 1 on end-of-grade tests in either reading or mathematics. A reduction in the teacher to student ratio is believed to result in better test scores, improved school climate, and less disruptive behavior. Small classes for core academic subjects, like reading and mathematics, would be created for these students in an effort to better address their academic needs. Approximately 18,000 students would be served through this effort and approximately 300 additional teachers would be required.	11,000,000	11,000,000
Number of Positions	300.0	300.0

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion
Public Education - Continued

	<u>1997-98</u>	<u>1998-99</u>
<p>4. Communities in Schools</p> <p>Funds are recommended to be appropriated to the State Board of Education to support further expansion of Communities in Schools (CIS) programs and sites across the state. Communities in Schools is a nonprofit organization which addresses the multiple needs of students at greatest risk of dropping out of school. The program works with local communities to bring resources together from both the private and public sectors to address these needs. The program provides training for building CIS programs at the local level, grant writing and fund raising assistance, and help for local communities to acquire the resources necessary to deliver services to children at risk of dropping out and their families at school sites across the state.</p> <p>Communities in Schools programs currently serve 29 school districts and 153 school sites. The funds now recommended would provide for further expansion of the program into additional counties and school sites.</p>	\$ 300,000	\$ 300,000
<p>5. Total Quality Education (TQE)</p> <p>Nonrecurring funds are recommended to support Total Quality Education, an initiative providing training to educators in the use of Total Quality Management processes and practices. This strategy supports the main initiative of the North Carolina Business Committee for Education (NCBCE) and supplements private funds raised from business and industry. The funds will be allocated as a grant directly to the NCBCE and combined with private funds to support the pilot effort's expansion to additional school systems.</p> <p>The 1995 General Assembly appropriated \$400,000 in nonrecurring funds for 1995-96 for TQE; and \$500,000 in nonrecurring funds were appropriated in the 1996 Short Session. Currently 26 school systems are being served by NCBCE. NCBCE has raised private funds and has the services of an executive on loan to provide training and support for the local school systems.</p>	450,000	-

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion
Public Education - Continued

1997-98

1998-99

6. A+ Schools

A+ Schools focus on improving basic skills through an interdisciplinary teaching and learning approach using such vehicles as the arts to help students achieve grade level proficiency in reading, writing, and mathematics. State funds are combined with funds from the Kenan Charitable Trust and local funds to support the A+ Schools Program. The 1995 General Assembly appropriated \$500,000 in nonrecurring funds for A+ Schools; and \$500,000 in nonrecurring funds was appropriated during the 1996 Short Session. Nonrecurring funds are recommended to continue this effort in 1997-98.

\$ 500,000

\$

7. N.C. Center for the Prevention of School Violence

The N.C. Center for the Prevention of School Violence (the Center) was established as a part of the Governor's Crime Commission in 1993, using a combination of federal grant and state appropriated funds. In July, 1995 the center was moved to the College of Education and Psychology at North Carolina State University.

The mission of the center is to work with local institutions, such as public schools, law enforcement agencies, and community organizations to reduce violence. The center serves as a clearinghouse for information, provides technical assistance and training, and develops alternative programs for the prevention and elimination of school violence. To date, the center has worked with institutions and agencies in all 100 counties, making presentations to over 18,000 people.

The center is currently funded with a grant from the Governor's Crime Commission, at the rate of 75% federal/25% state funds, with a total budget of \$580,000. It is recommended that the grant be replaced with state appropriation.

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion
Public Education - Continued

N.C. Center for the Prevention of School Violence - Continued

Additionally, the 1996 Session of the General Assembly appropriated funds to place a school resource officer (SRO) in local high schools, at the discretion of the local unit, to provide a safe, secure environment for faculty and students. Research findings as recent as December, 1996 indicate a similar need at middle schools across the state. The research indicates that as much as 42% of reported incidents of school violence are from buildings with a middle school population. Funds are therefore recommended to place an SRO in middle schools, through an application process, that have reported the highest number of incidents of school violence (\$4,340,000). Funds in the amount of \$80,000 are also recommended for staff support to administer the state grant funds to local units for the middle school SRO's. In addition, It is recommended that the funds appropriated by the 1996 Session totaling \$14.2 million for school resource officers be specifically dedicated to that purpose by inclusion of a special provision in the Appropriation Bill. It is further recommended that the center be transferred from the College of Education and Psychology at North Carolina State University to the Department of Public Instruction.

Number of Positions

	<u>1997-98</u>	<u>1998-99</u>
	\$ 5,000,000	\$ 5,000,000
	2.0	2.0

8. Job Ready

Funds are recommended for 1998-99 to extend the Job Ready program to all school systems in North Carolina. This recommendation is in accordance with the federal school-to-work goal of better integrating school-to-work transition programs and academics. The Job Ready program is coordinated by the Governor's Commission on Workforce Preparedness and receives federal funding through the School-to-Work Opportunities Act. The program's purpose is to prepare young people for work and further education through school-based, work-based, and connecting activities. The program emphasizes career counseling for all students, career pathways, and work-based learning experience for all students. The program is currently in 94 counties.

1,000,000



N.C. State Budget, 1997-99: Summary of Recommendations
 Genral Fund - Expansion
 Public Education - Continued

Network Computer Systems

The Public School Building Capital Fund (PSBCF) was established by the 1987 General Assembly to provide funding to counties for public school building construction. The estimated revenue dedicated to the Public School Building Capital Fund is \$53.4 million in 1997-98 and \$55.7 million in 1998-99. In 1996, the voters of the state approved a \$1.8 billion bond referendum for public school building construction, which will be allocated to the counties beginning in 1997.

With this new availability for construction projects, it is recommended that applicants have the option of using the revenue dedicated to the Public School Building Capital Fund for either school construction and/or school technology needs (in accordance with the School Technology Plan).

The General Assembly first appropriated funds for school technology in 1994 with an appropriation of \$42 million nonrecurring funds to the School Technology Reserve, for learning and instructional management technology, to be spent in accordance with subsequent legislation enacted by the General Assembly after receipt of the State School Technology Plan. These funds became a part of the State School Technology Fund. Non-recurring funds in the amount of \$10 million and recurring funds in the amount of \$10 million were appropriated in the 1996 Short Session to support implementation of the local school technology plans. The State Board of Education allocates these funds based on average daily membership (ADM) of the school districts. These funds also became a part of the State School Technology Fund. Any use of the PSBCF funds for school technology would be in addition to the \$10 million in recurring money already budgeted in the continuation budget for 1997-98 and 1998-99. An additional \$5 million in nonrecurring funds is also recommended for 1997-98 for the State School Technology Fund.

Total Recommended Expansion for Public Education
 Total Number of Positions

	<u>1997-98</u>	<u>1998-99</u>
	\$ 5,000,000	\$ -
	\$ 333,041,966	\$ 327,650,128
	302.0	302.0

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion - Continued

Department of Community Colleges

	<u>1997-98</u>	<u>1998-99</u>
1. New and Expanding Industry Nonrecurring funds are recommended for the New and Expanding Industry training program, which assists companies creating new jobs in North Carolina by providing training for new employees. Customized training is offered to new or prospective employees in specific job skills needed by new or expanding industries. Local, regional and state goals for economic development are supported by offering entry-level training at no cost to companies creating new jobs in the state. The program requires additional funds to respond to more requests than can currently be funded with the existing New and Expanding Industry Training budget.	\$ 8,000,000	\$ -
2. Equipment and Books Nonrecurring funds are recommended for 1997-98 to purchase information technology, educational, and training equipment (\$8,000,000) and library books (\$1,950,000). The funds are allocated by formula to each of the 58 community colleges.	9,950,000	-
3. Specialized Technology Centers It is recommended that the State Board of Community Colleges receive additional funding for the specialized technology centers. These centers provide focused support and technical assistance to industries of vital economic importance to North Carolina's economy. This recommendation includes \$425,000 for the North Carolina Center for Applied Textile Technology, \$200,000 for the Hosiery Technology Centers, and funds to develop two additional Specialized Technology Centers to support key North Carolina industries.	-	687,500
4. Reward Excellence in Community College Teaching Nonrecurring funds are recommended for the State Board of Community Colleges for distribution to the colleges of a 0.5% average salary increase for teaching faculty members for state fiscal year 1997-1998. This salary increase is to be given to teaching faculty who have demonstrated excellence in teaching, in accordance with State Board policies.	1,300,000	-
5. Salary Increase A 3% salary increase effective July 1, 1997 is recommended for the teaching faculty and all other campus personnel supported from state funds.	13,711,301	13,711,301
Total Recommended Expansion for the Department of Community Colleges	\$ 32,961,301	\$ 14,398,801

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion - Continued

University of North Carolina Board of Governors

1997-98

1998-99

1. Schedule of Priorities

General Statute 116 - 11(9) requires the Board of Governors of the University of North Carolina to "develop, prepare and present to the Governor, Advisory Budget Commission, and the General Assembly a single, unified recommended budget for all of public senior education." Funds requested for expansion, new programs and activities, increases in enrollment, remedying deficiencies, etc. are to be itemized in priority order; and any funds appropriated for the priority schedule are to be in a "lump sum".

In response to the Board of Governors' 1997-99 "Schedule of Priorities", the following items are recommended:

A. Enrollment Changes

Enrollment projections from the board indicate a slight decrease in enrollment for the 1997-99 biennium over the current budgeted enrollment of 132,280 full time equivalent (FTE) students. Based upon the board's estimates, enrollment in the University is projected to decrease by 969 FTE in 1997-98, and then increase by 925 FTE to 132,236 in 1998-99. Consequently, funds budgeted for enrollment are recommended to be reduced for 1997-98, and then increased for 1998-99. The recommended increase in the second year is to support those campuses which are experiencing enrollment growth, with the noted modification that support costs are now funded at 100%, in accordance with Section 16.10 of Chapter 18 of the 1996 Session Laws. (See also "Adjustments to the Continuation Budget" section for identical item.)

Requirements	\$ (6,205,381)	\$ 965,791
Receipts	<u>(4,309,978)</u>	<u>(2,778,600)</u>
Appropriation	\$ (1,895,403)	\$ 3,744,391

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion
University of North Carolina Board of Governors - Continued

1997-98

1998-99

Schedule of Priorities - Continued

B. Additional Schedule of Priorities Items

An additional "lump sum" amount in General Fund appropriations is recommended to address priority lines 2 - 13 of the "Schedule of Priorities". The amount recommended includes funding for: 0.5% salary bonuses for rewarding teaching excellence; a new degree program in Information Technology at University of North Carolina at Charlotte; university outreach to the public schools; research faculty salary equity adjustments in Agricultural Research and Cooperative Extension at North Carolina State; funds for the Institute of Gerontology at the University of North Carolina at Chapel Hill; and, the Reading Together Program at the University of North Carolina at Greensboro. The additional recommended lump sum includes \$3,700,000 in nonrecurring funds for 1997-98.

\$ 32,350,000

\$ 31,150,000

2. Aid to Students Attending North Carolina Private Colleges and Universities

The program of "Aid to Students Attending Private Colleges" is composed of two pieces: the Legislative Tuition Grant (LTG) and the State Contractual Scholarship Fund (SCSF). The LTG provides a payment of \$1,300 to private institutions for each North Carolina resident student, which is credited directly to the student's account. The SCSF makes available to each institution an amount equal to \$600 for each full-time North Carolina undergraduate resident student. These funds are then provided as scholarships to needy North Carolina students attending private colleges.

It is recommended that the amounts for the LTG and the SCSF each be increased by \$150 per year to \$1,450 and \$750 respectively.

7,864,668

7,864,668

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion
University of North Carolina Board of Governors - Continued

	<u>1997-98</u>	<u>1998-99</u>
<p>3. Manufacturing Extension Partnerships</p> <p>Nonrecurring funds are recommended for appropriation to the Board of Governors to expand the Manufacturing Extension Partnership (MEP) effort at North Carolina State University (NCSU). The MEP has served over 2,000 firms in the state, ranging from small to large and traditional to high technology manufacturing firms. Services are provided by the MEP through field engineers statewide, however the number available to serve the state's 12,000 manufacturers, 75% of which have less than 30 employees, are insufficient.</p> <p>To enable the MEP to overcome service deficiencies, the National Institute for Standards and Technology has agreed to double the federal funding from the current \$1.5 million to \$3.0 million, contingent upon matching funds being made available. This would double the number of field engineers in the Waynesville, Charlotte, Hickory, Greensboro, Greenville and Raleigh offices. It is therefore recommended that funds be appropriated to the board to expand the MEP, through the Industrial Extension Service, at NCSU.</p>	\$ 900,000	\$ -
<p>4. Isotope Study of Neuse/Cape Fear River Basins</p> <p>The 1996 Session of the General Assembly appropriated \$372,000 to the Department of Environment, Health, and Natural Resources (DEHNR), for transfer to the Board of Governors for the Agricultural Research Service at North Carolina State University (NCSU), to "design and implement a scientifically valid study that uses available technology to identify the nonpoint sources of nitrogen in the surface waters of the Neuse and Cape Fear River Basins." In order to expand the research efforts to produce a more definitive identification of nitrogen sources, including modeling and sampling waters, it is recommended that nonrecurring funding be increased to \$1.5 million. It is further recommended that the funds be appropriated to the Board of Governors for the Agricultural Research Service at NCSU.</p>	1,500,000	

N.C. State Budget, 1997-99: Summary of Recommendations
General Fund - Expansion
University of North Carolina Board of Governors - Continued

	<u>1997-98</u>	<u>1998-99</u>
5. Salary Increase		
Funds are recommended for salary increases for employees of the University and the North Carolina School of Science and Mathematics, including both those who are exempt from the State Personnel Act (EPA), and those who are subject to the act (SPA). For EPA teaching and nonteaching faculty, funds are recommended for an average increase of 3% in 1997-98, according to rules adopted by the Board of Governors. For SPA employees, funds are recommended to provide a 3% salary increase in 1997-98.		
	\$ 37,110,590	\$ 38,704,530
 Total Recommended Expansion for the University of North Carolina Board of Governors		
Requirements	\$ 79,725,258	\$ 78,684,989
Receipts	<u>-</u>	<u>(2,778,600)</u>
Appropriation	\$ 79,725,258	\$ 81,463,589

Department of Administration

1. Increase Wages for Interns		
Funds are recommended to increase the hourly wage for the State Government Internship Program from \$5.00 per hour to \$6.75 per hour. The increase will provide a more competitive wage for the 103 state government interns and aid in the recruitment of bright young minds to state government.		
	\$ 77,616	\$ 77,616

Teacher Salary Schedule

Goals

- Reward achievement of new standards
- Reach national average in 4 years
- Reach \$25,000 beginning salary in 4 years

National Average

- 2000-01 Projected \$43,053
- 1995-96 Actual \$37,794

North Carolina Total Average Salary (all sources) includes salary schedule, longevity, ABC incentives, special assignments, local supplements

