

**The University of North Carolina**

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Appalachian State
UniversityEast Carolina
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Agricultural and
Technical State
UniversityNorth Carolina
Central UniversityNorth Carolina
School of
the ArtsNorth Carolina
State University
at RaleighUniversity of
North Carolina
at AshevilleUniversity of
North Carolina
at Chapel HillUniversity of
North Carolina
at CharlotteUniversity of
North Carolina
at GreensboroUniversity of
North Carolina
at PembrokeUniversity of
North Carolina
at WilmingtonWestern Carolina
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at Winston-Salem
State UniversityEqual Opportunity/
Affirmative Action
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November 21, 2003

MEMORANDUM

To: Faculty Assembly

From: J.B. Milliken

RE: Legislative Update

Since the adjournment of the 2003 Regular Session, the Office of the President has been busy working with Study Committees, legislators and staff on a variety of subjects important to the University. As I am sure you have heard, there have been several items such as mold remediation, repairs and renovation funds and economic development on which we have been primarily focused. Attached please find a Legislative Update along with the relevant documents reviewing these issues.

I will be attending the Faculty Assembly on Friday and will be happy to answer any questions you may have.

Attachments

University of North Carolina

Legislative Update

November 2003

The North Carolina General Assembly's regular session has adjourned until May 10, 2004. Committees are meeting regularly, including Governmental Operations and the Joint Select Committee on Economic Development. The University is actively involved with these commissions. The Office of the President also continues to work with the Governor and members of the NC General Assembly on issues important to the University such as mold remediation, repairs & renovations funding, and other budgetary issues.

Special Session

The NC General Assembly is expected to convene in a Special Session on Redistricting next week. The Special Session will most likely last two days with anticipated adjournment before the Thanksgiving holiday. At this time, the official call for the session has not been issued and it is unclear whether any other topics will be addressed.

North Carolina Central University and University of North Carolina Pembroke Mold Remediation

The final estimates on mold remediation at these two constituent universities have been completed and reported to the Board of Governors and the General Assembly. At this time, the costs of emergency remediation of mold are estimated to be \$29.3 million. The Board of Governors has passed a resolution (attachment A) asking the General Assembly to provide these necessary funds either through direct appropriations or through an increase in the current authorization for the issuance for special indebtedness. Some members of legislative leadership are pushing for a Special Session to review economic development issues and we are hopeful that the NCCU and UNCP mold remediation issues can be handled as well. Obviously, this issue is critical.

Repairs and Renovations

The Board of Governors at its November 2003 meeting also passed a resolution on this issue (attachment B). The University has a significant backlog of deferred maintenance needs and the Office of the President continues to work on obtaining funds for repairs and renovations on the 16 campuses. The 2003 General Assembly provided funds for R&R to state owned facilities through two sources – the statewide reserve of \$15 million and the issuance of special indebtedness of \$300 million in the final budget. In the technical corrections bills, we were able to direct that 46% of the \$300 million be made available to the University. Unfortunately, the General Assembly adjourned before passing the final technical corrections bill. We continue to work to obtain this needed funding.

Joint Legislative Education Oversight

The Senate made its appointments this week (attachment C). The committee could begin meeting as early as December.

Joint Select Committee on Economic Development

The University has been very involved in the work of this committee in the interim (attachment D). On November 6th, the University was able to present eight speakers including President Broad, Western Carolina University Chancellor John Bardo, Dr. James Johnson, Senior Vice-President J.B. Milliken and Dr. Randall Chitwood from East Carolina University. The goal was to educate the committee on the economic contributions of the University to the local community and the state as a whole. These speakers reviewed the role that the University is playing in economic development efforts such as small business development services, research projects, technology transfer, and training programs. The committee was very receptive to our ideas and the presentations were well received.

Joint Select Committee on the Board of Governors

The Joint Select Committee on the Board of Governors has recently been appointed. It consists of twenty members and the charge is attached (E). The primary focus is to study the size and method of appointments of the members of the Board of Governors. It is unclear when this committee will meet, but we do not expect it to happen until 2004. We will, of course, stay close to this issue as well.

