

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 952
Education/Higher Education Committee Substitute Adopted 4/23/03

Short Title: Amend Distinguish Prof. Endowment Trust Fund. (Public)

Sponsors:

Referred to:

April 3, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE NEW CHALLENGE GRANTS AVAILABLE FROM THE
3 DISTINGUISHED PROFESSORS ENDOWMENT TRUST FUND FOR CERTAIN
4 CONSTITUENT INSTITUTIONS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Part 4A of Chapter 116 of the General Statutes is amended by
7 adding a new section to read:

8 **"§ 116-41.13.1 Distinguished Professors Endowment Trust Fund; definitions.**

9 The following definitions apply in this Part:

10 (1) "Focused growth institution" means Elizabeth City State University,
11 Fayetteville State University, North Carolina Agricultural and
12 Technical University, North Carolina Central University, The
13 University of North Carolina at Pembroke, Western Carolina
14 University, and Winston-Salem State University.

15 (2) "Special needs institution" means the North Carolina School of the
16 Arts and The University of North Carolina at Asheville."

17 SECTION 2. G.S. 116-41.15 reads as rewritten:

18 **"§ 116-41.15. Distinguished Professors Endowment Trust Fund; definitions;**
19 **allocation; administration.**

20 (a) For constituent institutions other than focused growth institutions and special
21 needs institutions, ~~The~~ the amount appropriated to the trust shall be allocated by the
22 Board as follows:

23 (1) On the basis of one three hundred thirty-four thousand dollar
24 (\$334,000) challenge grant for each six hundred sixty-six thousand
25 dollars (\$666,000) raised from private sources; or

26 (2) On the basis of one hundred sixty-seven thousand dollar (\$167,000)
27 challenge grant for each three hundred thirty-three thousand dollars
28 (\$333,000) raised from private sources.

1 If an institution chooses to pursue the use of the allocated challenge grant funds
2 described in either subdivision (1) or subdivision (2) of this ~~section~~subsection, the
3 funds shall be matched on a two-to-one basis.

4 (b) For focused growth institutions and special needs institutions, the amount
5 appropriated to the trust shall be allocated by the Board as follows:

6 (1) On the basis of one five hundred thousand dollar (\$500,000) challenge
7 grant for each five hundred thousand dollars (\$500,000) raised from
8 private sources; or

9 (2) On the basis of one two hundred fifty thousand dollar (\$250,000)
10 challenge grant for each two hundred fifty thousand dollars (\$250,000)
11 raised from private sources. If an institution chooses to pursue the use
12 of the allocated challenge grant funds described in either subdivision
13 (1) or subdivision (2) of this subsection, the funds shall be matched on
14 a one-to-one basis.

15 (c) Matching funds shall come from contributions made after July 1, 1985, and
16 pledged for the purposes specified by G.S. 116-41.14. Each participating constituent
17 institution's board of trustees shall establish its own Distinguished Professors
18 Endowment Trust Fund, and shall maintain it pursuant to the provision of G.S. 116-36
19 to function as a depository for private contributions and for the State matching funds for
20 the challenge grants. The State matching funds shall be transferred to the constituent
21 institution's Endowment Fund upon notification that the institution has received and
22 deposited the appropriate amount required by this section in its own Distinguished
23 Professors Endowment Trust Fund. Only the net income from that account shall be
24 expended in support of the distinguished professorship thereby created."

25 **SECTION 3.** G.S.116-41.16 reads as rewritten:

26 "**§ 116-41.16. Distinguished Professors Endowment Trust Fund; contribution**
27 **commitments.**

28 (a) For constituent institutions other than focused growth institutions and special
29 needs institutions, ~~Contributions~~ contributions may also be eligible for matching if there
30 is:

31 (1) A commitment to make a donation of at least six hundred sixty-six
32 thousand dollars (\$666,000), as prescribed by G.S. 143-31.4, and an
33 initial payment of one hundred eleven thousand dollars (\$111,000) to
34 receive a grant described in G.S. 116-41.15(a)(1); or

35 (2) A commitment to make a donation of at least three hundred
36 thirty-three thousand dollars (\$333,000), as prescribed by G.S.
37 143-31.4, and an initial payment of fifty-five thousand five hundred
38 dollars (\$55,500) to receive a grant described in G.S. 116-41.15(a)(2);
39 and if the initial payment is accompanied by a written pledge to
40 provide the balance within five years after the date of the initial
41 payment. Each payment on the balance shall be no less than the
42 amount of the initial payment and shall be made on or before the
43 anniversary date of the initial payment. Pledged contributions may not
44 be matched prior to the actual collection of the total funds. Once the

1 income from the institution's Distinguished Professors Endowment
2 Trust Fund can be effectively used pursuant to G.S. 116-41.17, the
3 institution shall proceed to implement plans for establishing an
4 endowed chair.

5 (b) For focused growth institutions and special needs institutions, contributions
6 may also be eligible for matching if there is:

7 (1) A commitment to make a donation of at least five hundred thousand
8 dollars (\$500,000), as prescribed by G.S. 143-31.4, and an initial
9 payment of eighty-three thousand three hundred dollars (\$83,300) to
10 receive a grant described in G.S. 116-41.15(b)(1); or

11 (2) A commitment to make a donation of at least two hundred fifty
12 thousand dollars (\$250,000), as prescribed by G.S. 143-31.4, and an
13 initial payment of forty-one thousand six hundred dollars (\$41,600) to
14 receive a grant described in G.S. 116-41.15(b)(2); and if the initial
15 payment is accompanied by a written pledge to provide the balance
16 within five years after the date of the initial payment. Each payment on
17 the balance shall be no less than the amount of the initial payment.
18 Pledged contributions may not be matched prior to the actual
19 collection of the total funds. Once the income from the institution's
20 Distinguished Professors Endowment Trust Fund can be effectively
21 used pursuant to G.S. 116-41.17, the institution shall proceed to
22 implement plans for establishing an endowed chair."

23 **SECTION 4.** This act becomes effective July 1, 2003.