

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE DRS75176-LH-142 (03/26)

Short Title: Amend Distinguish Prof. Endowment Trust Fund. (Public)

Sponsors: Senator Lucas.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE NEW CHALLENGE GRANTS AVAILABLE FROM THE
3 DISTINGUISHED PROFESSORS ENDOWMENT TRUST FUND FOR CERTAIN
4 CONSTITUENT INSTITUTIONS.

5 The General Assembly of North Carolina enacts:

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

8 **"§ 116-41.13.1 Distinguished Professors Endowment Trust Fund; definitions.**

9 The following definitions apply in this Part:

10 (1) "Focused growth institution" means Elizabeth City State University,
11 Fayetteville State University, North Carolina Agricultural and
12 Technical University, North Carolina Central University, The
13 University of North Carolina at Pembroke, Western Carolina
14 University, and Winston-Salem State University.

15 (2) "Special needs institution" means the North Carolina School of the
16 Arts and The University of North Carolina at Asheville."

17 **SECTION 1.** G.S. 116-41.15 reads as rewritten:

18 **"§ 116-41.15. Distinguished Professors Endowment Trust Fund; definitions;**
19 **allocation; administration.**

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

23 (1) On the basis of one three hundred thirty-four thousand dollar
24 (\$334,000) challenge grant for each six hundred sixty-six thousand
25 dollars (\$666,000) raised from private sources; or

- 1 (2) On the basis of one hundred sixty-seven thousand dollar (\$167,000)
2 challenge grant for each three hundred thirty-three thousand dollars
3 (\$333,000) raised from private sources.

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

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

- 9 **(1) On the basis of one five hundred thousand dollar (\$500,000) challenge**
10 **grant for each five hundred thousand dollars (\$500,000) raised from**
11 **private sources; or**

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

18 **(c) Matching funds shall come from contributions made after July 1, 1985, and**
19 **pledged for the purposes specified by G.S. 116-41.14. Each participating constituent**
20 **institution's board of trustees shall establish its own Distinguished Professors**
21 **Endowment Trust Fund, and shall maintain it pursuant to the provision of G.S. 116-36**
22 **to function as a depository for private contributions and for the State matching funds for**
23 **the challenge grants. The State matching funds shall be transferred to the constituent**
24 **institution's Endowment Fund upon notification that the institution has received and**
25 **deposited the appropriate amount required by this section in its own Distinguished**
26 **Professors Endowment Trust Fund. Only the net income from that account shall be**
27 **expended in support of the distinguished professorship thereby created."**

28 **SECTION 2.** G.S.116-41.16 reads as rewritten:

29 **"§ 116-41.16. Distinguished Professors Endowment Trust Fund; contribution**
30 **commitments.**

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

- 34 **(1) A commitment to make a donation of at least six hundred sixty-six**
35 **thousand dollars (\$666,000), as prescribed by G.S. 143-31.4, and an**
36 **initial payment of one hundred eleven thousand dollars (\$111,000) to**
37 **receive a grant described in G.S. 116-41.15**(b)**(1); or**

- 38 **(2) A commitment to make a donation of at least three hundred**
39 **thirty-three thousand dollars (\$333,000), as prescribed by G.S.**
40 **143-31.4, and an initial payment of fifty-five thousand five hundred**
41 **dollars (\$55,500) to receive a grant described in G.S. 116-41.15**(b)**(2);**
42 **and if the initial payment is accompanied by a written pledge to**
43 **provide the balance within five years after the date of the initial**
44 **payment. Each payment on the balance shall be no less than the**

1 amount of the initial payment and shall be made on or before the
2 anniversary date of the initial payment. Pledged contributions may not
3 be matched prior to the actual collection of the total funds. Once the
4 income from the institution's Distinguished Professors Endowment
5 Trust Fund can be effectively used pursuant to G.S. 116-41.17, the
6 institution shall proceed to implement plans for establishing an
7 endowed chair.

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

10 (1) A commitment to make a donation of at least five hundred thousand
11 dollars (\$500,000), as prescribed by G.S. 143-31.4, and an initial
12 payment of eighty-three thousand three hundred dollars (\$83,300) to
13 receive a grant described in G.S. 116-41.15(c)(1); or

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

26 **SECTION 3.** This act becomes effective July 1, 2003.