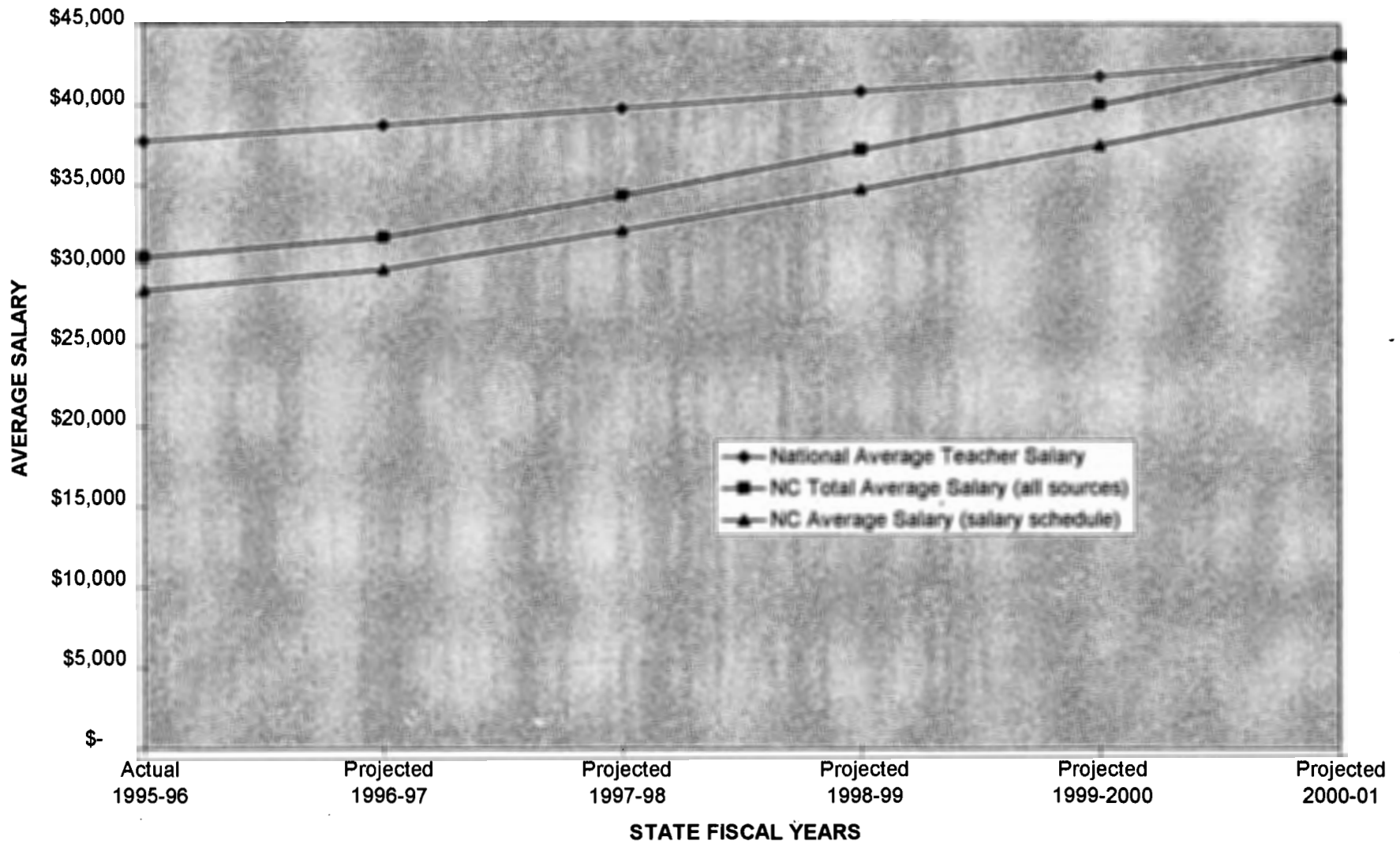
- 2000-01 Target \$43,053
- 1996-97 Estimated \$31,788
- 1995-96 Actual \$30,564

North Carolina Average Salary (salary schedule) includes special assignment compensation

- 2000-01 Target \$40,465
- 1996-97 Adjusted \$29,814 (6th pay period)
- 1995-96 Actual \$28,483

ATTACHMENT 2

COMPARISON of NC and NATIONAL AVERAGE TEACHER SALARY



Teacher Salary Schedule

8% Funding Level to Reach 2000-01 Target

- 6.5% in 1997-98 for salary schedule (starting pay, "bumps," National Board differential)
- 1.5% in 1997-98 for mentor pay, extra days, deferred compensation

Salary Schedule Parameters

- All components within 8% annual funding for 4 years
- Fixed dollar amounts between the experience steps vs. percentages in 1996-97
- 12% differential in 1997-98 for National Board certification vs. 4% in 1996-97
- Larger than average increases at the following years:

Examples from Bachelor's Schedule

After 3 years of service for continuing license:	1996-97	\$880	4%
	1997-98	\$1,360	5.9%
	2000-01	\$3,200	12.4%
After 4 years of service for tenure:	1996-97	\$470	2%
	1997-98	\$590	2.4%
	2000-01	\$1,050	3.6%
After 8 years of service for license renewal:	1996-97	\$490	2%
	1997-98	\$730	2.8%
	2000-01	\$1,650	5.2%

- Reduce experience steps from 30 years in 1996-97 to 25 years in 2000-01
- Provide longevity for teachers above 25 years at 4.5% rate, consistent with state employees
- Beginning BA teachers earn \$25,000 in 2000-01 vs. \$21,330 in 1996-97
- 10% differential in 2000-01 between Bachelor's and Master's schedules vs. 6.25% in 1996-97

Teacher Salary Schedule Comparisons – 1996-97 to 1997-98

Years of Exper.	1996-97 Bachelor	Difference Between Steps		1997-98 Bachelor	Difference Between Steps		Step	1996-97 Bachelor	1997-98 Bachelor	Difference in Schedule 1996-97/1997-98		1996 Step	Increase for Individual (year 0 to year 1, etc.)	
0	\$ 21,330			\$ 22,150			0	\$ 21,330	\$ 22,150	\$ 820	3.8%	0	\$ 1,240	5.8%
1	\$ 21,750	\$ 420	2.0%	\$ 22,570	\$ 420	1.9%	1	\$ 21,750	\$ 22,570	\$ 820	3.8%	1	\$ 1,250	5.7%
2	\$ 22,180	\$ 430	2.0%	\$ 23,000	\$ 430	1.9%	2	\$ 22,180	\$ 23,000	\$ 820	3.7%	2	\$ 2,180	9.8%
3	\$ 23,060	\$ 880	4.0%	\$ 24,360	\$ 1,360	5.9%	3	\$ 23,060	\$ 24,360	\$ 1,300	5.6%	3	\$ 1,890	8.2%
4	\$ 23,530	\$ 470	2.0%	\$ 24,950	\$ 590	2.4%	4	\$ 23,530	\$ 24,950	\$ 1,420	6.0%	4	\$ 1,900	8.1%
5	\$ 24,010	\$ 480	2.0%	\$ 25,430	\$ 480	1.9%	5	\$ 24,010	\$ 25,430	\$ 1,420	5.9%	5	\$ 1,910	8.0%
6	\$ 24,500	\$ 490	2.0%	\$ 25,920	\$ 490	1.9%	6	\$ 24,500	\$ 25,920	\$ 1,420	5.8%	6	\$ 1,910	7.8%
7	\$ 24,990	\$ 490	2.0%	\$ 26,410	\$ 490	1.9%	7	\$ 24,990	\$ 26,410	\$ 1,420	5.7%	7	\$ 2,150	8.6%
8	\$ 25,480	\$ 490	2.0%	\$ 27,140	\$ 730	2.8%	8	\$ 25,480	\$ 27,140	\$ 1,660	6.5%	8	\$ 2,160	8.5%
9	\$ 25,980	\$ 500	2.0%	\$ 27,640	\$ 500	1.8%	9	\$ 25,980	\$ 27,640	\$ 1,660	6.4%	9	\$ 2,180	8.4%
10	\$ 26,500	\$ 520	2.0%	\$ 28,160	\$ 520	1.9%	10	\$ 26,500	\$ 28,160	\$ 1,660	6.3%	10	\$ 2,190	8.3%
11	\$ 27,030	\$ 530	2.0%	\$ 28,690	\$ 530	1.9%	11	\$ 27,030	\$ 28,690	\$ 1,660	6.1%	11	\$ 2,200	8.1%
12	\$ 27,570	\$ 540	2.0%	\$ 29,230	\$ 540	1.9%	12	\$ 27,570	\$ 29,230	\$ 1,660	6.0%	12	\$ 2,210	8.0%
13	\$ 28,120	\$ 550	2.0%	\$ 29,780	\$ 550	1.9%	13	\$ 28,120	\$ 29,780	\$ 1,660	5.9%	13	\$ 2,220	7.9%
14	\$ 28,680	\$ 560	2.0%	\$ 30,340	\$ 560	1.9%	14	\$ 28,680	\$ 30,340	\$ 1,660	5.8%	14	\$ 2,230	7.8%
15	\$ 29,250	\$ 570	2.0%	\$ 30,910	\$ 570	1.9%	15	\$ 29,250	\$ 30,910	\$ 1,660	5.7%	15	\$ 2,240	7.7%
16	\$ 29,830	\$ 580	2.0%	\$ 31,490	\$ 580	1.9%	16	\$ 29,830	\$ 31,490	\$ 1,660	5.6%	16	\$ 2,260	7.6%
17	\$ 30,430	\$ 600	2.0%	\$ 32,090	\$ 600	1.9%	17	\$ 30,430	\$ 32,090	\$ 1,660	5.5%	17	\$ 2,270	7.5%
18	\$ 31,040	\$ 610	2.0%	\$ 32,700	\$ 610	1.9%	18	\$ 31,040	\$ 32,700	\$ 1,660	5.3%	18	\$ 2,290	7.4%
19	\$ 31,670	\$ 630	2.0%	\$ 33,330	\$ 630	1.9%	19	\$ 31,670	\$ 33,330	\$ 1,660	5.2%	19	\$ 2,290	7.2%
20	\$ 32,300	\$ 630	2.0%	\$ 33,960	\$ 630	1.9%	20	\$ 32,300	\$ 33,960	\$ 1,660	5.1%	20	\$ 2,300	7.1%
21	\$ 32,940	\$ 640	2.0%	\$ 34,600	\$ 640	1.9%	21	\$ 32,940	\$ 34,600	\$ 1,660	5.0%	21	\$ 2,310	7.0%
22	\$ 33,590	\$ 650	2.0%	\$ 35,250	\$ 650	1.9%	22	\$ 33,590	\$ 35,250	\$ 1,660	4.9%	22	\$ 2,330	6.9%
23	\$ 34,260	\$ 670	2.0%	\$ 35,920	\$ 670	1.9%	23	\$ 34,260	\$ 35,920	\$ 1,660	4.8%	23	\$ 2,350	6.9%
24	\$ 34,950	\$ 690	2.0%	\$ 36,610	\$ 690	1.9%	24	\$ 34,950	\$ 36,610	\$ 1,660	4.7%	24	\$ 2,360	6.8%
25	\$ 35,650	\$ 700	2.0%	\$ 37,310	\$ 700	1.9%	25	\$ 35,650	\$ 37,310	\$ 1,660	4.7%	25	\$ 2,370	6.6%
26	\$ 36,360	\$ 710	2.0%	\$ 38,020	\$ 710	1.9%	26	\$ 36,360	\$ 38,020	\$ 1,660	4.6%	26	\$ 2,390	6.6%
27	\$ 37,090	\$ 730	2.0%	\$ 38,750	\$ 730	1.9%	27	\$ 37,090	\$ 38,750	\$ 1,660	4.5%	27	\$ 2,400	6.5%
28	\$ 37,830	\$ 740	2.0%	\$ 39,490	\$ 740	1.9%	28	\$ 37,830	\$ 39,490	\$ 1,660	4.4%	28	\$ 1,660	4.4%
29	\$ 38,590	\$ 760	2.0%	\$ 39,490	\$ -	0.0%	29	\$ 38,590	\$ 39,490	\$ 900	2.3%	29	\$ 900	2.3%
30+	\$ 38,590	\$ -	0.0%	\$ 39,490	\$ -	0.0%	30+	\$ 38,590	\$ 39,490	\$ 900	2.3%	30+	\$ 900	2.3%

Teacher Salary Schedule Comparisons -- 1996-97 to 2000-01

Years of Exper.	1996-97 Bachelor	Difference Between Steps		2000-01 Bachelor	Difference Between Steps		Step	1996-97 Bachelor	2000-01 Bachelor	Difference in Schedule 1996-97/2000-01		1996 Step	Increase for Individual (year 0 to year 4, etc.)	
0	\$ 21,330			\$ 25,000			0	\$ 21,330	\$ 25,000	\$ 3,670	17.2%	0	\$ 8,770	41.1%
1	\$ 21,750	\$ 420	2.0%	\$ 25,420	\$ 420	1.7%	1	\$ 21,750	\$ 25,420	\$ 3,670	16.9%	1	\$ 8,830	40.6%
2	\$ 22,180	\$ 430	2.0%	\$ 25,850	\$ 430	1.7%	2	\$ 22,180	\$ 25,850	\$ 3,670	16.5%	2	\$ 8,890	40.1%
3	\$ 23,060	\$ 880	4.0%	\$ 29,050	\$ 3,200	12.4%	3	\$ 23,060	\$ 29,050	\$ 5,990	26.0%	3	\$ 8,500	36.9%
4	\$ 23,530	\$ 470	2.0%	\$ 30,100	\$ 1,050	3.6%	4	\$ 23,530	\$ 30,100	\$ 6,570	27.9%	4	\$ 9,680	41.1%
5	\$ 24,010	\$ 480	2.0%	\$ 30,580	\$ 480	1.6%	5	\$ 24,010	\$ 30,580	\$ 6,570	27.4%	5	\$ 9,700	40.4%
6	\$ 24,500	\$ 490	2.0%	\$ 31,070	\$ 490	1.6%	6	\$ 24,500	\$ 31,070	\$ 6,570	26.8%	6	\$ 9,730	39.7%
7	\$ 24,990	\$ 490	2.0%	\$ 31,560	\$ 490	1.6%	7	\$ 24,990	\$ 31,560	\$ 6,570	26.3%	7	\$ 9,770	39.1%
8	\$ 25,480	\$ 490	2.0%	\$ 33,210	\$ 1,650	5.2%	8	\$ 25,480	\$ 33,210	\$ 7,730	30.3%	8	\$ 9,820	38.5%
9	\$ 25,980	\$ 500	2.0%	\$ 33,710	\$ 500	1.5%	9	\$ 25,980	\$ 33,710	\$ 7,730	29.8%	9	\$ 9,870	38.0%
10	\$ 26,500	\$ 520	2.0%	\$ 34,230	\$ 520	1.5%	10	\$ 26,500	\$ 34,230	\$ 7,730	29.2%	10	\$ 9,910	37.4%
11	\$ 27,030	\$ 530	2.0%	\$ 34,760	\$ 530	1.5%	11	\$ 27,030	\$ 34,760	\$ 7,730	28.6%	11	\$ 9,950	36.8%
12	\$ 27,570	\$ 540	2.0%	\$ 35,300	\$ 540	1.6%	12	\$ 27,570	\$ 35,300	\$ 7,730	28.0%	12	\$ 9,990	36.2%
13	\$ 28,120	\$ 550	2.0%	\$ 35,850	\$ 550	1.6%	13	\$ 28,120	\$ 35,850	\$ 7,730	27.5%	13	\$ 10,040	35.7%
14	\$ 28,680	\$ 560	2.0%	\$ 36,410	\$ 560	1.6%	14	\$ 28,680	\$ 36,410	\$ 7,730	27.0%	14	\$ 10,090	35.2%
15	\$ 29,250	\$ 570	2.0%	\$ 36,980	\$ 570	1.6%	15	\$ 29,250	\$ 36,980	\$ 7,730	26.4%	15	\$ 10,150	34.7%
16	\$ 29,830	\$ 580	2.0%	\$ 37,560	\$ 580	1.6%	16	\$ 29,830	\$ 37,560	\$ 7,730	25.9%	16	\$ 10,200	34.2%
17	\$ 30,430	\$ 600	2.0%	\$ 38,160	\$ 600	1.6%	17	\$ 30,430	\$ 38,160	\$ 7,730	25.4%	17	\$ 10,240	33.7%
18	\$ 31,040	\$ 610	2.0%	\$ 38,770	\$ 610	1.6%	18	\$ 31,040	\$ 38,770	\$ 7,730	24.9%	18	\$ 10,280	33.1%
19	\$ 31,670	\$ 630	2.0%	\$ 39,400	\$ 630	1.6%	19	\$ 31,670	\$ 39,400	\$ 7,730	24.4%	19	\$ 10,320	32.6%
20	\$ 32,300	\$ 630	2.0%	\$ 40,030	\$ 630	1.6%	20	\$ 32,300	\$ 40,030	\$ 7,730	23.9%	20	\$ 10,380	32.1%
21	\$ 32,940	\$ 640	2.0%	\$ 40,670	\$ 640	1.6%	21	\$ 32,940	\$ 40,670	\$ 7,730	23.5%	21	\$ 10,440	31.7%
22	\$ 33,590	\$ 650	2.0%	\$ 41,320	\$ 650	1.6%	22	\$ 33,590	\$ 41,320	\$ 7,730	23.0%	22	\$ 9,790	29.1%
23	\$ 34,260	\$ 670	2.0%	\$ 41,990	\$ 670	1.6%	23	\$ 34,260	\$ 41,990	\$ 7,730	22.6%	23	\$ 9,120	26.6%
24	\$ 34,950	\$ 690	2.0%	\$ 42,680	\$ 690	1.6%	24	\$ 34,950	\$ 42,680	\$ 7,730	22.1%	24	\$ 8,430	24.1%
25	\$ 35,650	\$ 700	2.0%	\$ 43,380	\$ 700	1.6%	25	\$ 35,650	\$ 43,380	\$ 7,730	21.7%	25	\$ 7,730	21.7%
26	\$ 36,360	\$ 710	2.0%	\$ 43,380	\$ -	0.0%	26	\$ 36,360	\$ 43,380	\$ 7,020	19.3%	26	\$ 7,020	19.3%
27	\$ 37,090	\$ 730	2.0%	\$ 43,380	\$ -	0.0%	27	\$ 37,090	\$ 43,380	\$ 6,290	17.0%	27	\$ 6,290	17.0%
28	\$ 37,830	\$ 740	2.0%	\$ 43,380	\$ -	0.0%	28	\$ 37,830	\$ 43,380	\$ 5,550	14.7%	28	\$ 5,550	14.7%
29	\$ 38,590	\$ 760	2.0%	\$ 43,380	\$ -	0.0%	29	\$ 38,590	\$ 43,380	\$ 4,790	12.4%	29	\$ 4,790	12.4%
30+	\$ 38,590	\$ -	0.0%	\$ 43,380	\$ -	0.0%	30+	\$ 38,590	\$ 43,380	\$ 4,790	12.4%	30+	\$ 4,790	12.4%

The following additional amounts (totaling 1.5% of the 8% funding recommended for teachers) are provided to teachers within the 8% funds and are NOT a part of the teacher salary schedule, although these increases will contribute to increasing the average state teacher salary toward the national average.

