2005 Session of the North Carolina General Assembly Overview

I. Major Budget Initiatives – General Fund

- Enrollment Funding
  - $4,537,014 Recurring – (UNC System total $72,753,678)
    - Funds enrollment growth for undergraduate and graduate students in regular terms and distance education programs.

- Budget Reductions
  - ($7,800,000) Recurring – across all budget codes
    - This includes a management flexibility reduction of 1.7%; reductions to salary levels for positions in the operating reserves for new facilities; and reductions to base budgets for vehicles and motorized equipment.

- Salary Increases for Faculty and Staff (including benefits)
  - $8,000,000 Recurring – estimate; across all budget codes (SPA and EPA)
    - Provides recurring funds for salary increases for faculty and staff. SPA staff are to receive the greater of 2% or $850. A pool of 2% salary funds will fund increases for EPA personnel. These increases will be provided on a merit or performance basis. In addition, an additional 40 hours in bonus leave has been provided.

- Biomanufacturing Training and Education Center (BTEC)
  - $2,941,079 Recurring
    - Provides continuing funds for phased-in operational costs, development of curriculum, and procurement and replacement of equipment.

- William and Ida Friday Institute for Education Innovation
  - $1,900,000 Recurring
    - Provides continuing funds for staff, operations, and maintenance costs of the new facility that will be occupied in Fall of 2006.

- Salary Equity Funds for Agriculture Programs (including benefits)
  - $3,700,000 Recurring
    - Provides continuing funds to support salary increases to Agriculture Program employees (Cooperative Extension and Agriculture Research), who are exempt from the State Personnel Act. Funds will be used to address inequities that exist among existing personnel within the research and extension arena, which will allow the university to provide competitive salaries as it pertains to peer institutions.

- North Carolina Space Grant Initiative
  - $200,000 Recurring
    - Provides funds to continue the space grant consortium among NC universities. Funds will allow for the expansion of the program, which has been used to attract students to the areas of science and engineering.
II. Other Budget Initiatives – General Fund

- **Manufacturing Extension Partnership Funds**
  - **$150,000 Nonrecurring**
    - Provides one-time funds for this program within the Industrial Extension Service. Funds are to be used to assist small manufacturers to become more globally competitive.

- **North Carolina Japan Center**
  - **$20,000 Nonrecurring**
    - Provides one-time funds for continuing operation of the NC Japan Center at NC State University.

- **Center for Universal Design**
  - **$300,000 Nonrecurring**
    - Provides one-time funds to continue the operations of the Center, housed within the College of Design. The Center designs products and environments to be usable by all people without the need for adaptation or specialized design. Federal funds of five years were not renewed, thus the need for state appropriations.

- **NC State University Green Industry Study**
  - **$150,000 Nonrecurring**
    - Provides one-time funds for the College of Agriculture and Life Sciences to conduct a study that will evaluate the economic impact of the green industry in the State of North Carolina.

- **Tyrell County 4-H Environmental Education Center**
  - **$500,000 Nonrecurring**
    - Provides one-time funds for capital expansion and program activities at the Tyrell County 4-H Center.

- **NC State University Agriculture Leadership Curriculum**
  - **$150,000 Nonrecurring**
    - Provides one-time funds for the continuation of the agriculture leadership program that has been historically funded by the Philip Morris Corp.

- **NC Cooperative Extension Service Facility – Clinton, NC**
  - **$140,000 Nonrecurring**
    - Provides one-time capital funds to fund a new office facility in Sampson County, Clinton that will house the Cooperative Extension Service. It is anticipated that funds will flow directly to Sampson County.

- **Renaissance Computing Institute**
  - **$1,100,000 Recurring - estimate; (Total Appropriation - $5,900,000)**
    - Provides funds for the expansion of the Renaissance Computing Institute at UNC-Chapel Hill and other campuses.

**TOTAL – General Fund Budget Initiatives (major and other) - $23,788,093**

Note: Does not include reductions
III. Major Budget Initiatives – Capital

- **Engineering Complex III – Centennial Campus**
  - $8,700,000 Nonrecurring
    - Provides capital funds for the planning and design of the Engineering Complex III, the third phase of relocating the College of Engineering to Centennial Campus. Total project cost is estimated at $87 to $100 million, including associated infrastructure costs. The complex will house the Department of Mechanical and Aerospace Engineering and Biomedical Engineering. The Mann Institute for Biomedical Engineering will be a part of this complex, if the Mann Foundation gift of $130 million is realized.

- **Repairs and Renovation Funds**
  - $9,609,100 Nonrecurring; (UNC System total $57,500,000)
    - Provides one-time funds for the repairs and renovations of state-owned facilities.

**TOTAL – Capital Budget Initiatives - $18,309,100**

**TOTAL – ALL NEW APPROPRIATIONS - $42,097,193**
IV. Major Non-Budget Legislation – NC State University specific

- **NC State University Dairy Sales (House Bill 752)**
  - **Ratified – April 28, 2005**
  - Allows for the sale by NC State University at University-owned facilities of dairy products, including milk-based beverages, ice cream, cheeses, and the by products of heavy cream produced by the Dairy and Process Applications Laboratory. Profits are to be used to support the Department of Food Science and the College of Agriculture and Life Sciences.

- **UNC Nonappropriated Capital Projects (House Bill 1775)**
  - **Passed by the House and Senate – August 12, 2005**
  - Authorizes construction and financing, without General Fund appropriations, of certain capital improvement projects. Projects are funding by non-general fund receipts. NC State University projects are as follows:
    - Parking Facilities – Expansion $  7,500,000
    - Thompson Theater – Renovation $15,500,000
    - Residence Halls – Renovation $20,550,000
    - Owen Residence Hall – Expansion $  3,700,000
    - Carter Finley Stadium – Expansion $14,500,000
    - Chancellor’s Residence $  3,350,000
    - Classroom Building Expansion $10,000,000

- **Tuition Waiver Program Expansion (Senate Bill 622 – Budget)**
  - **Ratified - August 13, 2005**
  - Authorizes a person, who is a full-time employee of the University, or is the spouse or dependent child of a full-time employee, and is a legal resident of North Carolina, qualifies as a resident for tuition purposes without having maintained that legal residence for at least 12 months immediately prior to his or her classification as a resident for tuition purposes.