

# Budget battles come to end Legislature OKs medical centers

## UNC system spared large budget cuts

STAFF AND WIRE REPORT

RALEIGH, N.C. — Legislative leaders agreed July 16 on a \$15.8 billion spending package for the year, giving a boon to schools in the UNC system that had feared the worst.

Co-speakers Jim Black and Richard Morgan and Senate leader Marc Basnight worked out about the half-dozen policy differences that couldn't be solved by other negotiators, but most of the significant policy and funding changes for the fiscal year that began July 1 were worked out during the previous three weeks of negotiations.

Among the changes were those to the education budget, which includes the spending plan for the UNC system.

"Everything seems to be on track," said Black, D-Mecklenburg.

As expected, the budget allots roughly \$64 million to the system to fully fund enrollment growth for an estimated 7,458 new students.

It also does not act on tuition hikes at all 16 system campuses, so the increases — originally approved by the system's Board of Governors — will go into effect. At UNC-Chapel Hill, increases in tuition and fees for the 2004-05 school year total \$366.50 for in-state students and \$1,616.50 for

out-of-staters.

In addition, the system saw the smallest budget cuts it has received in recent years, with conferees from the House and Senate agreeing to slash the system's funds by \$22.6 million, or 1.47 percent.

That figure is smaller than the House's original proposal of 1.7 percent, or \$24 million.

And though the cuts come on top of years of similar reductions, system leaders expressed gratitude that they weren't larger.

"Of course, we would have been happy if there were no cuts, but ... we know we're part of the state system," said Jane Helm, vice chancellor for business affairs at Appalachian State University, on July 8.

The budget deal came two days after legislative leaders agreed to a borrowing plan that primarily will benefit UNC-system campuses.

The package, passed by both chambers July 17, would issue as much as \$310 million in debt this year, with most of the proceeds funding projects at 12 of the 16 system campuses.

The cornerstone of the debt package is renovation of the cancer center at UNC-CH and a new stroke and heart center at East Carolina University.

The measure, which Gov. Mike



Co-speakers Jim Black and Richard Morgan dealt with discrepancies in the House and Senate figures to pass the budget during the summer session.

Easley signed this month, would borrow \$319 million this year and another \$158 million in the future.

In addition, under the plan,

state employees will see raises. In addition, Easley's K-12 pet projects, the More at Four program and the reduction of third-grade class sizes, are fully funded.

## UNC cancer center among projects

STAFF AND WIRE REPORT

The N.C. General Assembly this summer approved a \$468 million borrowing package for capital projects, most of which directly affect 12 of the 16 UNC-system campuses.

The two chambers agreed July 17 to a plan that will issue \$310 million in debt this coming year and \$158 million in the future, including a total of \$180 million for a new cancer hospital at UNC-Chapel Hill.

In addition, the bill allots \$60 million for a heart and stroke center at East Carolina University, \$35 million each for a bioinformatics center at UNC-Charlotte and a wellness center at UNC-Asheville, and \$28 million for a pharmacy school at Elizabeth City State University.

"It does a great number of things to make this a better state to live," said Senate Majority Leader Tony Rand, D-Cumberland.

On top of its major tenets, the package also gives smaller amounts of money to schools for various projects, including:

- \$10 million for a teaching and nursing center at Fayetteville State

University;

- \$10 million for an optometry school at UNC-Pembroke;

- \$10 million for a health consortium at Western Carolina University;

- \$10 million for Winston-Salem State University and the N.C. School of the Arts to buy property; and

- \$10 for a Millennial Campus at N.C. Agricultural and Technical State University and UNC-Greensboro.

Money also would go to buy state parkland and tracts near military installations to try to shield North Carolina from the Pentagon's upcoming round of base closings.

Gov. Mike Easley was in Chapel Hill on Aug. 5 to sign the bill, touting the new cancer hospital as a facility that will create jobs and increase the state's tax base.

"The people need it. The people deserve it," Easley said.

"That's what North Carolina is about — not getting by, but being the best, and we're going to demonstrate that with this facility."

Several Republicans, especially those in areas that haven't received capital money in the past, voted for the bill because they said it was time for their areas to reap some benefits.

"Sometimes Santa Claus doesn't come to the mountains," said Sen. Tom Apodaca, R-Henderson, noting that UNC-Asheville will receive \$60 for a new health and wellness center and Western Carolina University \$20 million to design a proposed aging research center.

Annual debt service for the UNC system and youth prison projects would be repaid through two trust funds that receive a portion of North Carolina's share of the national tobacco settlement.

Three additional trust funds dedicated to conservation projects would repay the parkland and military project debt with interest.

We can't give you  
less stuff to do.  
Just another day to do it.



Bank of America announces Saturday hours.

It's not easy to squeeze your whole life between Monday and Friday. Which is why Bank of America banking centers all over town are now open on Saturdays from 10:00 a.m. to 2:00 p.m. — giving you four precious, extra hours to open a new account, refinance your home, talk to a personal banker or just make a deposit. If life is a little hectic during the week, slow down and see us on Saturday at the banking center listed below. Bank of America — the official bank of Saturday.

#### Chapel Hill Main Office

137 East Franklin Street  
Chapel Hill, North Carolina 27514

Bank of America, N.A. Member FDIC.  
©2004 Bank of America Corporation.  
SAT-26-AD

Bank of America Higher Standards

Triangle Yoga  
www.triangleyoga.com. Yoga classes 7 days a week.  
Fully equipped Pilates studio and more.  
930 Airport Rd., Chapel Hill, NC 27514 (919) 933-YOGA



You will recognize it as soon as you check in. A whole new kind of attitude - a whole new set of standards. Welcome to Sheraton.

Call 919-968-4900 or your travel planner.

Visit [sheraton.com/chapelhill](http://sheraton.com/chapelhill). Best rates, guaranteed.

Sheraton  
Chapel Hill  
HOTEL

Chapel Hill, North Carolina

MEMBER OF STARWOOD PREFERRED GUEST