FUNDING FOR TEACHER SPECIAL ASSIGNMENTS

\$3.5 million

EXTRA PAY FOR MENTOR TEACHERS

Provide each newly certified teacher with a qualified and well-trained mentor.

Compensate each mentor for serving as a mentor prior to and during the school year.

(a) During the school year:

ADD ON to teacher salary schedule - an additional \$100/mo. + benefits x 10 mos. x 2,700 newly certified teachers (one mentor for each newly certified teacher) = \$3,198,960

+

(b) Before the school year:

\$100/day STIPEND + benefits for one day prior to school starting x 2,700 teachers (one mentor for each newly certified teacher) = \$319,896

\$.8 million

EXTRA PAY FOR NEW TEACHER DEVELOPMENT

Compensate every newly certified teacher for 3 additional days of employment for orientation and classroom preparation.

\$71/day + benefits x 3 days x 2,700 newly certified teachers = \$.8 million

\$6.8 million

EXTRA PAY FOR PROFESSIONAL DEVELOPMENT

Provide funds for teachers' participation in professional development related to standards and accountability consistent with the State Board of Education policies.

\$6.8 million will buy up to 55,000 teacher days in 1997-98. The number of days is based on the estimated average teacher salary for 1997-98

\$5.0 million

EXTRA PAY FOR EXTRA DAYS

Provide funds to utilize the teacher workdays within the school calendar for planning, staff development, remediation, and other purposes. These funds shall be used to pay teachers for working on, and thereby forfeiting, vacation days.

\$5.0 million will buy up to 40,650 teacher days in 1997-98. The number of days is based on the estimated average teacher salary for 1997-98.

\$1.9 million

ADDITIONAL PAY FOR TEACHERS WITH ADDITIONAL RESPONSIBILITIES (Extra Pay for Extra Days or Partial Days)

Provide funds for additional assignments and responsibilities outside of the school calendar, such as teaching after school or Saturday academies for students at risk of academic failure, developing curriculum, etc.

\$1.9 million will buy up to 15,450 teacher days in 1997-98. The number of days is based on the estimated average teacher salary for 1997-98.

OTHER ADDITIONAL AMOUNTS PROVIDED TO TEACHERS
--

\$7.2 million

DEFERRED COMPENSATION

Provide \$2,500 for teachers who have completed 8 years of service, to be distributed upon completion of 13 years of service. The employee will have the option of withdrawing the \$2,500 + interest in a lump sum or leaving the money in a deferred status for collection at the time of retirement. If the employee fails to complete the five additional years of service, eligibility for the funds is forfeited.

4/1/97

\$12.9 million

ONE-TIME BONUSES

For those educators who have recently passed the 8 years of service and are therefore ineligible for the \$2,500 deferred compensation, one-time bonuses are provided as follows for 1997-98 ONLY: after 9 years - \$2,000; 10 years - \$1,500; 11 years - \$1,000; 12 years - \$500.

\$38.1 million or 1.5%

MINUTES
SENATE APPROPRIATIONS COMMITTEE
EDUCATION/HIGHER EDUCATION SUBCOMMITTEE
APRIL 3, 1997

The Senate Appropriations Committee Education/Higher Education Subcommittee met on April 3, 1997 in Room 414 Legislative Office Building at 10:00 a.m. Senator Lee presided.

Before the Committee were the following bills for explanation only:

SB 532, Cooperative Fisheries Funds and
SB 533, Fish Hatchery Research Funds were explained by the sponsor, Senator Albertson.

SB 547, Cued Speech Funds, was explained by the sponsor, Senator Miller.

SB 467, Parental Savings Trust Funds, was explained by Senator Hartsell, sponsor.

SB 344, School Violence Funds, was explained by the sponsor, Senator Reeves.

SB 99, NC Botanical Garden Funds and
SB 298, English As A Second Language Funds were explained by the sponsor, Senator Lee.

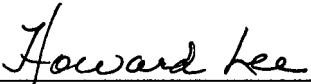
SB 144, Community College Scholarship Program and
SB 222, Low Wealth School Supp. Funds, were explained by the sponsor, Senator Rand.

SB 405, Law Enforcement Management Program Funds was presented by Senator Lee in the absence of Senator Plyler.

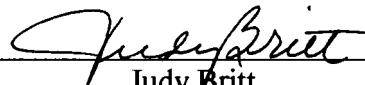
SB 80, UNC Alcohol Studies Fund, was not considered in the absence of Senator Plyler.

SB 415, Incentives/College Work in H.S., was presented by the sponsor Senator Foxx.

SB 139, Environmental Education Trust Fund,
SB 369, DARE/DART Program Expansion, and
SB 136, Natural Resources Leadership Funds were not considered in the absence of the sponsor Senator Odom.



Senator Howard Lee
Committee Chairman



Judy Britt
Committee Clerk

SENATE APPROPRIATIONS SUBCOMMITTEE

ON EDUCATION

APRIL 3, 1997

AGENDA

Presentation by the sponsor on the following bills:

✓SB 532	Cooperative Fisheries Funds	Albertson
✓SB 533	Fish Hatchery Research Funds	Albertson
✓SB 415	Incentives/College Work in H.S.	Foxx
SB 274	Charter School Start-Up Funds	Gulley
✓SB 467	Parental Savings Trust Funds	Hartsell
✓SB 99	NC Botanical Garden Funds	Lee
✓SB 298	English As A Second Language Funds	Lee
✓SB 547	Cued Speech Funds	Miller
SB 139	Environmental Education Trust Fund	Odom
SB 369	DARE/DART Program Expansion	Odom
SB 136	Natural Resources Leadership Funds	Odom
SB 80	UNC Alcohol Studies Fund	Plyler
✓SB 405	Law Enforcement Management Program Funds	Plyler
✓SB 144	Community College Scholarship Program	Rand
✓SB 222	Low Wealth School Supp. Funds	Rand
✓SB 344	School Violence Funds	Reeves
✗SB 215	State Board of Education Expansion Funds	Winner

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

1

SENATE BILL 532

Short Title: Fund Cooperative Fisheries/University Project.

(Public)

Sponsors: Senators Albertson; Dannelly, Gulley, Hoyle, Kerr, Martin of Pitt, Perdue, and Warren.

Referred to: Appropriations.

March 27, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A FISHERIES RESEARCH CENTER WITHIN THE
3 COOPERATIVE INSTITUTE FOR FISHERIES OCEANOGRAPHY OF THE
4 UNIVERSITY OF NORTH CAROLINA.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to the Board of
7 Governors of The University of North Carolina for the Cooperative Institute of
8 Fisheries Oceanography the sum of one hundred ten thousand dollars (\$110,000) in
9 recurring funds for the 1997-98 fiscal year for graduate and postgraduate stipends, to
10 initiate a cooperative effort between the Division of Marine Fisheries of the
11 Department of Environment, Health, and Natural Resources and the University
12 System on fisheries and water quality management.

13 Section 2. The Division of Marine Fisheries shall establish priorities for
14 fisheries and water quality projects on an annual basis in cooperation with university
15 fisheries scientists. Funding shall be consistent with those priorities.

16 Section 3. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

1

SENATE BILL 533

Short Title: Fund Fish Hatchery Research.

(Public)

Sponsors: Senators Albertson; Dannelly, Gulley, Hoyle, Kerr, Martin of Pitt, and Perdue.

Referred to: Appropriations.

March 27, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO THE BOARD OF GOVERNORS OF
3 THE UNIVERSITY OF NORTH CAROLINA TO FUND FISH HATCHERY
4 RESEARCH.
5 The General Assembly of North Carolina enacts:
6 Section 1. There is appropriated from the General Fund to the Board of
7 Governors of The University of North Carolina the sum of two hundred thousand
8 dollars (\$200,000) for the 1997-99 biennium for fish hatchery research for red drum
9 and flounder.
10 Section 2. This act becomes effective July 1, 1997.

VISITOR REGISTRATION SHEET

Appropriations Subcommittee
Name of Committee or Ed/Highest Ed

4-3-97
3-97
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Ann Belam</i>	<i>SBE</i>
<i>Cheryl</i>	<i>NCAEA</i>
<i>Phyllis</i>	<i>WCPS</i>
<i>Lee Adams</i>	<i>OSBM</i>
<i>Janet Pittard</i>	<i>OSBM</i>
<i>Dorothy Hunt</i>	<i>NCCCS</i>
<i>Karen Gark</i>	<i>Gov's Office</i>
<i>Alicia Hare</i>	<i>Public School Forum</i>
<i>Cecil Bond</i>	<i>NCAE</i>
<i>D. M. M.</i>	<i>Burton C.</i>
<i>Tim Maloney</i>	<i>NCAEU</i>

VISITOR REGISTRATION SHEET

Appropriations Subcommittee
Name of Committee or Ed./Higher Ed

4-3-97
3-3-97
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Hal Miller</i>	<i>DC AECT</i>
<i>LYNN STEPHENSON</i>	<i>Cued Speech Center</i>
<i>Frank Gray</i>	<i>Cued Speech Center</i>
<i>Walter B. Hite</i>	<i>UDC GA</i>
<i>Gray & Brown</i>	<i>EGHS</i>
<i>Lorne Kinner</i>	<i>EGHS</i>
<i>Kenn Byr</i>	<i>OSBM</i>
<i>Daniel Burt</i>	<i>"</i>
<i>Kay Drey</i>	<i>OSPR</i>
<i>Bob White</i>	<i>NCAE</i>
<i>Michael Stephens</i>	<i>Communities in Schools</i>

VISITOR REGISTRATION SHEET

Appropriations Subcommittee
Name of Committee or Ed/Highest Ed

4-3-97
3-3-97
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

DG Math

UNK

Carrie Brown

**SENATE APPROPRIATIONS SUBCOMMITTEE
ON EDUCATION**

April 10, 1997

UNC System's Expansion Budget

Jim Newlin

Community College System's
Expansion Budget

Charlotte Todd

Public School System's
Expansion Budget

Jim Johnson

SENATE APPROPRIATIONS SUBCOMMITTEE
ON EDUCATION

Thursday, April 10, 1997

MINUTES

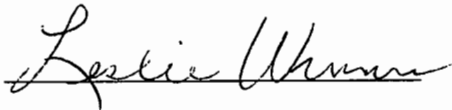
The Senate Appropriations Subcommittee on Education met on Thursday, April 10, 1997, at 8:30 A.M. in Room 414 of the Legislative Office Building. Five of the members of the Committee attended the meeting, including the Co-Chair, Senator Leslie Winner, who presided. She introduced Hillary Tildon, a page from Pittsboro, sponsored by Sen. Basnight.

Senator Winner introduced Mr. Jim Newlin of the Fiscal Research Staff, to present the UNC System's Expansion Budget. (See attachment 1).

Senator Winner introduced Ms. Charlotte Todd of the Fiscal Research Staff, to present the Community College System's Expansion Budget. (See attachment 2).

The Public School System's Expansion Budget was not discussed at this meeting.

The Committee was adjourned at 9:00 a.m.



Senator Leslie Winner, Co-Chair



Vickie Spears, Committee Clerk

The University of North Carolina
Schedule of Priorities
1997-99

Line	Budget Request for Current Operations	Board of Governors' Request		Governor's Recommendations		Senate Options	
		1997-98	1998-99	1997-98	1998-99	1997-98	1998-99
1.	Enrollment Changes	(\$1,895,403)	\$3,744,391	(\$1,895,403)	Non Add \$3,744,391	Base Budget	\$3,744,391
2.	Funding Equity	\$21,000,000	\$21,000,000	\$21,000,000		\$21,000,000	\$21,000,000
3.	Information Technology – Computing & Telecommunications	\$19,311,078	\$19,583,866			\$5,000,000	\$5,000,000
						\$1,200,000 NR	
4.	Libraries	\$12,803,652	\$11,782,276			\$4,000,000	\$4,000,000
5.	Rewarding Teaching Excellence	\$6,322,760	\$12,781,584	\$3,700,000 NR		\$3,161,380	\$3,161,380
6.	University Outreach to the Public Schools	\$5,466,101	\$5,978,301	\$1,900,000	\$1,900,000	\$1,785,000	\$1,185,000
7.	New Degree Programs	\$3,000,000	\$3,000,000	\$2,500,000	\$5,000,000	\$2,325,000	\$2,325,000
8.	Graduate Education and Research	\$9,103,699	\$9,103,699				
9.	Area Health Education Centers	\$4,000,000	\$4,000,000			\$2,750,000	\$2,750,000
10.	Administrative Support for New Processes	\$906,795	\$915,466			\$600,000	\$600,000
11.	Remove 2% Reversion Rate Requirement	no appropriations required					
12.	Distinguished Professors Endowment Trust Fund: State Matching Funds	\$2,000,000	\$2,000,000			\$3,500,000 NR	
13.	Interinstitutional Programs: Institute of Gerontology, NCSA Summer Institute, SEAA	\$1,981,875	\$2,100,201	\$250,000	\$250,000	\$700,000	\$700,000
	TOTAL	\$84,000,557	\$95,989,784				
	Agricultural Programs	\$6,000,000	\$6,000,000			\$500,000	\$500,000
	Additional Salary Increases			\$3,000,000	\$3,000,000		
	Isotope Study of Neuse and Cape Fear Rivers			\$1,500,000 NR		\$750,000 NR	
	NC School of Science & Mathematics	\$1,114,486	\$1,090,486				
	Related Educational Programs			\$7,864,668	\$7,864,668	\$7,864,668	\$7,864,668
	Manufacturing Extension Partnership			\$900,000 NR			
	Grand Total	\$91,115,043	\$103,080,270	\$36,514,668 R	\$42,759,059 R	\$49,186,048	\$48,586,048
				\$6,100,000 NR		\$5,450,000 NR	
				\$42,614,668		\$54,636,048	

ATTACHMENT 1

**University Outreach to the Public Schools: 97-99
Options**

	1997-98	1998-99
Univ/School Teacher Partnerships	\$1,800,000	\$1,800,000
NC Schools Leadership Academy	\$150,000	\$150,000
Early Math Placement Program: Projects savings on remediation in math	\$145,000	\$145,000
Principal Fellows: Fund 12 new fellowships to bring total in both classes to 162	\$240,000	\$240,000
Reading Together Program	\$50,000	\$50,000
Subtotal	\$2,385,000	\$2,385,000
Require 8 campuses to phase out funding for Educational Consortia to these higher priority needs	(\$600,000)	(\$1,200,000)
Total General Fund Costs	\$1,785,000	\$1,185,000

COMMUNITY COLLEGES:

	Senate:		Governor:	
	<u>FY 1997-98:</u>	<u>FY 1998-99:</u>	<u>FY 1997-98:</u>	<u>FY 1998-99:</u>
1. Enrollment Increase- Funds the enrollment increases for the community college system.	\$ 1,715,534 R	\$ 1,715,534 R	\$ -	\$ -
2. Occupational Extension- Enhance the occupational extension formula to provide more funds for job skill training courses. This raises the occupational extension unit value half way to the curriculum value and funds benefits for half of the occupational extension positions in the formula.	\$ 8,300,000 R	\$ 8,300,000 R	\$ -	\$ -
3. New and Expanding Industry Funds- These funds will provide money for customized training projects to attract new industry and to support training needs of existing industries that expand their workforce.	\$ 6,000,000 NR	\$ -	\$ 8,000,000 NR	\$ -
4. Equipment and Books- Funds for the purchase of additional equipment (\$10,000,000) and library books (\$1,950,000).	\$ 11,950,000 NR	\$ -	\$ 9,950,000 NR	\$ -
5. Reward Excellence in Community College Teaching- Non-recurring funds to provide a bonus to community college faculty who have demonstrated excellence in teaching. These funds equate to a .5% average salary increase for faculty.	\$ 1,300,000 NR	\$ -	\$ 1,300,000 NR	\$ -
6. Specialized Technology Centers- Additional funding for specialized technology centers in hosiery and the Center for Applied Textile Technology and some start-up for two additional centers.	\$ -	\$ -	\$ -	\$ 687,500 R
Recurring:	\$ 10,015,534	\$ 10,015,534	\$ -	\$ 687,500
Nonrecurring:	\$ 19,250,000	\$ -	\$ 19,250,000	
TOTAL:	\$ 29,265,534	\$ 10,015,534	\$ 19,250,000	\$ 687,500

VISITOR REGISTRATION SHEET

~~SENATE~~ APPROPRIATIONS/Education Subcommittee Thursday, April 10, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

David Brown

OSBM

Ben R.