ATTACHMENT A

A RESOLUTION IN SUPPORT OF THE PRESSING NEED TO
PROVIDE FUNDS FOR REPAIRS AND RENOVATIONS FOR
THE UNIVERSITY OF NORTH CAROLINA

WHEREAS, The University of North Carolina has a significant backlog of deferred maintenance needs and, until 2003, had not received State funding for repairs and renovations for three consecutive years; and

WHEREAS, in 2003 the General Assembly provided funding for repairs and renovations to State-owned facilities through two sources – the statewide Reserve for Repairs and Renovations (\$15,000,000) and the issuance of special indebtedness (\$300,000,000); and

WHEREAS, the General Assembly directed that 46% of the statewide Reserve for Repairs and Renovations, less a portion of the funds set aside to complete partially funded State projects, be made available to The University of North Carolina; and

WHEREAS, both legislative chambers in their individual technical corrections bills directed that 46% of the repair and renovation funds financed through special indebtedness be made available to The University of North Carolina, but adjourned before passing a final bill.

NOW, THEREFORE, BE IT RESOLVED, that the UNC Board of Governors respectfully requests that, in keeping with the intent expressed by both chambers of the General Assembly, 46% of the repair and renovation funds made available through the issuance of special indebtedness be designated for The University of North Carolina.

Adopted November 14, 2003

ATTACHMENT B

A RESOLUTION IN SUPPORT OF THE EFFORTS OF NORTH CAROLINA CENTRAL UNIVERSITY AND THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE TO FINANCE EMERGENCY PROJECTS FOR THE REMEDIATION OF MOLD

WHEREAS, after identifying significant mold growth in numerous buildings, the Chancellor of North Carolina Central University has invoked emergency procedures and is taking appropriate and aggressive steps to remediate the mold in order to provide a safe environment for students, faculty, and staff; and

WHEREAS, North Carolina Central University has closed two residence halls due to mold infestation and is housing affected students in hotels, thereby requiring significant expenditures of funds and denying students an on-campus housing experience; and

WHEREAS, the Chancellor of The University of North Carolina at Pembroke has invoked emergency procedures after identifying significant levels of mold in an academic building and has closed the building pending the remediation of the mold; and

WHEREAS, the costs of emergency remediation of mold are estimated to be \$25.8 million at North Carolina Central University and \$3.5 million at The University of North Carolina at Pembroke, and

WHEREAS, the funds made available by the 2003 General Assembly for repairs and renovations should be used to address the extensive backlog of deferred maintenance needs at all sixteen campuses.

NOW, THEREFORE, BE IT RESOLVED that the Board of Governors respectfully requests that the General Assembly provide funds totaling \$29.3 million, either through direct appropriations or through an increase in the current authorization for the issuance of special indebtedness, to allow for emergency mold remediation at North Carolina Central University and The University of North Carolina at Pembroke.

Adopted November 14, 2003

ATTACHMENT C

Joint Legislative Education Oversight

Sen. Steve Metcalf – Co-Chair
Sen. John Garwood
Sen. Charlie Dannelly
Sen. Fletcher Hartsell
Sen. Bob Rucho
Sen. Linda Garrou
Sen. Kay Hagan
Sen. Scott Thomas
Sen. Tom Apodoca
Sen. A.B. Swindell
Sen. Vernon Malone

Rep. Douglas Yongue – Co-Chair
Rep. Robert Grady – Co-Chair
Rep. Larry Bell
Rep. Maggie Jeffus
Rep. Verla Insko
Rep. Joe Tolson
Rep. Alex Warner
Rep. Michael Gorman
Rep. John Sauls
Rep. Louis Pate
Rep. Jean Preston

ATTACHMENT D

**JOINT SELECT COMMITTEE ON ECONOMIC
GROWTH AND DEVELOPMENT**

The Committee shall undertake a comprehensive review of the current State and local resources devoted to economic growth and development to determine how the State, working together with local communities, can best achieve economic stability, growth, and development in North Carolina. In undertaking this study, the Committee shall:

