

Local School Board Fills Vacant Member Position

By JAMIE DOUGHER
Assistant City Editor

The Chapel Hill-Carrboro Board of Education swore in a new member at its Aug. 15 meeting, a long-time education advocate that members say will help the school board achieve its goals for the coming year.

The board interviewed eight applicants for the position and ultimately elected Ed Secrest to replace Teresa Williams, who vacated the board to relocate to Charlotte. Chairwoman Valerie Foushee said the school board chose Secrest because he was a qualified candidate who worked with the community. "He has an extensive background with tutoring, he worked with young children, and he was active in his community and in his church," she said.

Secrest was the chairman of the School Governance Council at Seawell Elementary in Chapel Hill last year, and board member Maryanne Rosenman said that is how he will contribute. "The SGC is concerned with the governance of a school, and we're concerned with

the governance of a district," she said.

Minority student achievement is a major task the school board will address next year, and Rosenman said Secrest is concerned about the issue. "He has volunteer experience as a mentor for minority families," she said, referring to Secrest's experience mentoring intercity students in the Philadelphia area.

Secrest said he has plans to enhance minority student achievement next year, such as tutoring and after-school programs. "It all comes back to implementing the plan and making the plan real for teachers and students," he said.

School board member Nick Didow nominated Secrest first. All six board members subsequently voted for Secrest, which eliminated the need for any further nominations.

"I'm excited. I'm going to work hard to try and make things happen," Secrest said. "I want to contribute to being a positive influence in the school system."

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Audit Analyzes Hospital Budget

By JEFF SILVER
Assistant University Editor

UNC Hospital officials are evaluating an audit of the construction of UNC's Women's and Children's Hospitals that examined why the project is both over-budget and overdue.

According to an audit conducted this summer, the project is expected to exceed its original budget by more than \$25 million, or 18 percent.

PwC Consulting, a business of PricewaterhouseCoopers LLP, released the audit report to School of Medicine Dean Jeffrey Houpt on July 15.

When the project was proposed in 1995, officials filed a certificate of need — an estimate of total cost — for \$140.2 million. The final projection estimates a budget of \$165.6 million, the report states.

Construction of the hospitals is also behind schedule. Initially, officials planned a November 1999 opening. But the second and final phase will not be done until February 2003, officials say. Phase one ended in February 2002.

The report outlines five areas that comprised most of the cost overrun: construction, consultation, equipment, financing and the contingency.

Construction and consultation both cost more than expected because of a multitude of unforeseen charges.

Financing cost overruns resulted because UNC Hospitals pursued a larger bond purchase than originally planned and because of unforeseen capital interest expenses from the building delay. But the audit states, "these interest expenses would have been paid by the Hospital in any event."

Though equipment costs were actually more than \$100,000 less than projected, PwC cited the area because the cost documentation for equipment expenditures was "incomplete and decentralized."

But Karen McCall, vice president of public affairs for UNC Hospitals, contested this assertion, saying the project did have an equipment budget.

The audit states the University needs to bring in more professionals to evaluate project plans before construction

begins. It also calls for comprehensive policies in managing large projects and a standardized accounting system.

McCall said UNC Hospitals plans on following many of these guidelines for future large-scale projects.

But she said an essential problem with the hospitals project was the use of multi-prime contracting, or contracting parts of the project individually. Officials say multi-prime contracting, mandated by state law for state institutions when the project began, leads to cost ineffectiveness, as opposed to single-prime, which allows hiring one contractor to handle the work.

The N.C. General Assembly passed a law in December that frees state agencies from the multi-prime mandate.

She said officials will apply the lessons learned from this project to future undertakings. "The auditors came out of it saying we were under-resourced to this magnitude of a project with everything else going on."

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Doctoring the Budget

Construction of the UNC Women's and Children's Hospitals is over budget and behind schedule. The project went \$25.4 million over budget, although only \$8 million was originally budgeted for unforeseen costs.