2

MINUTES
SENATE APPROPRIATIONS COMMITTEE
EDUCATION/HIGHER EDUCATION SUBCOMMITTEE
APRIL 14, 1997

The Senate Appropriations Committee Education/Higher Education Subcommittee met on April 14, 1997 in Room 414 Legislative Office Building at 3:00 p.m. Senator Howard Lee presided.

Mr. Jim Newlin, Fiscal Research Analyst, reviewed the latest drafts of the continuation budget recommendations for the UNC System, which included special provisions, and explained the differences from previous drafts. (Attachment 1 of the record) On page 15, a change was made on line 8 by adding after the word "least" the words "one-third" and striking "one-half". The phrase was added to read "The Board of Governors shall find other funds to complete funding to public schools."

On a motion by Senator Hartsell, the Subcommittee on Education/Higher Education recommended the proposed budget as presented for the UNC System to the Senate Committee on Appropriations.

Ms. Charlotte Todd, Fiscal Research Analyst, reviewed the Community Colleges continuation budget recommendations. (Attachment 2 of the record) Ms. Todd explained that No. 48, Adjustment for Decline in Hospital Diploma Nursing, Page 1, should be deleted as a special provision (S010), page 8, had been added by the sponsor, Senator Hartsell. No. 50, Community Services Block Grant, would be increased to \$86,581 in each year of the biennium. In S007, on the first page 8, the date on line 4 would be October "1".

On a motion by Senator Dalton, the Subcommittee on Education/Higher Education recommended the proposed budget as presented for the Community Colleges to the Senate Committee on Appropriations.

The Public Education Budget was reviewed by Mr. Jim Johnson, Fiscal Research Analyst. (Attachment 3 of the record) Following discussion, Senator Garwood moved that the Public Education Budget recommendations be approved by the Subcommittee and sent to the Senate Committee on Appropriations for consideration. Motion carried.

Mr. Johnson stated that the special provisions for the Public Education Budget were not complete.

Minutes-Subcommittee on Education/Higher Education

April 14, 1997

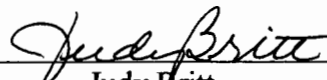
Page 2

Chairman Lee asked that the Subcommittee be on standby. The Chairman would request that other committee meetings be on hold so the Subcommittee could meet at 9:00 a.m. the following day to consider the Public School Budget special provisions.

The meeting was adjourned at 4:00 p.m.



Senator Howard Lee
Committee Chairman



Judy Britt
Committee Clerk

Senate Subcommittee on Education

UNC System

GENERAL FUND

Recommended Continuation Budget

FY 97-98

FY 98-99

\$1,418,358,030

\$1,425,342,510

Legislative Changes

A. Academic Campuses

22 Non-Academic Support

(\$3,594,742) R (\$3,644,100) R

Reduce non-academic budgets by 1% across the board (0.5% for Area Health Education Centers). Instruction and libraries are exempted from this reduction.

23 Overhead Receipts

(\$381,521) R (\$381,521) R

Revise overhead receipts estimates up to levels anticipated during 1996-97

24 UNC-Charlotte

(\$349,631) NR

Reduction in Reserve for New Buildings:
The library addition will be completed later than planned, and will be occupied in late 1997-98.

B. Schedule of Priorities

25 Enrollment Changes

(\$1,895,403) NR \$3,744,391 R
-59.20 61.00

Projected enrollment for 1997-98 is lower than the number of students budgeted for 1996-97 by 969 full-time equivalents (FTE); provides for an additional 925 fulltime equivalent students in second year of biennium, and to account for a shift to more in-state students.

26 Funding Equity

\$21,000,000 R \$21,000,000 R

Provides funding for 5 campuses (ASU, ECU, UNC-C, UNC-G, UNC-W) found to be relatively under funded compared to other campuses in a study conducted at the direction of the General Assembly

27 Information Technology

\$5,000,000 R \$5,000,000 R
\$1,200,000 NR

Improvements in computing and telecommunications, access to resources such as computer labs, library collections, distance learning, etc.

28 Libraries

\$4,000,000 R \$4,000,000 R

Improvements in library collections, services, and staffing; initial development of NC Virtual Library with community colleges and State Library.

29 Rewarding Teaching Excellence

\$3,161,380 R \$3,161,380 R

Provides 1/2% salary funds to reward excellent teachers among the teaching faculty. Awards are generally limited to 25% or less of those eligible.

Senate Subcommittee on Education

30 University Outreach to the Public Schools	\$1,785,000	R	\$1,185,000	
Funding to:				
a. Increase clinical experience for prospective teachers and involvement of classroom teachers;				
b. Increase number of Principal Fellows;				
c. Improve coordination of professional development programs for school professionals with priorities of State Board of Education;				
d. Implement Early Math Placement Program in high schools to improve math preparation.				
e. Support for "Reading Together", a tutorial program for second graders				
31 New Degree Programs	\$2,325,000	R	\$2,325,000	R
Funds to complete expansion of allied health initiatives in speech and language pathology and occupational and physical therapy, new doctoral programs at UNC-Charlotte, and other programs previously authorized for planning by the UNC Board of Governors.				
32 Area Health Education Centers	\$2,750,000	R	\$2,750,000	R
Funds will increase family medicine residencies and provide more community based training experiences for mid-level practitioners and pharmacy students				
33 Administrative Support for New Processes	\$600,000	R	\$600,000	
Improvements in data collection and analysis for assessment, evaluation, and budgeting purposes.				
34 Distinguished Professorships	\$3,500,000	NR		
Additional State matching funds for the establishment of endowed chairs for outstanding faculty. State funds are matched 2 for 1 by private dollars.				
35 Interinstitutional Programs	\$700,000	R	\$700,000	R
Funding for NC School of the Arts Summer Institute, Institute of Gerontology, and support for the State Education Assistance Authority				
	1.00		1.00	
C.Related Educational Programs				
36 Scholarship Fund Balances	(\$1,850,790)	NR		
Reduce appropriations and use accumulated cash balances in non-reverting trust funds due to cash repayments; revert balance in old scholarship fund				
37 Aid to Private Medical Schools	(\$329,000)	R	(\$365,000)	R
Continue assistance for same level of enrollments as actual numbers for 1996-97				
38 Board of Governors Dental Scholars	(\$43,696)	R	(\$52,332)	R
Hold inflationary increases to 3% annually				
39 Board of Governors Medical Scholars	(\$38,735)	R	(\$20,700)	R
Hold inflationary increases to 3% annually				

Senate Subcommittee on Education

40 Aid to Students Attending Private Colleges

\$7,864,668 R \$7,864,668 R

Increase Legislative Tuition Grant from \$1,300 to \$1,450 per year for each fulltime NC undergraduate; increase need-based scholarship funding from \$600 per fulltime equivalent (FTE) NC student to \$750 per NC FTE student.

D.Agricultural Programs

41 Agricultural Research

\$500,000 R \$500,000 R

Additional funding for enhancement of agricultural production and life sciences industries while sustaining and improving environmental quality

E.UNC Hospitals

42 UNC Hospitals Reduction

(\$3,610,860) R (\$3,610,860) R

Reduce UNC Hospitals General Fund operating support.

F.Studies

43 Isotope Study of Neuse and Cape Fear River Basins

\$1,500,000 NR

Funding to complete isotope study to identify sources of nitrogen in each river basin.

44 State Infrastructure Impact Study

\$75,000 NR

Funds to analyze the impact of State infrastructure policies and decisions on local governments ability to plan for growth and sustainable development

Total Legislative Changes

\$41,687,494 R \$44,755,926 R

\$2,179,176 NR

Position Changes

-58.20 62.00

Revised Budget

\$1,462,224,700 \$1,470,098,436

3

CODE NO. 97UNC-S001-P

Requested by: Senators Lee, Winner

WAKE FOREST AND DUKE MEDICAL SCHOOL ASSISTANCE/FUNDING FORMULA

1 Section @. Funds appropriated in this act to the Board
2 of Governors of The University of North Carolina for continuation
3 of financial assistance to the medical schools of Duke University
4 and Wake Forest University shall be disbursed on certifications
5 of the respective schools of medicine that show the number of
6 North Carolina residents as first-year, second-year, third-year,
7 and fourth-year students in each medical school as of November 1,
8 1997, and November 1, 1998. Disbursement to Wake Forest
9 University shall be made in the amount of eight thousand dollars
10 (\$8,000) for each medical student who is a North Carolina
11 resident, one thousand dollars (\$1,000) of which shall be placed
12 by the school in a fund to be used to provide financial aid to
13 needy North Carolina students who are enrolled in the medical
14 school. The maximum aid given to any student from this fund in a
15 given year may not exceed the amount of the difference in tuition
16 and academic fees charged by the school and those charged at the
17 School of Medicine at the University of North Carolina at Chapel
18 Hill.

19 Disbursement to Duke University shall be made in the
20 amount of five thousand dollars (\$5,000) for each medical student
21 who is a North Carolina resident, five hundred dollars (\$500.00)
22 of which shall be placed by the school in a fund to be used to
23 provide student financial aid to financially needy North Carolina
24 students who are enrolled in the medical school. No individual
25 student may be awarded assistance from this fund in excess of two
26 thousand dollars (\$2,000) each year. In addition to this basic
27 disbursement for each year of the biennium, a disbursement of one
28 thousand dollars (\$1,000) shall be made for each medical student
29 who is a North Carolina resident in the first-year, second-year,
30 third-year, and fourth-year classes to the extent that enrollment
31 of each of those classes exceeds 30 North Carolina students.

32 The Board of Governors shall establish the criteria for
33 determining the eligibility for financial aid of needy North
34 Carolina students who are enrolled in the medical schools and
35 shall review the grants or awards to eligible students. The
36 Board of Governors shall adopt rules for determining which
37 students are residents of North Carolina for the purposes of
38 these programs. The Board shall also make any regulations as
39 necessary to ensure that these funds are used directly

1 instruction in the medical programs of the schools and not for
2 religious or other nonpublic purposes. The Board shall encourage
3 the two schools to orient students toward primary care,
4 consistent with the directives of G.S. 143-613(a). The two
5 schools shall supply information necessary for the Board to
6 comply with G.S. 143-613(d).

Requested by: Senators Lee and Winner

AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE

1 Sec. @. (a) Funds appropriated in this act to the
2 Board of Governors of The University of North Carolina for aid to
3 private colleges shall be disbursed in accordance with the
4 provisions of G.S. 116-19, 116-21, and 116-22. These funds shall
5 provide up to seven hundred fifty dollars (\$750.00) per full-time
6 equivalent North Carolina undergraduate student enrolled at a
7 private institution as of October 1 each year.

8 These funds shall be placed in a separate, identifiable account
9 in each eligible institution's budget or chart of accounts. All
10 funds in this account shall be provided as scholarship funds for
11 needy North Carolina students during the fiscal year. Each
12 student awarded a scholarship from this account shall be notified
13 of the source of the funds and of the amount of the award. Funds
14 not utilized under G.S. 116-19 shall be for the tuition grant
15 program as defined in subsection (b) of this section.

16 (b) In addition to any funds appropriated pursuant to G.S.
17 116-19 and in addition to all other financial assistance made
18 available to private educational institutions located within the
19 State, or to students attending these institutions, there is
20 granted to each full-time North Carolina undergraduate student
21 attending an approved institution as defined in G.S. 116-22, a
22 sum, not to exceed one thousand four hundred fifty dollars
23 (\$1,450) per academic year, which shall be distributed to the
24 student as hereinafter provided.

25 The tuition grants provided for in this section shall be
26 administered by the State Education Assistance Authority pursuant
27 to rules adopted by the State Education Assistance Authority not
28 inconsistent with this section. The State Education Assistance
29 Authority shall not approve any grant until it receives proper
30 certification from an approved institution that the student
31 applying for the grant is an eligible student. Upon receipt of
32 the certification, the State Education Assistance Authority shall
33 remit at such times as it shall prescribe the grant to the
34 approved institution on behalf, and to the credit, of the
35 student.

36 In the event a student on whose behalf a grant has been paid is
37 not enrolled and carrying a minimum academic load as of the tenth
38 classroom day following the beginning of the school term for
39 which the grant was paid, the institution shall refund the full

1 amount of the grant to the State Education Assistance Authority.
2 Each approved institution shall be subject to examination by the
3 State Auditor for the purpose of determining whether the
4 institution has properly certified eligibility and enrollment of
5 students and credited grants paid on the behalf of the students.

6 In the event there are not sufficient funds to provide each
7 eligible student with a full grant:

8 (1) The Board of Governors of The University of North
9 Carolina, with the approval of the Office of State
10 Budget and Management, may transfer available funds
11 to meet the needs of the programs provided by
12 subsections (a) and (b) of this section; and

13 (2) Each eligible student shall receive a pro rata
14 share of funds then available for the remainder of
15 the academic year within the fiscal period covered
16 by the current appropriation.

17 Any remaining funds shall revert to the General Fund.

18 (c) Expenditures made pursuant to this section may be used
19 only for secular educational purposes at nonprofit institutions
20 of higher learning. Expenditures made pursuant to this section
21 shall not be used for any student who:

22 (1) Is incarcerated in a State or federal correctional
23 facility for committing a Class A, B, B1, or B2
24 felony; or

25 (2) Is incarcerated in a State or federal correctional
26 facility for committing a Class C through I felony
27 and is not eligible for parole or release within 10
28 years.

29 (d) The State Education Assistance Authority shall document
30 the number of full-time equivalent North Carolina undergraduate
31 students that are enrolled in off-campus programs and the State
32 funds collected by each institution pursuant to G.S. 116-19 for
33 those students. The State Education Assistance Authority shall
34 also document the number of scholarships and the amount of the
35 scholarships that are awarded under G.S. 116-19 to students
36 enrolled in off-campus programs. An 'off-campus program' is any
37 program offered for degree credit away from the institution's
38 main permanent campus.

39 The State Education Assistance Authority shall include in its
40 annual report to the Joint Legislative Education Oversight
41 Committee the information it has compiled and its findings
42 regarding this program.

43

CODE NO. 97UNC-S003-P

Requested by: Senators Lee, Winner

**AID TO STUDENTS ATTENDING PRIVATE COLLEGES/LEGISLATIVE TUITION
GRANT LIMITATIONS**

1 Section @. (a) No Legislative Tuition Grant funds
2 shall be expended for a program at an off-campus site of a
3 private institution, as defined in G.S. 116-22(1), established
4 after May 15, 1987, unless (i) the private institution offering
5 the program has previously notified and secured agreement from
6 other private institutions operating degree programs in the
7 county in which the off-campus program is located or operating in
8 the counties adjacent to that county or (ii) the degree program
9 is neither available nor planned in the county with the off-
10 campus site or in the counties adjacent to that county.

11 An "off-campus program" is any program offered for
12 degree credit away from the institution's main permanent campus.

13 (b) Any member of the armed services as defined in G.S.
14 116-143.3(a), abiding in this State incident to active military
15 duty, who does not qualify as a resident for tuition purposes as
16 defined under G.S. 116-143.1, is eligible for a Legislative
17 Tuition Grant pursuant to this section if the member is enrolled
18 as a full-time student. The member's Legislative Tuition Grant
19 shall not exceed the cost of tuition less any tuition assistance
20 paid by the member's employer.

CODE NO. 97UNC-S004

Requested by: Senators Lee and Winner

DISTINGUISHED PROFESSORS ENDOWMENT TRUST FUND

1 Section @.G.S. 116-41.18(a) reads as rewritten:
2 "(a) Each constituent institution that receives, through
3 private gifts and an allocation by the Board of Governors, funds
4 for the purpose shall, under procedures established by rules of
5 the Board of Governors and the board of trustees of the
6 constituent institution, select a holder of the Distinguished
7 Professorship. Once given, that designation shall be retained by
8 the distinguished professor as long as he remains in the full-
9 time service of the ~~institution.~~ institution as a faculty member,
10 or for more limited lengths of time when authorized by the Board
11 of Governors and the board of trustees at the institution when
12 the Distinguished Professorship is originally established or
13 vacated. When a distinguished professorship becomes vacant, it
14 shall remain assigned to the institution and another
15 distinguished professor shall be selected under procedures
16 established by rules of the Board of Governors and the board of
17 trustees of the constituent institution."