- a. Determine the existing programs, entities, and tax expenditures devoted by the State and local governments to economic growth and development.
- b. Identify the goal or mission of each program, entity, and expenditure devoted by government to economic growth and development and its relationship to the other identified programs, entities, and expenditures.
- c. Determine the amount of tax dollars devoted to economic growth and development and evaluate the effectiveness of these expenditures.
- d. Identify the resources of the State that could be used more effectively to foster economic growth and development.
- e. Identify the factors that promote the growth of businesses, both large and small.
- f. Identify the factors that impede the growth of businesses, both large and small.
- g. Identify the factors that affect business location.
- h. Identify the types of industries the State is best positioned to foster and determine how to attract those industries.
- i. Recommend any changes necessary to the current State and local resources devoted to economic growth and development to ensure a comprehensive approach and an effective use of tax dollars.
- j. Determine the State's ability to respond to large industrial displacements and recommend methods to more effectively respond to these industrial displacements.

The Committee may report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives, on or before the convening of the 2004 Regular Session of the 2003 General Assembly by filing a copy of the report with the President Pro Tempore's office, the Speakers' offices, and the Legislative Library. The Committee shall report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives, on or before the convening of the 2005 General Assembly by filing a copy of the report with the President Pro Tempore's office, the Speakers' offices, and the Legislative Library. The Committee terminates upon the convening of the 2005 General Assembly, or upon the filing of its final report, whichever occurs first.

The Committee shall meet during the interim period between regular sessions upon the call of the House and Senate co-chairs.

*MEMBERSHIP OF THE JOINT SELECT COMMITTEE ON
ECONOMIC GROWTH AND DEVELOPMENT*

Sen. Fletcher Hartsell, Co-Chair
Sen. John Kerr, Co-Chair
Sen. Charles Albertson
Sen. Thomas Apodaca
Sen. Walter Dalton
Sen. Charles Dannelly
Sen. Stan Bingham
Sen. Linda Garrou
Sen. Wib Gulley
Sen. Clark Jenkins
Sen. Joe Sam Queen
Sen. Riley Sloan, Jr.
Sen. Richard Stevens
Sen. David Weinstein

Rep. William Daughtridge, Co-Chair
Rep. William Wainwright, Co-Chair
Rep. Gordon Allen
Rep. Margaret Dickson
Rep. James Harrell, III
Rep. Linda Johnson
Rep. Stephen A. LaRoque
Rep. Paul Luebke
Rep. Daniel McComas
Rep. Bill Owens
Rep. Mitchell Setzer
Rep. Paul Stam
Rep. Joe Tolson
Rep. Tracey Walker



North Carolina General Assembly

State Legislative Building, Raleigh, N.C., 27601-1096

Marc Basnight
President Pro Tem

James B. Black
Speaker

Richard T. Morgan
Speaker

Joint Select Committee on the UNC Board of Governors

Section 1. The Joint Select Committee on the UNC Board of Governors is established by the President Pro Tempore of the Senate and the Speakers of the House of Representatives pursuant to G.S. 120-19.6, Rule 31 of the Rules of the Senate of the 2003 General Assembly, and Rule 26(a) of the Rules of the House of Representatives of the 2003 General Assembly.

Section 2. The Committee consists of the twenty members listed below, ten of whom are appointed by the President Pro Tempore of the Senate and ten of whom are appointed by the Speakers of the House of Representatives. Members serve at the pleasure of the appointing officer.

Sen. Tony Rand, Co-Chair
Sen. Linda Garrou
Sen. John Garwood
Sen. Clark Jenkins
Sen. John Kerr
Sen. Jeanne Lucas
Sen. Vernon Malone
Sen. Steve Metcalf
Sen. R.C. Soles
Sen. Richard Stevens

Rep. Harold Brubaker, Co-Chair
Rep. Joe Hackney, Co-Chair
Rep. Bernard Allen
Rep. Joanne Bowie
Rep. William Daughtridge
Rep. David Miner
Rep. Daniel McComas
Rep. Alex Warner
Rep. Edith Warren
Rep. Doug Yongue

Section 3. The Committee shall study the method of election or appointment of members of the UNC Board of Governors, the length of members' terms, the number of terms a member may serve, and the size of the UNC Board of Governors. As part of the study, the Committee may examine the governing boards of other states' institutions of higher education.

