

The Broncos' VOICE

VOL. 1

OCT. 1993

FACTS YOU SHOULD KNOW ABOUT THE NORTH CAROLINA BOND ISSUES REFER- ENDUM

On November 2nd of this year, North Carolinians will vote on four public-facility bond referendums:

- *\$10 million of University Improvement Bonds
- *\$250 million of Community College Bonds
- *\$145 million of Clean Water Bonds
- *\$35 million of State Parks Bonds

Below are facts as to how the UNC "University Improvement" Bonds will benefit all North Carolinians.

FACT: Currently, Fayetteville State University can only house 1,000 of its 4,000 students on campus. Passage of the University Improvement Bonds will appropriate \$9.5 million to FSU to build new dorms and renovate old dorm space to accommodate our rapidly growing student enrollment. In addition to FSU, all other 15 campuses, as well as the nine Area Health Education Centers, the state-wide network of the UNC Center for Public Television, the North Carolina Arboretum, and the North Carolina School of Math and Science will receive capital funds if the UNC bond referendum passes.

FACT: The multi-campus University of North Carolina is nationally recognized as one of the most outstanding public higher education systems in the United States, greatly benefiting our state's economy. Out-of-state employers are attracted to North Carolina by the groundbreaking research conducted by the UNC system graduates who make first-rate employees, and by the 16 campuses throughout the state that offer affordable education to employees and their families.

FACT: Passage of the University Bond issue will allow the nation's oldest state university system to meet the future needs of its 16 campuses and affiliated organizations and to maintain the high quality that North Carolinians expect. The University projects will serve all citizens of the state.

FACT: Research by the Bureau of Economic Analysis of the U. S. Department of Commerce shows that each \$1 million of new construction in North Carolina creates about 36 jobs. On that basis, passage of the \$310 million University

Improvement bond referendum will create more than 11,000 new jobs throughout the state.

FACT: From 1989 to 1991, no ground was broken on a UNC building financed with state appropriations. Only five buildings have been approved by the legislature since 1992. Meanwhile, crowding has become more acute on fast-growing campuses, and deteriorating facilities on older campuses have become more of a problem. In dollar terms, the total appropriated during this five-year period for new construction was \$75 million, whereas the capital needs presented by the UNC Board of Governors since 1989 amounted to \$644 million. In the same period, enrollment at the 16 UNC campuses has grown by some 16,400 students.

FACT: In the five years before the budget crunch, the state was appropriating about \$75 million annually for UNC capital needs. This money typically came from funds left over each year after the state's operating needs were met. During the budget squeeze, there were no leftovers. Now there is a backlog of capital needs that can best be met by borrowing. It makes sense to pay down the debt as we use the new and refurbished facilities.

FACT: Just as now is an excellent time to buy a home or to refinance a mortgage, now is also an excellent time to finance long-deferred building and renovation projects on UNC campuses. Interest rates are at their lowest levels in more than two decades.

FACT: This is also an economical time to build. The construction industry has been hit hard by the real-estate recession, and bids should be favorable, reflecting contractors' eagerness for business.

FACT: Because our debt is so low, issuing bonds will not harm North Carolina's excellent credit rating. Our state is one of only four in the nation given the highest rating (triple-A) by Moody's, Standard & Poor's, and the Fitch ratings services. The high rating keeps the state's borrowing costs low.

FACT: The projected debt service (payments for interest and principal) on all of the proposed bonds would likely be less than 1 percent of the state's General Fund budget. State Treasurer Harlan Boyles and other experts believe the state can meet the debt service on the bonds in future years without an increase in state taxes.

FACT: The North Carolina General Assembly overwhelmingly approved putting these bond referendums on the ballot, with only one dissenting vote.

FACT: The bond proceeds will be used for investment in North Carolina's economic future and to improve the quality of life in our state for many years to come.



Individuals pictured above are Trudy Fields, President - FSU SGA; Thomas I. Stoors, Chairman - Bond Issue Committee; FSU Chancellor L. V. Hackley; C. D. Spangler, Jr., President - UNC System.