CODE NO. 97UNC-S005

Requested by: Senator Lee

UNC EQUITY FUNDS

1 Section @. The funds appropriated to the Board of
2 Governors of The University of North Carolina for equity funds
3 are to address relative inequities revealed through a study of
4 the constituent institutions in the university system. The
5 General Assembly notes that the study dealt with equity based
6 upon current funding from State appropriations and tuition and
7 did not consider historical equity in funding for physical
8 facilities, or funding from non-state sources. Therefore, in
9 making this appropriation the General Assembly has not concluded
10 that the funding of any institution, including specifically the
11 historically black universities, is sufficient in light of all
12 considerations.

13

CODE NO. 97UNC-S006

Requested by: Senators Lee and Winner

UNC CAPITAL FACILITIES EQUITY STUDY

1 Section @. The Board of Governors of The University of
2 North Carolina shall study the relative equity and adequacy of
3 the physical facilities of its constituent institutions. The
4 study shall consider the condition of the facilities, whether or
5 not facilities are comparable among the campuses given the
6 different missions of the institutions, comparable adequacy of
7 the physical facilities given the size of the school, and such
8 other factors deemed appropriate by the Board of Governors. The
9 study shall include all facilities contributing to the
10 accomplishment of the campuses' missions, including academic,
11 administrative, research, residential, dining, and other
12 facilities.
13 The Board of Governors shall report to the General Assembly by
14 May 1, 1998, with the results of its study. The report shall
15 include recommendations to rectify any inequities or inadequacies
16 found in the study. The Board of Governors shall consider its
17 policies on funding of self-liquidating projects and whether
18 those policies contribute to any inequities among the campuses.

CODE NO. 97UNC-S007

Requested by: Senators Lee and Winner

MANUFACTURING EXTENSION PARTNERSHIP

1 Section @. There is appropriated from the overhead
2 receipts special fund code at North Carolina State University,
3 the sum of nine hundred thousand dollars (\$900,000) for the 1997-
4 98 fiscal year to match additional federal funds for the
5 Manufacturing Extension Partnership Program.

Requested by: Senators Lee and Winner

MILITARY RESIDENCY/UNC TUITION

1 Section @. G.S. 116-4.3(b) reads as rewritten:
2 "(b) Any member of the armed services qualifying for admission
3 to an institution of higher education as defined in G.S.
4 116-143.1(a)(3) but not qualifying as a resident for tuition
5 purposes under G.S. 116-143.1 shall be charged the out-of-State
6 tuition rate; provided, that the out- of-State tuition shall be
7 forgiven to the extent that the out-of-State tuition rate exceeds
8 any amounts payable to the institution or the service member by
9 the service member's employer by reason of enrollment pursuant to
10 such admission while the member is abiding in this State incident
11 to active military duty, plus the amount that represents the
12 percentage of the out-of-State tuition rate paid to the
13 institution or the service member by the service member's
14 employer multiplied by the in-State tuition rate and then
15 subtracted from the in-State tuition rate. Any member of the
16 armed services who does not qualify for any payment by the
17 member's employer shall be classified as a resident for tuition
18 purposes and shall pay the full amount of the in-state tuition
19 rate."

CODE NO. 97UNC-S009

Requested by: Senators Lee and Winner

UNC OVERHEAD RECEIPT FLEXIBILITY

1 Section @. G.S. 116-30.2 reads as rewritten:
2 "§ 116-30.2. Appropriations to special responsibility
3 constituent institutions.
4 All General Fund appropriations made by the General Assembly
5 for continuing operations of a special responsibility constituent
6 institution of The University of North Carolina shall be made in
7 the form of a single sum to each budget code of the institution
8 for each year of the fiscal period for which the appropriations
9 are being made. Notwithstanding G.S. 143-23(a1), G.S. 143-
10 23(a2), and G.S. 143-23(a3) and G.S. 120-76(8), each special
11 responsibility constituent institution may expend monies from the
12 overhead receipts special fund budget code and the General Fund
13 monies so appropriated to it in the manner deemed by the
14 Chancellor to be calculated to maintain and advance the programs
15 and services of the institutions, consistent with the directives
16 and policies of the Board of Governors. The preparation,
17 presentation, and review of General Fund budget requests of
18 special responsibility constituent institutions shall be
19 conducted in the same manner as are requests of other constituent
20 institutions. The quarterly allotment procedure established
21 pursuant to G.S. 143-17 shall apply to the General Fund
22 appropriations made for the current operations of each special
23 responsibility constituent institution. All General Fund monies
24 so appropriated to each special responsibility constituent
25 institution shall be recorded, reported, and audited in the same
26 manner as are General Fund appropriations to other constituent
27 institutions."

CODE NO. 97UNC-S010

Requested by: Senators Lee and Winner

UNC ASSISTANCE TO PUBLIC SCHOOLS

1 Section @. Funding in this act is provided to the Board
2 of Governors of The University of North Carolina for several
3 initiatives to work cooperatively with the public schools to
4 improve public education in North Carolina. The Board of
5 Governors shall redirect the funding provided for educational
6 consortia at eight constituent institutions to these initiatives
7 requested for the 1997-99 biennium. The Board of Governors
8 shall redirect at least ~~one-half~~ of the consortia appropriations
9 during 1997-98 and the balance of the 1998-99 fiscal year toward
10 these efforts.

one-third

*The Bd of Gov. shall find other funds to
complete funding to public schools*

CODE NO. 97UNC-S011

Requested by: Senators Lee and Winner

AREA HEALTH EDUCATION CENTERS FUNDING

1 Section @. Of the funds appropriated in this act to the
2 Board of Governors of The University of North Carolina, the sum
3 of two million seven hundred fifty thousand dollars (\$2,750,000)
4 for the 1997-98 fiscal year and the sum of two million seven
5 hundred fifty thousand dollars (\$2,750,000) for the 1998-99
6 fiscal year shall be allocated to the Area Health Education
7 Centers programs for continuation of the restructuring of
8 educational programs for health care professionals. Of these
9 funds, sufficient funds shall be allocated to the Cabarrus Family
10 Medicine Residency Program to provide assistance comparable to
11 other family medicine residency slots for sixteen residencies.
12 The Cabarrus Family Medicine Residency Program shall provide all
13 information required by the University of North Carolina Board of
14 Governors to comply with the reporting requirements of G.S. 143-
15 613.

CODE NO. 97UNC-S012

Requested by: Senators Lee and Winner

UNC LIBRARIES FUNDING

1 Section @. Of the funds appropriated to the Board of
2 Governors of the University of North Carolina in this act, the
3 sum of four million dollars (\$4,000,000) shall be allocated each
4 year of the biennium for enhancement of libraries for the
5 constituent institutions. Of this amount, at least one million
6 two hundred thousand dollars (\$1,200,000) each year shall be used
7 for the development of the NC-LIVE project, a cooperative effort
8 of The University of North Carolina, the Department of Community
9 Colleges, and the State Library of North Carolina designed to
10 improve access to information resources across the State and to
11 reduce the duplication of expenditures for library resources.

Requested by: Senators Lee and Winner

COOPERATIVE EXTENSION SERVICE

1 Section @. (a) The Joint Legislative Education
2 Oversight Committee and the Board of Governors of The University
3 of North Carolina shall undertake a joint review and study of the
4 role, funding, personnel resources, programs and other aspects of
5 the Cooperative Extension Services of The University of North
6 Carolina given the changing nature of the agricultural base of
7 the State.

8 (b) The study shall consider all of the following:

9 (1) The role of cooperative extension services in the
10 environmental aspects of agricultural activities
11 and other activities.

12 (2) The reduced or increased needs for various current
13 extension services due to changes in the State's
14 agricultural base.

15 (3) The top priority needs of the State and whether or
16 not current cooperative extension services are
17 aligned with those needs.

18 (4) The duplication, if any, of cooperative extension
19 services with services offered by other entities.

20 (c) The Joint Legislative Education Oversight Committee and the
21 Board of Governors may appoint a subcommittee to work
22 cooperatively on this study. The Chairs of the Joint Legislative
23 Education Oversight Committee shall designate one member of the
24 Subcommittee to serve as a cochair and the Chair of the Board of
25 Governors shall designate one member of the Subcommittee to serve
26 as a cochair.

27 (d) The Subcommittee shall meet at such times and places as the
28 Subcommittee Cochairs designate. The facilities of the State
29 Legislative Building and the Legislative Office Building shall be
30 available to the Subcommittee subject to the approval of the
31 Legislative Services Commission. The facilities of the
32 University system shall also be available to the Subcommittee.

33 (e) Subject to the approval of the Legislative Services
34 Commission, the staff resources of the Legislative Services
35 Commission shall be available to the Subcommittee without cost
36 except for travel, subsistence, supplies, and materials. Subject
37 to the approval of the Board of Governors, the staff resources of
38 the Board of Governors shall also be available to the
39 Subcommittee without cost except for travel, subsistence,

1 supplies, and materials which shall be the expense of the Board
2 of Governors.

3 (f) The Joint Legislative Education Oversight Committee and the
4 Board of Governors shall report their findings to the General
5 Assembly by May 1, 1998.

19

CODE NO. 97UNC-S014

Requested by: Senators Lee and Winner

REVIEW OF LAND USE REGULATION

1 Section @. Of the funds appropriated in this act to the
2 Board of Governors of The University of North Carolina, the sum
3 of seventy-five thousand dollars (\$75,000) shall be allocated for
4 the 1997-98 fiscal year to the University of North Carolina at
5 Chapel Hill for the Center for Urban and Regional Studies to
6 conduct an analysis of the impact of State infrastructure
7 programs, including funding and funding methods, on local
8 governments. The analysis shall also consider the ability of
9 local governments to develop and implement plans for sustainable
10 development and to fully utilize their planning and regulatory
11 authorities to guide development and balanced growth and how
12 these authorities are impacted by State infrastructure decisions.
13 The Departments of Transportation, Commerce, and Environment,
14 Health, and Natural Resources and other State agencies shall
15 provide assistance and information as requested and shall
16 cooperate with the Center in conducting this analysis. The
17 analysis shall be provided by April 30, 1998, to the Office of
18 the Governor, the Chairs of the House of Representatives and
19 Senate Committees on Appropriations, the Environmental Review
20 Commission, and the Joint Legislative Commission on Governmental
21 Operations, with a copy to the Fiscal Research Division of the
22 General Assembly.

CODE NO. 97UNC-S015

Requested by: Senators Lee and Winner

SCHOLARSHIP FUND BALANCES

1 Section @. The remaining balances in the Social Worker
2 Education Loan Fund shall be transferred to the Nurse Scholars
3 Scholarship Fund account to implement the budget reductions in
4 that program.

CODE NO. 97UNC-S016

Requested by: Senator Perdue

UNIVERSITY FIRE SAFETY COSTS LIMITED

- 1 Sec. @. G.S. 116-44.7 reads as rewritten:
- 2 "**§ 116-44.7. Exemption from certain fees and charges.**
- 3 No water system serving a residence hall or fraternity or
- 4 sorority housing shall levy or collect any water-meter fee,
- 5 water-hydrant fee, tap fee, or similar service fee on a residence
- 6 hall or fraternity or sorority house with respect to supporting a
- 7 supplemental fire safety protection system in excess of the
- 8 ~~actual~~ marginal cost to the water system to support the fire
- 9 safety protection system."

CODE NO. 97UNC-S017

Requested by: Senators Lee and Winner

UNIVERSITY OF NORTH CAROLINA SYSTEM -- FUNDS TO REWARD EXCELLENCE
IN TEACHING

1 Section @. The Board of Governors of The University of
2 North Carolina shall develop policies for the distribution of an
3 average one-half percent (1/2%) salary increase for teaching
4 faculty members, to be given to those who have demonstrated
5 excellence in teaching.

COMMUNITY COLLEGES

Community Colleges

GENERAL FUND

FY 97-98

FY 98-99

Recommended Continuation Budget

\$489,218,944

\$489,576,870

Legislative Changes

45 State Board Reserve Fund	(\$250,000)	R	(\$250,000)	R
Reduce the State Board Reserve Fund from \$900,000 to \$650,000 as requested by the Governor.				
46 Curriculum Improvement Projects	(\$113,709)	R	(\$113,709)	R
Reduce the State funds in this program by the amount reverted due to the availability of federal funds for this purpose.				
47 JTPA Administrative Funds	(\$17,216)	R	(\$17,216)	R
Reduce the administrative funds allocated to colleges that offer JTPA class size projects from federal funds.				
48 Adjustment for Decline in Hospital Diploma Nursing	(\$52,273)	R	(\$52,273)	R
One of the four hospital diploma nursing programs no longer offers this program and therefore is ineligible to receive these funds.				
49 New Industry Equipment for Regional Coordinators	(\$300,000)	R	(\$300,000)	R
Reduce the funds available to buy equipment for the Department of Community Colleges regional coordinators to move across the state as needed. These funds have been underspent for several years and can be reduced.				
50 Community Services Block Grant	^{86,581} (\$34,308)	R	^{86,581} (\$34,308)	R
Reduce funds in the Community Services Block Grant that offers hobby and leisure classes to the community.				
51 Enrollment Increase	\$1,715,534	R	\$1,715,534	R
Funds the enrollment increases for the community college system.				
52 Occupational Extension	\$8,300,000	R	\$8,300,000	R
Enhance the occupational extension formula to provide more funds for job skill training courses. This raises the occupational extension unit value half way to the curriculum value and funds benefits for half of the occupational extension positions in the formula.				
53 New and Expanding Industry Funds	\$6,000,000	NR		
These funds will provide money for customized training projects to attract new industry and to support training needs of existing industries that expand their workforce.				

Senate Subcommittee on Education

54 Equipment and Books

Funds for the purchase of additional equipment (\$10,000,000) and library books (\$1,950,000). \$11,950,000 NR

55 Reward Excellence in Community College Teaching

Funds to provide a bonus to community college faculty who have demonstrated excellence in teaching. These funds equate to a .5% average salary increase for faculty. \$1,300,000 NR

Total Legislative Changes

\$9,248,028 R \$9,248,028 R

\$19,250,000 NR

Position Changes

Revised Budget

\$517,716,972 \$498,824,898

1 CODE NO. 97DOCC-S002

2

3 Requested by: Senators Lee, Winner

4

5 **COMMUNITY COLLEGE TUITION AND FEE PAYMENTS**

1 Sec. @. The General Assembly finds that the North
2 Carolina Community College System's change from a three quarter
3 academic year to a two semester academic year may make it
4 difficult for students to pay all of their tuition for a semester
5 in a single payment; therefore, the General Assembly urges the
6 community colleges to exercise the authority granted to them
7 under State Board of Community College rules to permit students
8 to make their payments at prescribed intervals instead of in a
9 lump sum.

CODE NO. 97DOCC-S001-P

Requested by: Senators Lee, Winner

COMMUNITY COLLEGE FUNDING FLEXIBILITY

1 Section @. A local community college may use all State
2 funds allocated to it, except for Literacy Funds and Funds for
3 New and Expanding Industries, for any authorized purpose that is
4 consistent with the college's Institutional Effectiveness Plan.
5 Each local community college shall submit an Institutional
6 Effectiveness Plan that indicates to the State Board of Community
7 Colleges how the college will use this funding flexibility to
8 meet the demands of the local community and maintain a presence
9 in all previously funded categorical programs.

1 CODE NO. 97DOCC-S005

2

3 Requested by: Senators Lee, Winner

4

5 MODIFICATIONS IN THE THE FTE FUNDING FORMULA TO REFLECT
6 FLUCTUATIONS IN ENROLLMENT

1 Section @. The State Board of Community Colleges shall
2 study alternative methods of protecting colleges from the
3 budgetary impact of fluctuations in enrollment. The State Board
4 shall report to the General Assembly on its recommended budget
5 stability proposals and on an appropriate transition period prior
6 to April 30, 1998.

1 CODE NO. 97DOCC-S004

2

3 Requested by: Senators Lee, Winner

4

5 **ASSESSMENT OF OCCUPATIONAL EXTENSION FORMULA**

1 Section @. As the State Board of Community Colleges
2 completes Phase Three of its consultant's study on the budget
3 formula, the State Board shall re-examine whether and the extent
4 to which the faculty-student ratio for occupational extension
5 programs should vary by college size. The State Board shall also
6 consider the appropriate funding level for occupational extension
7 programs based on an analysis of cost.

8 The State Board shall report the results of its studies
9 to the Joint Legislative Education Oversight Committee prior to
10 April 30, 1998.

1 CODE NO. 97DOCC-S006

2

3 Requested by: Senators Lee, Winner

4

5 STUDENT CENSUS DATE

1 Section @. (a) The census date for reporting student
2 membership hours for curriculum and occupational extension
3 classes shall be at the ten percent (10%) point of the class.

4 (b) Subsection (a) of this section does not apply to
5 courses offered on a contact-hour basis.

