

Court rules against UNC

Schools to pay backdated funds

BY JOSEPH R. SCHWARTZ
STATE & NATIONAL EDITOR

In an outcome with multimillion dollar implications spanning across the state, the N.C. Supreme Court ruled July 1 that the UNC-system is among several state groups that owe public schools a backlog of civil penalty collections.

Mired in what officials have deemed a critical budget year, UNC-Chapel Hill could be forced to shell out 10 years' worth of parking fines that total more than \$10 million.

Monies collected from speeding tickets and other criminal offenses traditionally have gone to public schools, but July's ruling extends to several more violations once deemed remedial in nature.

Among sums that now will be funneled to public schools are fines collected by the N.C. Department of Transportation for overweight vehicles, parking fines collected on UNC-system school campuses and late tax fines.

But just how much money UNC and other agencies will be forced to forfeit is still open to debate.

The N.C. School Boards Association first filed the lawsuit seeking the funds in 1998, and the ruling can be applied retroactively to 1995.

Michael Crowell, the attorney representing the schools, estimated that if all money were collected public schools would garner an additional \$500 million.

Still, officials on both sides of the issue say they are unsure if all of the money can be recovered.

"We simply have to be practical and recognize that there's a large amount of money at issue here," Crowell said.

"The agencies are not likely to have it sitting around ready to hand out."

Although each of the UNC system's 16 campuses have set aside parking fines since 2001, Leslie Winner, the system's vice president for legal affairs, said they'll fight to



Officer J. Nutter issues a parking citation outside of Davis Library in July. The July 1 court ruling ordered that revenue gathered from tickets is to go to North Carolina public schools.

avoid retroactive payment. "We will encourage the attorney general to argue that we shouldn't have to pay this retroactively," she said.

It's not like the University has a big pot of money to pay the funds going backwards."

Crowell said the UNC system collects more than \$3 million yearly from parking violations.

UNC-CH officials have estimated that the Department of Public Safety receives \$1.2 million per year in parking fines.

Randy Young, spokesman for the UNC-CH Department of Public Safety, declined to comment.

Parties now will be sent back to trial court where they must hammer out exact totals for payment.

"It's going to take awhile to figure out how much money is owed and how much can be collected," Crowell said.

And state legislators say they'll be waiting with interested ears. Senate Majority Leader Tony

Rand, D-Cumberland, said staff officials tabulated the potential economic impact on public schools.

"It's being factored into it now," he said in July. "We've got our staff looking into it to see what the implications will be."

The ruling marks a shift from the N.C. Court of Appeals 2003 opinion that stated that the agencies could retain the fines because most are remedial.

The Supreme Court ruled unanimously in the case and wrote no dissenting opinion.

Crowell said through seven years of ups and downs, he maintained that the facts justify the final outcome.

"We thought we had a good legal case all along," he said.

"We thought that if the court looked at the legal issues and didn't get caught up in politics that we'd have a good chance."

The ruling does hold that library fines are immune, saving UNC-CH an estimated \$200,000 a year.

The University isn't the only local entity that will be impacted.

Although the Orange County School Board was not among the handful of county schools boards listed as plaintiffs, UNC-CH's money could be transferred just down the road.

Mike Parker, Orange County Schools attorney, said he expects the total sum to be distributed throughout the state's 100 counties on a per capita basis.

"It will obviously bring some more money for the school system here," he said.

Parker said the board is not depending on the ruling for funding.

It could, however, help reduce a budget shortfall.

The county recently passed a \$173 per student hike, \$227 less than the board requested.

Examining gaps like that could make campus parking tickets a little easier to deal with, Crowell said.

"If you're on campus and you get a ticket, make sure you know that it's going to a good cause now."

Contact the State & National Editor at stntdesk@unc.edu.

DPS case puts capital projects at financial risk

BY JOSEPH R. SCHWARTZ
UNIVERSITY EDITOR

A recent action by the N.C. Supreme Court could put UNC-Chapel Hill's plans for construction on parking decks in jeopardy.

The court unanimously ruled July 1 that parking fines on UNC-system campuses belong to the public school system.

A trial court now will decide if that ruling will be applied retroactively to 1995.

Carolyn Elfland, associate vice chancellor for campus services, said if UNC-CH is forced to pay parking fines retroactive to 1995, it could mean the Arts Common and the Bell Tower will be left without parking decks.

The campus set aside \$3.9 million from fines collected since 2001, but \$6.6 million more might be needed to repay the prior fines from before that year.

That, coupled with a loss of \$1 million in yearly parking fines revenue, means the campus might have to rethink its development plans.

"(We're) probably not going to be able to afford as many decks as we otherwise would be able to," she said.

But she and other officials continue to stress that much still needs to be decided before the final figures and impact are known.

A date is yet to be set for the case, but Michael Crowell, attorney for the public schools, said a resolution could be reached by early fall.

Money generated from parking fines traditionally goes toward debt incurred on parking decks and the operational costs of enforcement.

Under the recent ruling, UNC-CH can keep up to 10 percent of parking fines to fund collection costs, but all other monies must be turned in.

Elfland estimated that funding collection and enforcement costs \$750,000 annually — \$650,000

"We have to look at our budget and see how we are going to afford this enforcement."

CAROLYN ELFLAND, UNC-CH OFFICIAL

more than the maximum the University could keep.

"We don't make a profit on parking, so if we lose income we have to get it from somewhere else," said Leslie Winner, general counsel for the UNC system.

She said campuses might be forced to raise the cost of parking permits to make up the disparity.

"It's going to shift this cost from the lawbreakers to the law abiders," she said.

Still, UNC-CH police Chief Derek Poarch said despite the ruling, officers will remain aggressive in writing and collecting fines.

UNC-CH currently is paying debt on the Rams Head parking deck, and three other projects are already underway.

But while many questions remain, Elfland said one thing is certain: Officials must find a way to fund parking enforcement.

"We can't say, 'Well we just won't have enforcement anymore,'" she said.

"The whole system would collapse. ... We have to look at our budget and see how we are going to afford this enforcement."

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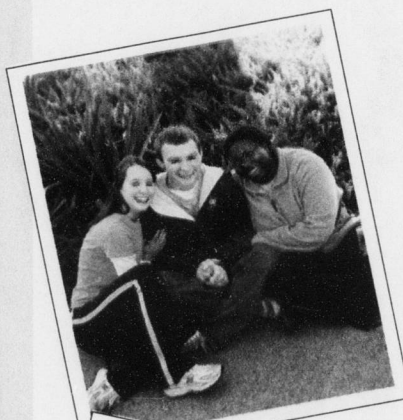


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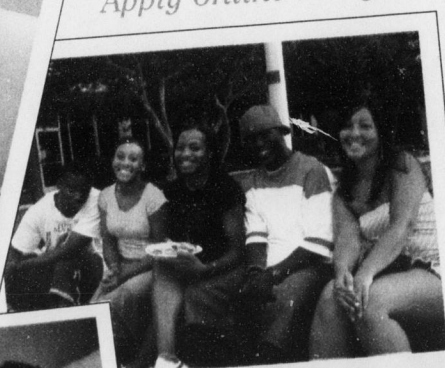
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