Section 4. The Committee may report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives on or before the convening of the 2004 Regular Session of the 2003 General Assembly by filing a copy of the report with the President Pro Tempore's office, the Speakers' offices, and the Legislative Library. The Committee shall report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives on or before the convening of the 2005 General Assembly by filing a copy of the report with the President Pro Tempore's office, the Speakers' offices, and the Legislative Library. The Committee terminates upon the convening of the 2005 General Assembly or upon the filing of its final report, whichever occurs first.

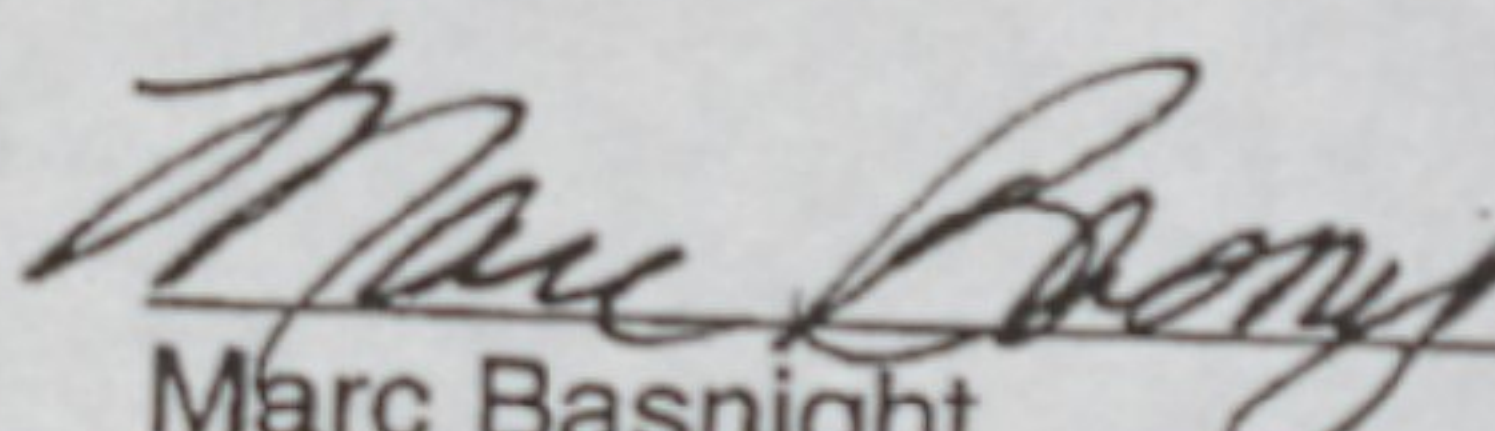
Section 5. The Committee may meet during the interim period between regular sessions upon the call of the House and Senate co-chairs.