1 CODE NO. 97DOCC-S007

2

3 Requested by: Senators Lee, Winner

4

5 NEW AND EXPANDING INDUSTRY REPORT DATE MODIFIED

1 Section @. G.S. 115C-5(i) reads as rewritten:

2 "(i) The State Board of Community Colleges shall report to the
3 Joint Legislative Education Oversight Committee on March 1 and

→ 4 ~~September 1~~ October 1 of each year on expenditures for the New and
5 Expanding Industry Program each fiscal year. The report shall
6 include, for each company or individual that receives funds for
7 New and Expanding Industry:

8 (1) The total amount of funds received by the company
9 or individual;

10 (2) The amount of funds per trainee received by the
11 company or individual;

12 (3) The amount of funds received per trainee by the
13 community college training the trainee;

14 (4) The number of trainees trained by company and by
15 community college; and

16 (5) The number of years the companies or individuals
17 have been funded.

18 ~~The September 1, 1996, report shall include this information~~
19 ~~for the prior three fiscal years.~~ The State Board of Community
20 Colleges shall report its initial guidelines for allocating and
21 prioritizing New and Expanding Industry Funds to the Joint
22 Legislative Education Oversight Committee by October 1, 1997, and
23 any modifications of these guidelines by October 1 of subsequent
24 years."

1 CODE NO. 97DOCC-S010

2

3 Requested by: Senator Hartsell

4

5 HOSPITAL-BASED NURSING PROGRAMS

1 Section @. Funds appropriated to the Department of
2 Community Colleges for hospital-based diploma nursing programs
3 shall be made available to both associate degree nursing programs
4 and diploma nursing programs.

5

1 CODE NO. 97DOCC-S009

2

3 Requested by: Senators Lee, Winner

4

5 **COMMUNITY COLLEGE PROGRAM EFFICIENCY**

1 Section @. The State Board of Community Colleges shall
2 direct the community colleges to continue to review classes with
3 low enrollment to determine whether some classes should be
4 terminated or consolidated into other programs to increase the
5 efficiency of the Community College System. The State Board of
6 Community Colleges shall report to the Joint Legislative
7 Education Oversight Committee on the results of this review by
8 November 1, 1998, and November 1, 1999.

Senate Subcommittee on Education

Public Education

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$4,400,046,882	\$4,480,110,794

Legislative Changes

1 Governor's School	\$150,000	R	\$150,000	R
Provide additional funds to support operations of the Governor's School.				
2 ABC Incentive Funds	\$52,500,000	NR	\$47,500,000	NR
ABC Incentive funds for schools that achieve standards established by the State Board of Education.				
3 Reduce Funds for Central Office Personnel	(\$2,556,942)	R	(\$2,568,642)	R
Reduce state funds for Central Office by 3%.				
4 Liability Insurance	(\$800,000)	R	(\$800,000)	R
Eliminate funding for teacher liability insurance.				
5 A+ Schools	\$500,000	NR		
Appropriate nonrecurring funds for FY1997-98 to continue the A+ schools pilot project.				
6 Communities in Schools	\$300,000	R	\$300,000	R
Provide funds for the expansion of the Communities in Schools Program.				
7 National Board for Professional Teaching Standards	\$567,330	R	\$567,330	R
Continue to support North Carolina teachers in the process of attempting to achieve certification by the National Board for Professional Teaching Standards.				
8 Reduction in Class Size 6-7 Grade	\$3,500,000	R	\$3,500,000	R
Reduce class size for middle school students below grade level in achievement.				
9 School Technology Funds	\$20,000,000	NR		
Provides additional funds for the School Technology Trust Fund.				
10 Total Quality Education	\$450,000	NR		
Provides fund to continue the Total Quality Education initiative. Other funds to support this program come from the North Carolina Business Committee on Education.				

Senate Teacher Salary				
		FY1997-98	FY1998-99	
Excellent Schools Recommendations				
A. Teacher Salary Schedule	188,220,912		204,531,184	
B. Extra pay for mentor teachers	3,500,000	NR	3,500,000	NR
C. Extra pay for new teacher development	800,000	NR	800,000	NR
D. Extra pay for professional development	6,800,000		6,800,000	
E. Payments to teachers for vacation days that are used as required teacher work days and extra duties.	10,100,000		11,400,000	
Total Excellent Schools Teacher Salary	209,420,912		227,031,184	

Senate Subcommittee on Education

11 Expand Technology in Schools	\$500,000	R	\$500,000	R
Provides funds for a pilot project on the expansion of technology on the public schools.				
12 Avid Program Pilots	\$150,000	R	\$150,000	R
Provide funds for the AVID Program pilot project. This pilot project in three school systems is designed to increase enrollment of low income students in post secondary education.				
13 Reduce School Bus Purchases	(\$8,057,041)	R	(\$8,571,306)	R
Reduce by 180 the number of school buses purchased in FY1997-98 and FY1998-99.				
14 Career Development Hold Harmless	(\$2,551,197)	R	(\$2,551,197)	R
Eliminate hold harmless funding for former career development pilot units. Due to projected salary increase these funds will no longer be needed.				
15 Support Charter Schools	\$103,147	R	\$103,147	R
Appropriate funds to the State Board of Education to provide assistance and oversight of the charter school program.				
16 Uniform Education System Funds	\$2,551,197	R	\$2,551,197	R
Provide funds to the State Board of Education to support the Uniform Education Reporting System and the accountability efforts of the board.				
17 Adjustment in Average Salary	(\$20,415,665)	R	(\$20,779,145)	R
Adjust projected average salary for school employees in FY1997-98 and FY1998-99 to September 1996 actual salaries.				
18 Adjustment in Average Salary	(\$7,704,040)	R	(\$7,825,991)	R
Adjust projected average salary for school employees in FY1997-98 and FY1998-99 to December 1996 actual salaries.				
19 Revise Average Daily Membership and Average Salary	\$4,818,618	R	\$2,622,174	R
Revise average daily membership projections to reflect changes in the expected number of students in various grade levels in FY1997-98 and FY1998-99. Also reflects an increase of 400 private school students entering charter schools in FY1997-98.				
Total Legislative Changes	(\$29,444,593)	R	(\$32,652,433)	R
	\$73,450,000	NR	\$47,500,000	NR
Position Changes				
Revised Budget	\$4,444,052,289		\$4,494,958,361	

**SENATE APPROPRIATIONS SUBCOMMITTEE
ON
EDUCATION**

**AGENDA
April 15, 1997**

Senator Leslie Winner, presiding

Presentation of Public School Special Provisions

Jim Johnson

SENATE APPROPRIATIONS SUBCOMMITTEE
ON EDUCATION

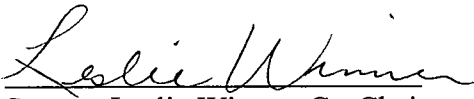
Tuesday, April 15, 1997

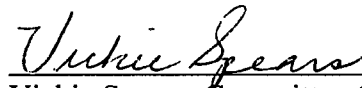
MINUTES

The Senate Appropriations Subcommittee on Education met on Tuesday, April 15, 1997, at 8:30 A.M. in Room 414 of the Legislative Office Building. Five of the members of the Committee attended the meeting, including the Co-Chair, Senator Leslie Winner, who presided. She introduced John Madison, a page from Statesville, sponsored by Sen. Forrester.

Senator Winner introduced Mr. Jim Johnson of the Fiscal Research Staff, to present the Special Provisions for the Public School System. (See attachment 1).

The Committee was adjourned at 9:00 a.m.


Senator Leslie Winner, Co-Chair


Vickie Spears, Committee Clerk

CODE NO. 97DPI-S002A

Requested by: Senators Winner, Lee

CAREER DEVELOPMENT

1 Section @. (a) The State Board of Education shall use
2 funds available for the 1997-98 and 1998-99 fiscal years shall be
3 used to ensure that individual employees do not receive less on a
4 monthly basis in salary and State-funded bonuses during the 1997-
5 98 fiscal year or during the 1998-99 fiscal year than they
6 received on a monthly basis during the 1994-95 fiscal year, so
7 long as the employees qualify for bonuses under the local
8 differentiated pay plan. The State Board of Education may also
9 use funds appropriated to State Aid to Local School
10 Administrative Units for the 1997-98 and 1998-99 fiscal years as
11 is necessary to hold individual employees harmless as provided in
12 this subsection.

13 (b) Funds appropriated for local school administrative
14 units receiving career development funds for the 1996-97 fiscal
15 year that did not revert on June 30, 1997, shall not be used for
16 expenses other than the costs of holding individual employees
17 harmless as provided in subsection (a) of this section.

18

1 CODE NO. 97DPI-S003A

2

3 Requested by: Senators Winner, Lee

4

5 SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

1 Section @. (a) Funds for supplemental funding. -- The
2 General Assembly finds that it is appropriate to provide
3 supplemental funds in low-wealth counties to allow those counties
4 to enhance the instructional program and student achievement;
5 therefore, of the funds appropriated to Aid to Local School
6 Administrative Units, the sum of forty-six million four hundred
7 eighty-three thousand eight hundred nine dollars (\$46,483,809)
8 for the 1997-98 fiscal year and the sum of forty-six million four
9 hundred eighty-three thousand eight hundred nine dollars
10 (\$46,483,809) for the 1998-99 fiscal year shall be used for
11 supplemental funds for schools.

12 (b) Use of funds for supplemental funding. -- Local
13 school administrative units shall use funds received pursuant to
14 this section only to provide instructional positions,
15 instructional support positions, teacher assistant positions,
16 clerical positions, instructional supplies and equipment, staff
17 development, and textbooks; provided, however, local school
18 administrative units may also use up to ten percent (10%) of
19 these funds for salary supplements for instructional personnel
20 and instructional support personnel.

21 (c) Definitions. -- As used in this section:

22 (1) "Anticipated county property tax revenue
23 availability" means the county adjusted property
24 tax base multiplied by the effective State average
25 tax rate.

26 (2) "Anticipated total county revenue availability"
27 means the sum of the:

28 a. Anticipated county property tax revenue
29 availability,

30 b. Local sales and use taxes received by the
31 county that are levied under Chapter 1096 of
32 the 1967 Session Laws or under Subchapter VIII
33 of Chapter 105 of the General Statutes,

34 c. Food stamp exemption reimbursement received by
35 the county under G.S. 105-164.44C,

36 d. Homestead exemption reimbursement received by
37 the county under G.S. 105-277.1A,

38 e. Inventory tax reimbursement received by the
39 county under G.S. 105-275.1 and G.S. 105-277A,

- 1 f. Intangibles tax distribution and reimbursement
2 received by the county under G.S. 105-213 and
3 G.S. 105-213.1, and
4 g. Fines and forfeitures deposited in the county
5 school fund for the most recent year for which
6 data are available.
- 7 (3) "Anticipated total county revenue availability per
8 student" means the anticipated total county revenue
9 availability for the county divided by the average
10 daily membership of the county.
- 11 (4) "Anticipated State average revenue availability per
12 student" means the sum of all anticipated total
13 county revenue availability divided by the average
14 daily membership for the State.
- 15 (5) "Average daily membership" means average daily
16 membership as defined in the North Carolina Public
17 Schools Allotment Policy Manual, adopted by the
18 State Board of Education. If a county contains
19 only part of a local school administrative unit,
20 the average daily membership of that county
21 includes all students who reside within the county
22 and attend that local school administrative unit.
- 23 (6) "County adjusted property tax base" shall be
24 computed as follows:
25 a. Subtract the present-use value of agricultural
26 land, horticultural land, and forestland in
27 the county, as defined in G.S. 105-277.2, from
28 the total assessed real property valuation of
29 the county,
30 b. Adjust the resulting amount by multiplying by
31 a weighted average of the three most recent
32 annual sales assessment ratio studies,
33 c. Add to the resulting amount the:
34 1. Present-use value of agricultural land,
35 horticultural land, and forestland, as
36 defined in G.S. 105-277.2,
37 2. Value of property of public service
38 companies, determined in accordance with
39 Article 23 of Chapter 105 of the General
40 Statutes, and
41 3. Personal property value for the county.
- 42 (7) "County adjusted property tax base per square mile"
43 means the county adjusted property tax base divided

- 1 by the number of square miles of land area in the
2 county.
- 3 (8) "County wealth as a percentage of State average
4 wealth" shall be computed as follows:
- 5 a. Compute the percentage that the county per
6 capita income is of the State per capita
7 income and weight the resulting percentage by
8 a factor of five-tenths,
- 9 b. Compute the percentage that the anticipated
10 total county revenue availability per student
11 is of the anticipated State average revenue
12 availability per student and weight the
13 resulting percentage by a factor of four-
14 tenths,
- 15 c. Compute the percentage that the county
16 adjusted property tax base per square mile is
17 of the State adjusted property tax base per
18 square mile and weight the resulting
19 percentage by a factor of one-tenth,
- 20 d. Add the three weighted percentages to derive
21 the county wealth as a percentage of the State
22 average wealth.
- 23 (9) "Effective county tax rate" means the actual county
24 tax rate multiplied by a weighted average of the
25 three most recent annual sales assessment ratio
26 studies.
- 27 (10) "Effective State average tax rate" means the
28 average of effective county tax rates for all
29 counties.
- 30 (10a) "Local current expense funds" means the most
31 recent county current expense appropriations
32 to public schools, as reported by local boards
33 of education in the audit report filed with
34 the Secretary of the Local Government
35 Commission pursuant to G.S. 115C-447.
- 36 (11) "Per capita income" means the average for the most
37 recent three years for which data are available of
38 the per capita income according to the most recent
39 report of the United States Department of Commerce,
40 Bureau of Economic Analysis, including any reported
41 modifications for prior years as outlined in the
42 most recent report.

1 (12) "Sales assessment ratio studies" means sales
2 assessment ratio studies performed by the
3 Department of Revenue under G.S. 105-289(h).
4 (13) "State average current expense appropriations per
5 student" means the most recent State total of
6 county current expense appropriations to public
7 schools, as reported by local boards of education
8 in the audit report filed with the Secretary of the
9 Local Government Commission pursuant to G.S. 115C-
10 447.
11 (14) "State average adjusted property tax base per
12 square mile" means the sum of the county adjusted
13 property tax bases for all counties divided by the
14 number of square miles of land area in the State.
15 (14a) "Supplant" means to decrease local per student
16 current expense appropriations from one fiscal
17 year to the next fiscal year.
18 (15) "Weighted average of the three most recent annual
19 sales assessment ratio studies" means the weighted
20 average of the three most recent annual sales
21 assessment ratio studies in the most recent years
22 for which county current expense appropriations and
23 adjusted property tax valuations are available. If
24 real property in a county has been revalued one
25 year prior to the most recent sales assessment
26 ratio study, a weighted average of the two most
27 recent sales assessment ratios shall be used. If
28 property has been revalued the year of the most
29 recent sales assessment ratio study, the sales
30 assessment ratio for the year of revaluation shall
31 be used.
32 (d) Eligibility for funds. -- Except as provided in
33 subsection (h) of this section, the State Board of Education
34 shall allocate these funds to local school administrative units
35 located in whole or in part in counties in which the county
36 wealth as a percentage of the State average wealth is less than
37 one hundred percent (100%).
38 (e) Allocation of funds. -- Except as provided in
39 subsection (g) of this section, the amount received per average
40 daily membership for a county shall be the difference between the
41 State average current expense appropriations per student and the
42 current expense appropriations per student that the county could
43 provide given the county's wealth and an average effort to fund
44 public schools. (To derive the current expense appropriations

1 per student that the county could be able to provide given the
2 county's wealth and an average effort to fund public schools,
3 multiply the county wealth as a percentage of State average
4 wealth by the State average current expense appropriations per
5 student.)

6 The funds for the local school administrative units
7 located in whole or in part in the county shall be allocated to
8 each local school administrative unit, located in whole or in
9 part in the county, based on the average daily membership of the
10 county's students in the school units.

11 If the funds appropriated for supplemental funding are
12 not adequate to fund the formula fully, each local school
13 administrative unit shall receive a pro rata share of the funds
14 appropriated for supplemental funding.

15 (f) Formula for distribution of supplemental funding
16 pursuant to this section only. -- The formula in this section is
17 solely a basis for distribution of supplemental funding for low-
18 wealth counties and is not intended to reflect any measure of the
19 adequacy of the educational program or funding for public
20 schools. The formula is also not intended to reflect any
21 commitment by the General Assembly to appropriate any additional
22 supplemental funds for low-wealth counties.

23 (g) Minimum effort required. -- Counties that had
24 effective tax rates in the 1994-95 fiscal year that were above
25 the State average effective tax rate but that had effective rates
26 below the State average in the 1995-96 fiscal year or thereafter
27 shall receive reduced funding under this section. This reduction
28 in funding shall be determined by subtracting the amount that the
29 county would have received pursuant to Section 17.1(g)(ii) of
30 Chapter 507 of the 1995 Session Laws from the amount that the
31 county would have received if qualified for full funding and
32 multiplying the difference by ten percent (10%). This method of
33 calculating reduced funding shall apply one time only.

