

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

SESSION LAW 2003-293
SENATE BILL 952

AN ACT TO MAKE NEW CHALLENGE GRANTS AVAILABLE FROM THE
DISTINGUISHED PROFESSORS ENDOWMENT TRUST FUND FOR CERTAIN
CONSTITUENT INSTITUTIONS.

The General Assembly of North Carolina enacts:

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

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

The following definitions apply in this Part:

- (1) "Focused growth institution" means Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical University, North Carolina Central University, The University of North Carolina at Pembroke, Western Carolina University, and Winston-Salem State University.
- (2) "Special needs institution" means the North Carolina School of the Arts and The University of North Carolina at Asheville."

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

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

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

- (1) On the basis of one three hundred thirty-four thousand dollar (\$334,000) challenge grant for each six hundred sixty-six thousand dollars (\$666,000) raised from private sources; or
- (2) On the basis of one hundred sixty-seven thousand dollar (\$167,000) challenge grant for each three hundred thirty-three thousand dollars (\$333,000) raised from private sources.

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

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

- (1) On the basis of one five hundred thousand dollar (\$500,000) challenge grant for each five hundred thousand dollars (\$500,000) raised from private sources; or
- (2) On the basis of one two hundred fifty thousand dollar (\$250,000) challenge grant for each two hundred fifty thousand dollars (\$250,000) raised from private sources. If an institution chooses to pursue the use of the allocated challenge grant funds described in either subdivision (1) or subdivision (2) of this subsection, the funds shall be matched on a one-to-one basis.

(c) Matching funds shall come from contributions made after July 1, 1985, and pledged for the purposes specified by G.S. 116-41.14. Each participating constituent institution's board of trustees shall establish its own Distinguished Professors

Endowment Trust Fund, and shall maintain it pursuant to the provision of G.S. 116-36 to function as a depository for private contributions and for the State matching funds for the challenge grants. The State matching funds shall be transferred to the constituent institution's Endowment Fund upon notification that the institution has received and deposited the appropriate amount required by this section in its own Distinguished Professors Endowment Trust Fund. Only the net income from that account shall be expended in support of the distinguished professorship thereby created."

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

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

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

- (1) A commitment to make a donation of at least six hundred sixty-six thousand dollars (\$666,000), as prescribed by G.S. 143-31.4, and an initial payment of one hundred eleven thousand dollars (\$111,000) to receive a grant described in G.S. 116-41.15(a)(1); or
- (2) A commitment to make a donation of at least three hundred thirty-three thousand dollars (\$333,000), as prescribed by G.S. 143-31.4, and an initial payment of fifty-five thousand five hundred dollars (\$55,500) to receive a grant described in G.S. 116-41.15(a)(2); and if the initial payment is accompanied by a written pledge to provide the balance within five years after the date of the initial payment. Each payment on the balance shall be no less than the amount of the initial payment and shall be made on or before the anniversary date of the initial payment. Pledged contributions may not be matched prior to the actual collection of the total funds. Once the income from the institution's Distinguished Professors Endowment Trust Fund can be effectively used pursuant to G.S. 116-41.17, the institution shall proceed to implement plans for establishing an endowed chair.

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

- (1) A commitment to make a donation of at least five hundred thousand dollars (\$500,000), as prescribed by G.S. 143-31.4, and an initial payment of eighty-three thousand three hundred dollars (\$83,300) to receive a grant described in G.S. 116-41.15(b)(1); or
- (2) A commitment to make a donation of at least two hundred fifty thousand dollars (\$250,000), as prescribed by G.S. 143-31.4, and an initial payment of forty-one thousand six hundred dollars (\$41,600) to receive a grant described in G.S. 116-41.15(b)(2); and if the initial payment is accompanied by a written pledge to provide the balance within five years after the date of the initial payment. Each payment on the balance shall be no less than the amount of the initial payment. Pledged contributions may not be matched prior to the actual collection of the total funds. Once the income from the institution's Distinguished Professors Endowment Trust Fund can be effectively used pursuant to G.S. 116-41.17, the institution shall proceed to implement plans for establishing an endowed chair."

SECTION 4. This act becomes effective July 1, 2003.
In the General Assembly read three times and ratified this the 23rd day of
June, 2003.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 4:37 p.m. this 4th day of July, 2003