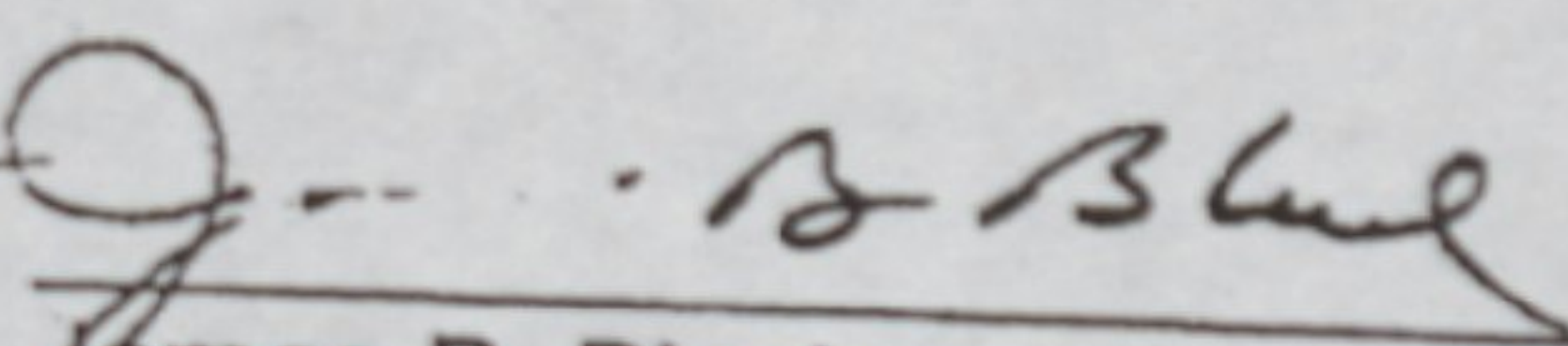
Section 6. The Committee is vested with the authority contained in Article 5A of Chapter 120 of the General Statutes.

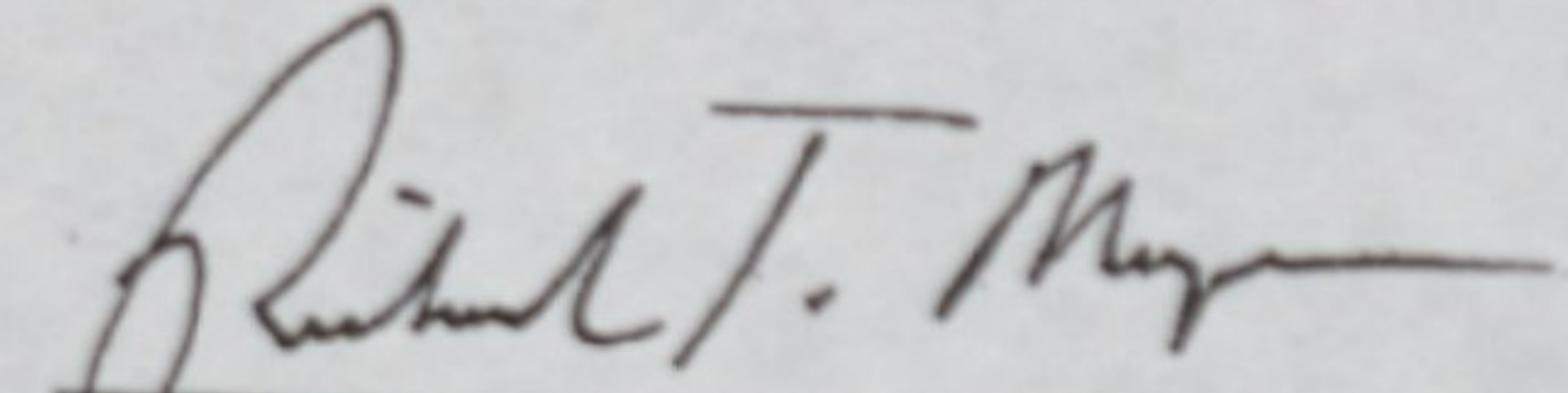
Section 7. Members of the Committee shall receive per diem, subsistence, and travel allowance at the rate established in G.S. 120-3.1.

Section 8. The expenses of the Committee are considered expenses incurred for the joint operation of the General Assembly. Individual expenses of \$5,000 or less, including per diem, travel, and subsistence expenses of members of the Committee, and clerical expenses shall be paid upon the authorization of a co-chair of the Committee. Individual expenses in excess of \$5,000 shall be paid upon the written approval of the President Pro Tempore of the Senate and the Speakers of the House of Representatives. All expenses of the Committee shall be paid from the Legislative Services Commission's Reserve for Studies.

Effective this 12th day of November, 2003.


Marc Basnight
President Pro Tempore


James B. Black
Speaker


Richard T. Morgan
Speaker