34 This method of calculating reduced funding shall not apply in
35 cases in which the effective tax rate fell below the statewide
36 average effective tax rate as a result of a reduction in the
37 actual property tax rate. In these cases, the minimum effort
38 required shall be calculated in accordance with Section
39 17.1(g)(ii) of Chapter 507 of the 1995 Session Laws.

40 If the county documents that it has increased the per student
41 appropriation to the school current expense fund in the current
42 fiscal year, the State Board of Education shall include this
43 additional per pupil appropriation when calculating minimum

1 effort pursuant to Section 17.1(g)(ii) of Chapter 507 of the 1995
2 Session Laws.

3 (h) Nonsupplant requirement. -- A county in which a
4 local school administrative unit receives funds under this
5 section shall use the funds to supplement local current expense
6 funds and shall not supplant local current expense funds. For the
7 1997-99 fiscal biennium, the State Board of Education shall not
8 allocate funds under this section to a county found to have used
9 these funds to supplant local per student current expense funds.
10 The State Board of Education shall make a finding that a county
11 has used these funds to supplant local current expense funds in
12 the prior year, or the year for which the most recent data are
13 available, if:

14 (1) The current expense appropriation per student of
15 the county for the current year is less than
16 ninety-five percent (95%) of the average of the
17 local current expense appropriations per student
18 for the three prior fiscal years; and

19 (2) The county cannot show (i) that it has remedied the
20 deficiency in funding, or (ii) that extraordinary
21 circumstances caused the county to supplant local
22 current expense funds with funds allocated under
23 this section.

24 The State Board of Education shall adopt rules to implement this
25 section.

26 (i) Reports. -- The State Board of Education shall
27 report to the Joint Legislative Education Oversight Committee
28 prior to May 1, 1998, on its analysis of whether counties
29 supplanted funds.

30 (j) Department of Revenue reports. -- The Department of
31 Revenue shall provide to the Department of Public Instruction a
32 preliminary report for the current fiscal year of the assessed
33 value of the property tax base for each county prior to March 1
34 of each year and a final report prior to May 1 of each year. The
35 reports shall include for each county the annual sales assessment
36 ratio and the taxable values of (i) total real property, (ii) the
37 portion of total real property represented by the present-use
38 value of agricultural land, horticultural land, and forestland as
39 defined in G.S. 105-277.2, (iii) property of public service
40 companies determined in accordance with Article 23 of Chapter 105
41 of the General Statutes, and (iv) personal property.

1 CODE NO. 97DPI-S004-P

2

3 Requested by: Senators Winner, Lee

4

5 **SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

1 Section @. (a) Funds for small school systems. --
2 Except as provided in subsection (b) of this section, the State
3 Board of Education shall allocate funds appropriated for small
4 school system supplemental funding (i) to each county school
5 administrative unit with an average daily membership of less than
6 3,150 students and (ii) to each county school administrative unit
7 with an average daily membership of from 3,150 to 4,000 students
8 if the county in which the local school administrative unit is
9 located has a county adjusted property tax base per student that
10 is below the State adjusted property tax base per student and if
11 the total average daily membership of all local school
12 administrative units located within the county is from 3,150 to
13 4,000 students. The allocation formula shall:

- 14 (1) Round all fractions of positions to the next whole
15 position.
16 (2) Provide five and one-half additional regular
17 classroom teachers in counties in which the average
18 daily membership per square mile is greater than
19 four, and seven additional regular classroom
20 teachers in counties in which the average daily
21 membership per square mile is four or less.
22 (3) Provide additional program enhancement teachers
23 adequate to offer the standard course of study.
24 (4) Change the duty-free period allocation to one
25 teacher assistant per 400 average daily membership.
26 (5) Provide a base for the consolidated funds allotment
27 of at least \$150,000, excluding textbooks.
28 (6) Allot vocational education funds for grade 6 as
29 well as for grades 7-12.

30 If funds appropriated for each fiscal year for small school
31 system supplemental funding are not adequate to fund fully the
32 program, the State Board of Education shall reduce the amount
33 allocated to each county school administrative unit on a pro rata
34 basis. This formula is solely a basis for distribution of
35 supplemental funding for certain county school administrative
36 units and is not intended to reflect any measure of the adequacy
37 of the educational program or funding for public schools. The
38 formula is also not intended to reflect any commitment by the

1 General Assembly to appropriate any additional supplemental funds
2 for such county administrative units.

3 (b) Nonsupplant requirement. -- A county in which a
4 local school administrative unit receives funds under this
5 section shall use the funds to supplement local current expense
6 funds and shall not supplant local current expense funds. For the
7 1997-99 fiscal biennium, the State Board of Education shall not
8 allocate funds under this section to a county found to have used
9 these funds to supplant local per student current expense funds.
10 The State Board of Education shall make a finding that a county
11 has used these funds to supplant local current expense funds in
12 the prior year, or the year for which the most recent data are
13 available, if:

14 (1) The current expense appropriation per student of
15 the county for the current year is less than
16 ninety-five percent (95%) of the average of the
17 local current expense appropriations per student
18 for the three prior fiscal years; and

19 (2) The county cannot show (i) that it has remedied the
20 deficiency in funding, or (ii) that extraordinary
21 circumstances caused the county to supplant local
22 current expense funds with funds allocated under
23 this section.

24 The State Board of Education shall adopt rules to implement this
25 section.

26 (c) Phase-out provision. -- If a local school
27 administrative unit becomes ineligible for funding under this
28 formula solely because of an increase in population or an
29 increase in the county adjusted property tax base per student of
30 the county in which the local school administrative unit is
31 located, funding for that unit shall be phased-out over a two-
32 year period. For the first year of ineligibility, the unit shall
33 receive the same amount it received for the prior fiscal year.
34 For the second year of ineligibility, it shall receive half of
35 that amount.

36 (d) Definitions. -- As used in this section:

37 (1) "Average daily membership" means within two percent
38 (2%) of the average daily membership as defined in
39 the North Carolina Public Schools Allotment Policy
40 Manual, adopted by the State Board of Education.

41 (2) "County adjusted property tax base per student"
42 means the total assessed property valuation for
43 each county, adjusted using a weighted average of
44 the three most recent annual sales assessment ratio

1 studies, divided by the total number of students in
2 average daily membership who reside within the
3 county.

4 (2a) "Local current expense funds" means the most recent
5 county current expense appropriations to public
6 schools, as reported by local boards of education
7 in the audit report filed with the Secretary of the
8 Local Government Commission pursuant to G.S. 115C-
9 447.

10 (3) "Sales assessment ratio studies" means sales
11 assessment ratio studies performed by the
12 Department of Revenue under G.S. 105-289(h).

13 (4) "State adjusted property tax base per student"
14 means the sum of all county adjusted property tax
15 bases divided by the total number of students in
16 average daily membership who reside within the
17 State.

18 (4a) "Supplant" means to decrease local per student
19 current expense appropriations from one fiscal year
20 to the next fiscal year.

21 (5) "Weighted average of the three most recent annual
22 sales assessment ratio studies" means the weighted
23 average of the three most recent annual sales
24 assessment ratio studies in the most recent years
25 for which county current expense appropriations and
26 adjusted property tax valuations are available. If
27 real property in a county has been revalued one
28 year prior to the most recent sales assessment
29 ratio study, a weighted average of the two most
30 recent sales assessment ratios shall be used. If
31 property has been revalued the year of the most
32 recent sales assessment ratio study, the sales
33 assessment ratio for the year of revaluation shall
34 be used.

35 (e) Reports. -- The State Board of Education shall
36 report to the Joint Legislative Education Oversight Committee
37 prior to May 1, 1998, on the results of its analysis of whether
38 counties supplanted funds.

1 CODE NO. 97DPI-S005-P

2

3 Requested by: Senators Winner, Lee

4

5 LITIGATION RESERVE

1 Section @. (a) Funds in the State Board of Education's
2 Litigation Reserve that are not expended or encumbered on June
3 30, 1997, shall not revert on July 1, 1997, but shall remain
4 available for expenditure until June 30, 1999.

5 (b) The State Board of Education may expend up to five
6 hundred thousand dollars (\$500,000) for the 1997-98 fiscal year
7 from unexpended funds for certified employees' salaries to pay
8 expenses related to pending litigation.

9 (c) Subsection (a) of this section becomes effective
10 June 30, 1997.

1 CODE NO. 97DPI-S006A

2

3 Requested by: Senators Winner, Lee

4

5 **EXCEPTIONAL CHILDREN FUNDS**

1 Section @. The funds appropriated for exceptional
2 children in this act shall be allocated as follows:

3 (1) Each local school administrative unit shall receive
4 for academically gifted children the sum of seven
5 hundred ten dollars and sixty-one cents (\$710.61)
6 per child for four percent (4.0%) of the 1997-98
7 allocated average daily membership in the local
8 school administrative unit, regardless of the
9 number of children identified as academically
10 gifted in the local school administrative unit. The
11 total number of children for which funds shall be
12 allocated pursuant to this subdivision is 49,045
13 for the 1997-98 school year.

14 (2) Each local school administrative unit shall receive
15 for exceptional children other than academically
16 gifted children the sum of two thousand one hundred
17 thirty-one dollars and eighty-seven cents
18 (\$2,131.87) per child for the lesser of (i) all
19 children who are identified as exceptional children
20 other than academically gifted children or (ii)
21 twelve and five-tenths percent (12.5%) of the 1997-
22 98 allocated average daily membership in the local
23 school administrative unit. The maximum number of
24 children for which funds shall be allocated
25 pursuant to this subdivision is 141,572 for the
26 1997-98 school year.

27 The dollar amounts allocated under this subsection for
28 exceptional children shall also increase in accordance with
29 legislative salary increments for personnel who serve exceptional
30 children.

1 CODE NO. 97DPI-S007-P

2

3 Requested by: Senators Winner, Lee

4

5 MINIMUM VACATION LEAVE FOR BUS DRIVERS

1 Section @. Notwithstanding any other provision of law,
2 all regular school bus drivers, who have been employed for at
3 least one academic year and who are not entitled to more than one
4 day of paid vacation leave, are entitled to one day of paid
5 vacation leave in each subsequent school year. An employee who
6 is terminated or resigns before taking the leave day is not
7 entitled to compensation for the day.

1 CODE NO. 97DPI-S010

2

3 Requested by: Senators Jenkins, Winner, Lee

4

5 TRANSFER OF FUNDS FOR CHILDREN WITH SPECIAL NEEDS TO PROGRAMS FOR
6 ACADEMICALLY OR GIFTED STUDENTS AUTHORIZED.

1 Section @. G.S. 115C-105.25(b) reads as rewritten:

2 "(b) Subject to the following limitations, local boards of
3 education may transfer and may approve transfers of funds between
4 funding allotment categories:

5 (1) In accordance with a school improvement plan
6 accepted under G.S. 115C-105.27, State funds
7 allocated for teacher assistants may be transferred
8 only for personnel (i) to serve students only in
9 kindergarten through third grade, or (ii) to serve
10 students primarily in kindergarten through third
11 grade when the personnel are assigned to an
12 elementary school to serve the whole school. Funds
13 allocated for teacher assistants may be transferred
14 to reduce class size or to reduce the student-
15 teacher ratio in kindergarten through third grade
16 so long as the affected teacher assistant positions
17 are not filled when the plan is amended or approved
18 by the building-level staff entitled to vote on the
19 plan or the affected teacher assistant positions
20 are not expected to be filled on the date the plan
21 is to be implemented. Any State funds appropriated
22 for teacher assistants that were converted to
23 certificated teachers before July 1, 1995, in
24 accordance with Section 1 of Chapter 986 of the
25 1991 Session Laws, as rewritten by Chapter 103 of
26 the 1993 Session Laws, may continue to be used for
27 certificated teachers.

28 (2) In accordance with a school improvement plan
29 accepted under G.S. 115C-105.27, (i) State funds
30 allocated for classroom materials/instructional
31 supplies/equipment may be transferred only for the
32 purchase of textbooks; (ii) State funds allocated
33 for textbooks may be transferred only for the
34 purchase of instructional supplies, instructional
35 equipment, or other classroom materials; and (iii)
36 State funds allocated for noninstructional support
37 personnel may be transferred only for teacher
38 positions.

- 1 (3) No funds shall be transferred into the central
2 office allotment category.
- 3 (4) Funds allocated for ~~children with special needs and~~
4 ~~funds allocated for~~ driver's education shall not
5 be transferred.
- 6 (4a) Funds allocated for children with special needs may
7 be transferred only for academically or
8 intellectually gifted students so long as the
9 amount transferred is no greater than the amount of
10 non-State funds used for children with special
11 needs, other than federal funds appropriated for
12 children with special needs.
- 13 (5) Funds allocated for classroom teachers may be
14 transferred only for teachers of exceptional
15 children, for teachers of at-risk students, and for
16 authorized purposes under the textbooks allotment
17 category and the classroom materials/instructional
18 supplies/equipment allotment category.
- 19 (6) Funds allocated for vocational education may be
20 transferred only in accordance with any rules that
21 the State Board of Education considers appropriate
22 to ensure compliance with federal regulations.
- 23 (7) Funds allocated for career development shall be
24 used in accordance with Section 17.3 of Chapter 324
25 of the 1995 Session Laws.
- 26 (8) Funds allocated for academically or intellectually
27 gifted students may be used only (i) for
28 academically or intellectually gifted students;
29 (ii) to implement the plan developed under G.S.
30 115C-150.7; or (iii) in accordance with an accepted
31 school improvement plan, for any purpose so long as
32 that school demonstrates it is providing
33 appropriate services to academically or
34 intellectually gifted students assigned to that
35 school in accordance with the local plan developed
36 under G.S. 115C-150.7."

1 CODE NO. 97DPI-S011A

2

3 Requested by: Senators Winner, Lee

4

5 DELETE REPORT ON GUARANTEED ENERGY SAVINGS CONTRACTS

1 Section @. Section 9 of Chapter 775 of the 1993

2 Session Laws is repealed.

1 CODE NO. 97DPI-S014

2

3 Requested by: Senators Winner, Lee

4

5 SCHOOL PAY DATE FLEXIBILITY PILOT PROGRAM

1 Section @. The State Board of Education may continue a
2 pilot program to grant no more than four local boards of
3 education additional flexibility in setting the pay dates for
4 their 10-month employees. Notwithstanding the provisions of G.S.
5 115C-302(a) and G.S. 115C-316(a), local school administrative
6 units participating in the pilot may pay 10-month employees for a
7 full month of employment when days employed are less than a full
8 month at the beginning or the end of the teachers' contract. No
9 local school administrative unit shall be required to participate
10 in the pilot. A local board participating in the pilot shall
11 bear all of the cost of recouping funds prepaid for work never
12 done and the cost of these funds that cannot be recouped.

13 The State Board of Education shall report to the Joint
14 Legislative Education Oversight Committee on the pilot program
15 prior to September 1, 1998.

1 CODE NO. 97DPI-S017

2

3 Requested by: Senators Winner, Lee

4

5 ADVANCED PLACEMENT TESTS

1 Section @. (a) Advanced Placement tests are taken by
2 many high school students who are seeking college credit for
3 coursework completed in high school. The Board of Governors of
4 The University of North Carolina is encouraged to develop a
5 standardized system of credit for the Advanced Placement test
6 scores to ensure that college credit granted for advanced
7 placement courses is equitable and predictable.

8 (b) The Board of Governors of The University of North
9 Carolina shall encourage the University system to assist the
10 public school systems of the State to provide education for
11 teachers who are instructors of Advanced Placement courses.

12 (c) Notwithstanding any other provision of law, the
13 State Board of Community Colleges shall allow a college to earn
14 regular budget FTEs for a college level course taught to high
15 school students even though the course instructor is a local high
16 school teacher under contract, provided the following criteria
17 are met:

18 (1) The course does not duplicate or supplant the
19 Advanced Placement courses or the other college
20 level course offerings of the high school.

21 (2) The contractual responsibilities of the high school
22 teacher employed as an instructor for the course do
23 not supplant the regular classroom and teaching
24 responsibilities of the teacher.

25 (3) The State Board of Community Colleges is satisfied
26 that the substance, quality, and level at which the
27 course is taught merits its being considered a
28 college level course.

29 (d) The State Board of Education and the State Board of
30 Community Colleges shall report to the Joint Legislative
31 Education Oversight Committee by March 1, 1998, regarding the
32 cooperative effort being made to encourage high school students
33 to complete general education courses through the community
34 college system. The report shall include information about the
35 curricula designed to encourage this effort, the number of
36 students enrolled in college courses, and the fiscal impact of
37 these efforts.

1 CODE NO. 97DPI-S018

2

3 Requested by: Senators Winner, Lee

4

5 FLEXIBILITY TO CREATE NEW POSITIONS

1 Section @. The State Board of Education, with the prior
2 approval of the Director of the Budget, may create new positions
3 that are wholly receipt supported in the areas of publications,
4 plant operations, licensure, and textbook. The Office of State
5 Budget and Management is not required to consult with the Joint
6 Legislative Commission on Governmental Operations prior to
7 authorizing the creation of the personnel positions but shall
8 report after creation of the personnel positions.