- December 1999: original planned opening
- June 2000: revised planned opening
- February 2002: actual opening for Phase 1
- December 2002: expected completion of Phase 2

	1995 Estimated budget in millions	2002 Forecasted budget in millions	Total Change
Land	\$15.2	\$15.2	\$0
Financing	\$6.3	\$15.8	\$9.5
Consultants	\$8	\$12.7	\$4.7
Equipment	\$26.8	\$26.7	-\$0.1
Construction	\$75.9	\$95.2	\$19.3
Total	\$140.2	\$165.6	\$25.4

SOURCE: PWC CONSULTING DTH/CORI EDELSON



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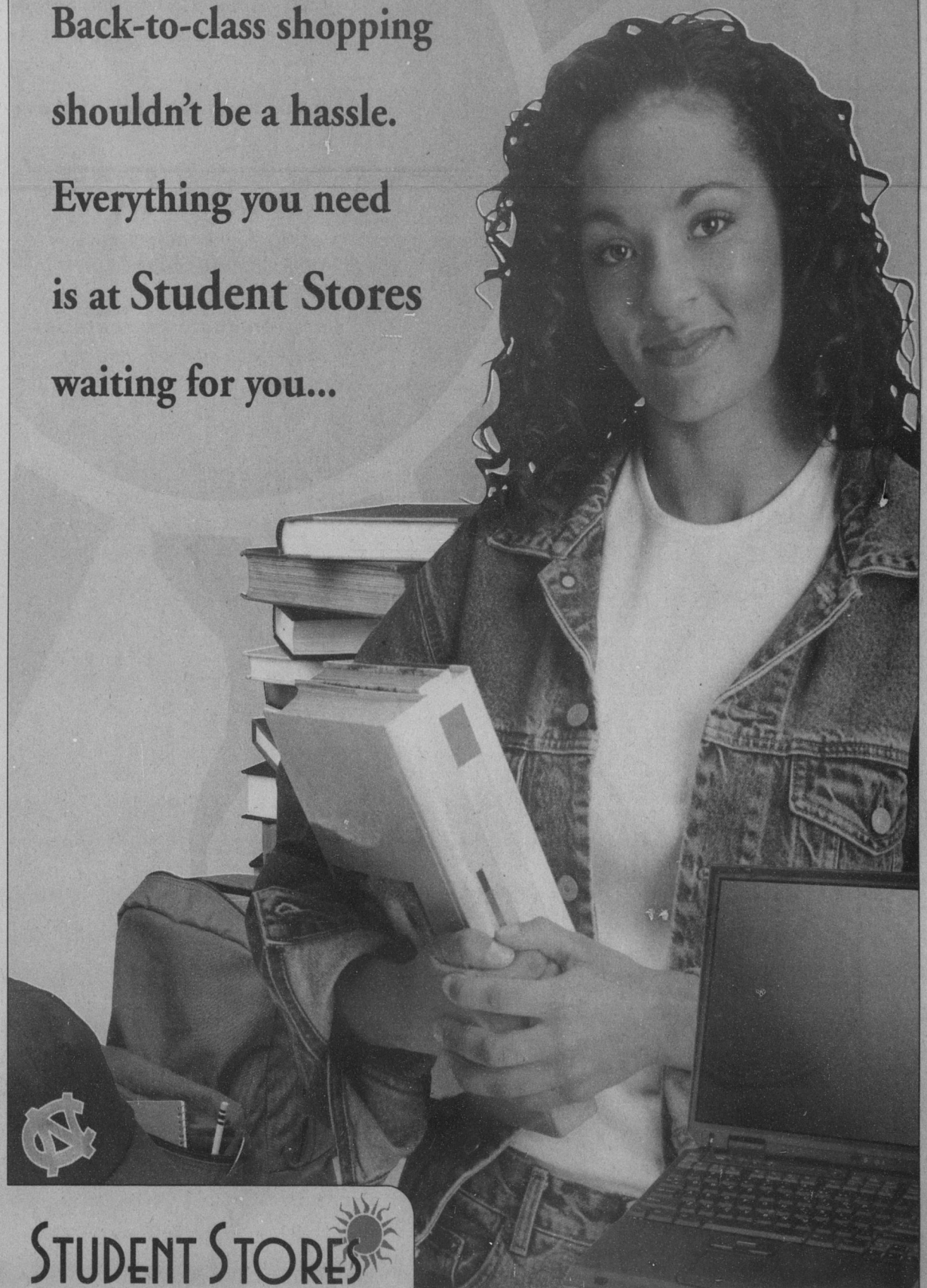
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