1 CODE NO. 97DPI-S019

2

3 Requested by: Senators Winner, Lee

4

5 DATA ON TEACHER ASSISTANTS' YEARS OF EXPERIENCE, CREDENTIALS,
6 AND PLACEMENT ON LOCALLY ADOPTED SALARY SCHEDULES

1 Section @. The State Board of Education shall collect
2 data on teacher assistants' years of experience in the public
3 schools and in State and local government and the degrees that
4 they hold. The State Board shall report the results of its study
5 to the Joint Legislative Education Oversight Committee prior to
6 February 15, 1998.

7 The State Board of Education shall also collect data on locally
8 adopted salary schedules for teacher assistants and the
9 distribution of teacher assistants on the locally adopted
10 schedules. The State Board shall report the results of its study
11 to the Joint Legislative Education Oversight Committee prior to
12 February 15, 1998.

1 CODE NO. 97DPI-S020

2

3 Requested by: Senators Winner, Lee

4

5 CLASS-SIZE COMPUTATION FOR K-2

1 Section @. Teacher positions provided by the 1993 and
2 1995 General Assemblies to reduce class size in kindergarten,
3 first grade, and second grade shall be used by local school
4 administrative units (i) to provide class size in kindergarten,
5 first grade, and second grade to be 23 or fewer students or (ii)
6 to hire reading teachers within kindergarten through third grade
7 or otherwise reduce the student-teacher ratio within kindergarten
8 through third grade.

9 For the purpose of calculating the maximum allowable
10 class size for kindergarten, first grade, and second grade, the
11 ratio of teachers to students shall be 1 to 26.

1 CODE NO. 97DPI-S021

2

3 Requested by: Senators Winner, Lee

4

5 ABC'S PERFORMANCE RECOGNITION FOR PERSONNEL SERVING KINDERGARTEN
6 THROUGH TWELFTH GRADE

1 Section @. G.S. 115C-105.36 reads as rewritten:

2 "§ 115C-105.36. Performance recognition.

3 (a) The personnel serving students in kindergarten through
4 twelfth grade in schools that achieve a level of expected growth
5 greater than one hundred percent (100%) at a level to be
6 determined by the State Board of Education are eligible for
7 financial awards in amounts set by the State Board. Schools and
8 personnel shall not be required to apply for these awards. For
9 the purpose of this section, "personnel" includes the principal,
10 assistant principal, instructional personnel, instructional
11 support personnel, and teacher assistants assigned to that
12 school.

13 (b) The State Board shall establish a procedure to allocate
14 the funds for these awards to the local school administrative
15 units in which the eligible schools are located. Funds shall
16 become available for expenditure July 1 of each fiscal year.
17 Funds shall remain available until November 30 of the subsequent
18 fiscal year for expenditure for:

19 (1) Awards to the ~~personnel~~, personnel serving students
20 in kindergarten through grade twelve; or

21 (2) The purposes authorized in a plan that has been:

22 a. Developed and voted on by the personnel in the
23 same manner that a school improvement plan is
24 approved under G.S. 115C-105.27;

25 b. Approved by a majority of the personnel who
26 vote on the plan; and

27 c. Submitted to and approved by the local board
28 of education.

29 The local board shall approve this plan unless the plan
30 involves expenditures of funds that are not for a public purpose
31 or that are otherwise unlawful."

1
2 CODE NO. 97DPI-S022

3
4 Requested by: Senators Winner, Lee

5
6 SCHOOL LAW REVISION SUBCOMMITTEE EXTENDED

1 Section @. (a) The cochairs of the Joint Legislative
2 Education Oversight Committee may appoint a subcommittee to
3 revise the public school laws.

4 The subcommittee shall consist of equal numbers of
5 members appointed by the Senate chair and the House chair.
6 Either chair may appoint to the subcommittee members, including
7 public members, who are not also members of the Committee.

8 Members of the subcommittee who are not members of the
9 Committee may participate fully in all subcommittee business,
10 including all deliberations and votes; however, these members are
11 not members of the Committee for any other purpose.

12 (b) The subcommittee shall:

13 (1) Conduct a comprehensive review of the public school
14 laws;

15 (2) Identify laws that are outdated, vague,
16 unnecessary, or otherwise in need of revision; and

17 (3) Revise the public laws so they are consistent with
18 the North Carolina Constitution and with the goals
19 of the General Assembly and the State Board of
20 Education in order to improve student performance,
21 increase local flexibility and control, and promote
22 economy and efficiency.

1 CODE NO. 97DPI-S023

2

3 Requested by: Senators Winner, Lee

4

5 AVID PROGRAM

1 Section @. Of the funds appropriated to the State Board
2 of Education, the sum of one hundred fifty thousand dollars
3 (\$150,000) for the 1997-98 fiscal year and the sum of one hundred
4 fifty thousand dollars (\$150,000) for the 1998-99 fiscal year
5 shall be used to implement Advancement Via Individual
6 Determination (AVID) pilot programs in three local school
7 administrative units. The purpose of the AVID pilot programs
8 shall be to improve the academic performance of underachieving
9 students so that they will become eligible to attend
10 postsecondary education. Local school administrative units
11 selected as pilot units shall state how they plan to evaluate the
12 success of the program.

13 The State Board of Education shall allocate the funds to
14 the pilot programs in proportion to the number of students
15 proposed to be served.

1 CODE NO. 97DPI-S024

2

3 Requested by: Senators Winner, Lee

4

5 DISTANCE LEARNING PROGRAM

1 Section @. Notwithstanding any other provision of law,
2 funds appropriated to the State Board of Education and to State
3 Aid to Local School Administrative Units for the Distance
4 Learning Program shall be used for distance learning educational
5 purposes, as directed by the State Board of Education.

1 CODE NO. 97DPI-S026

2

3 Requested by: Senators Winner, Lee

4

5 CRIME CONTROL GRANTS FOR THE N.C. CENTER FOR THE PREVENTION OF
6 SCHOOL VIOLENCE

1 Section @. The Secretary of Crime Control and Public
2 Safety shall continue to make grants for the 1997-99 fiscal
3 biennium for the operating expenses of the North Carolina Center
4 for the Prevention of School Violence.

1 CODE NO. 97DPI-S028

2

3 Requested by: Senators Winner, Lee

4 **ALLOCATION OF INVESTMENT EARNINGS ON SCHOOL BOND FUNDS**

1 Sec. @. (a) Section 5 of Chapter 631 of the 1995
2 Session Laws reads as rewritten:

3 "Sec. 5. Uses of Bond and Note Proceeds. -- The proceeds of
4 Public School Building Bonds and notes shall be used for the
5 purpose of making grants to counties for paying the cost of
6 public school capital outlay projects.

7 Any additional moneys that may be received by means of a grant
8 or grants from the United States of America or any agency or
9 department thereof or from any other source to aid in financing
10 the cost of any public school capital outlay projects authorized
11 by this act may be placed by the State Treasurer in the Public
12 School Building Bonds Fund or in a separate account or fund and
13 shall be disbursed, to the extent permitted by the terms of the
14 grant or grants, without regard to any limitations imposed by
15 this act.

16 Moneys in the Public School Building Bonds Fund or in any
17 separate fund or account may be invested from time to time by the
18 State Treasurer in the same manner permitted for investment of
19 moneys belonging to the State or held in the State treasury
20 except with respect to grant money to the extent otherwise
21 directed by the terms of the grant, and any investment earnings
22 shall be credited to the Public School Building Bonds Fund or the
23 particular fund or account from which the investment was made.
24 The State Board of Education shall allocate from these investment
25 earnings sufficient funds to fund one architect position, one
26 mechanical engineer position, and one accounting technician
27 position and support for these positions in the Department of
28 Public Instruction. These positions shall be used to assist local
29 school administrative units with projects funded from the Public
30 School Building Bonds Fund.

31 All moneys deposited in, or accruing to the credit of, the
32 Public School Building Bonds Fund, other than moneys set aside
33 for administrative expenses, including expenses related to
34 determining compliance with applicable requirements of the
35 federal tax law and cost of issuance, shall be used to pay the
36 cost of public school capital outlay projects in the manner
37 authorized by this act.

38 The proceeds of Public School Building Bonds and notes may be
39 used with any other moneys made available by the General Assembly
40 for public school capital outlay projects, including the proceeds

1 of any other State bond issues, whether heretofore made available
2 or that may be made available at the session of the General
3 Assembly at which this act is ratified or any subsequent
4 sessions. The proceeds of Public School Building Bonds and notes
5 shall be expended and disbursed under the direction and
6 supervision of the Director of the Budget. The funds provided by
7 this act for public school capital outlay projects shall be
8 disbursed for the purposes provided in this act upon warrants
9 drawn on the State Treasurer by the State Controller, which
10 warrants shall not be drawn until requisition has been approved
11 by the Director of the Budget and which requisition shall be
12 approved only after full compliance with the Executive Budget
13 Act, Article 1 of Chapter 143 of the General Statutes.

14 The Director of the Budget shall provide quarterly reports to
15 the State Board of Education, the Superintendent of Public
16 Instruction, and the General Assembly on the expenditure of
17 moneys from the Public School Building Bonds Fund. Reports to
18 the General Assembly shall be filed with the Legislative Library,
19 the Speaker of the House of Representatives, the President Pro
20 Tempore of the Senate, and the Fiscal Research Division."

21 (b) This section remains in effect until all funds in
22 the Public School Building Bonds Fund are expended.

1 CODE NO. 97DPI-S029

2

3 Requested by: Senators Winner, Lee

4

5 CHARTER SCHOOL ACCOUNTABILITY REQUIREMENTS

1 Section @. G.S. 115C-238.29F(f) reads as rewritten:

2 "(f) Accountability. --

3 (1) The school is subject to the financial audits, the
4 audit procedures, and the audit requirements
5 adopted by the State Board of Education for charter
6 schools. These audit requirments may include the
7 requirements of the School Budget and Fiscal
8 Control Act.

9 (2) The school shall comply with the reporting
10 requirements established by the State Board of
11 Education in the Uniform Education Reporting
12 System.

13 (3) The school shall report at least annually to the
14 chartering entity and the State Board of Education
15 the information required by the chartering entity
16 or the State Board."

1 CODE NO. 97DPI-S031

2

3 Requested by: Senators Winner, Lee

4

5 AVAILABILITY OF FUNDS ALLOCATED FOR STAFF DEVELOPMENT

1 Section @. G.S. 115C-417 reads as rewritten:

2 "\$ 115C-417. Availability of funds allocated for staff
3 development.

4 Funds allocated by the State Board of Education for staff
5 development at the local level shall become available for
6 expenditure on ~~September 1~~ July 1 of each fiscal year and shall
7 remain available for expenditure until ~~August 31~~ December 31 of
8 the subsequent fiscal year."

1 CODE NO. 97DPI-S032

2

3 Requested by: Senators Winner, Lee

4

5 LATERAL ENTRY PROGRAM

1 Section @. The State Board of Education shall establish
2 an advisory committee to assist it in studying the lateral entry
3 program, a program which encourages lateral entry into the
4 profession of teaching by skilled individuals from the private
5 sector. In the course of the study, the State Board shall
6 consider the recruitment, retention, training, and evaluation of
7 persons who enter the teaching profession by lateral entry. The
8 State Board shall place special emphasis on lateral entry of
9 teachers at the high school level who have significant post-
10 bachelor's degree experience in the field in which they desire to
11 teach.

12 The State Board of Education shall report the results of
13 its study to the Joint Legislative Education Oversight Committee
14 prior to April 15, 1998.

1 CODE NO. 97DPI-S033

2

3 Requested by: Senators Winner, Lee

4

5 RECIPROCITY IN TEACHER CERTIFICATION

1 Section @. The State Board of Education shall review the
2 issue of reciprocity in teacher certification to determine
3 whether the current standards for certifying teachers by
4 reciprocity are too restrictive to permit qualified teachers who
5 are trained in other states from being certified in North
6 Carolina. The State Board of Education shall report the results
7 of this review to the Joint Legislative Education Oversight
8 Committee prior to April 15, 1997.

1 CODE NO. 97DPI-S036

2

3 Requested by: Senators Winner, Lee

4

5 PUBLIC-PRIVATE PARTNERSHIP TO EXPAND TECHNOLOGY IN PUBLIC
6 SCHOOLS

1 Section @. (a) Of the funds appropriated to the State
2 Board of Education, five hundred thousand dollars (\$500,000) for
3 the 1997-98 fiscal year and five hundred thousand dollars
4 (\$500,000) for the 1998-99 fiscal year to establish a public-
5 private partnership to encourage, promote, and expand technology
6 in North Carolina Public Schools.

7 (b) The purposes of the public-private partnership are
8 to enlist public, private, and volunteer sectors to develop
9 creative means of bringing technology to North Carolina Public
10 School classrooms at minimal cost and expense to the State and
11 its taxpayers:

12 (1) Help schools wire classrooms with high speed data
13 wire that enables them to connect to school
14 networks as well as the Internet.

15 (2) Develop a plan to increase the number of computers,
16 computing equipment, and networking equipment in
17 North Carolina Public Schools.

18 (3) Develop a plan that will assure every school can
19 connect to the Internet so that this tool is made
20 available equally to all children in North Carolina
21 Public Schools.

22 (4) Help develop programs to train teachers and other
23 educators in the use of technology.

24 (5) Develop Internet-based learning programs designed
25 to assist teachers in the job of helping young
26 people learn.

27 (6) Test and evaluate the benefits of each of the
28 projects; investigate and develop other means of
29 using computer-based technology in classrooms; and
30 assure that this information is available to
31 educators.

32 (c) Pursuant to subdivision (2) of subsection (b) of
33 this section, a vocational education computer recycling pilot
34 program shall be established. The purposes of the pilot program
35 are to:

36 (1) Develop and implement high school vocational
37 education programs that train students to test,

1 repair, reconfigure, upgrade, and maintain donated
2 computers.

3 (2) Enhance a community's opportunities for economic
4 development by providing vocational education
5 students with educational, job, and hireability
6 skills as well as skills in computer technology.

7 (3) Provide upgraded computers to schools, consistent
8 with State-approved local school technology plans
9 at a cost of four hundred dollars (\$400.00) to six
10 hundred dollars (\$600.00) per unit rather than new
11 computers costing around three thousand dollars
12 (\$3,000) each; and

13 (4) Help communities support their schools by
14 encouraging business and industry to donate
15 computer components to schools or sell them at
16 greatly reduced prices.

17 (5) The State Board of Education, after consultation
18 with ExplorNet, shall select seven local
19 administrative units to participate in the computer
20 recycling program. In selecting the pilot units,
21 the State Board shall consider (i) indicators of
22 the readiness of a unit to participate in the
23 program, (ii) the degree of community support for
24 such a program, and (iii) indicators of the need
25 for the program in the community, such as lack of
26 comparable training or resources in the community.

27 (6) The Information Resources Management Commission, in
28 consultation with the State Board of Education,
29 shall review and modify its standards for technical
30 components of local school technology purchases to
31 facilitate the implementation of the programs.

32 (d) The State Board of Education shall contract with
33 the nonprofit corporation, ExplorNet, to administer the programs.

34 (e) The provisions of Article 3 of Chapter 143 of the
35 General Statutes do not apply to contracts for supplies,
36 materials, equipment, and contractual services to implement these
37 programs. The Department of Administration may make its services
38 available to the State Board of Education, when requested by the
39 State Board of Education.

40 (f) The State Board of Education shall evaluate the
41 educational components of the programs.

42 The State Board's contract with ExplorNet shall require
43 ExplorNet to evaluate the technical components of the program and
44 to submit the results of its evaluation to the Information

1 Resources Management Commission for review and comment by May 15,
2 1999. The Information Resources Management Commission shall
3 submit the evaluation done by ExplorNet and the Commission's
4 comments on it to the State Board of Education by August 15,
5 1999.

6 The State Board of Education shall report the results of
7 these evaluations to the Joint Legislative Education Oversight
8 Committee by September 15, 1999.

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/Education Subcommittee Tuesday, April 15, 1997

1:00 PM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ann Berlam

SBE

Jerrett

NCAEA

Bill Wilson

NCAE

Cecil Barber

NCAE

Phil Wilson

NCAE

Joyce Elliott

NCAE

Donna Kinney

EGTHS

Ed Regan

N.C.A.O.C

Maurice King

OSBM

David Brown

OSBM

Lee Adger

"

Susan Harrison

WCPSS

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/Education Subcommittee Tuesday, April 15, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Anna Novin

Rocky School Team

James Stewart

AFT/NC

Janet Fullen

OSBN

Garex Garr

Gov's Office