

# CIVITAS INSTITUTE

# LEGISLATIVE POLICY BRIEFING

## 2007-2009 Budget

### Budgeting for the Future

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Sometimes, the “face value” of new items in a budget is only the tip of the iceberg. And in some cases, the rest of the iceberg can be pretty substantial. Projects started partially through the year, new facilities that open during the year, and other such items require more funding the following year. In addition, projects that are planned during this year will require more funding in the future if they are to be implemented. For example, the House budget includes \$1.4 million to implement seven restructured high schools. This is the result of an item in last year’s budget that gave planning grants to 10 high schools to restructure.

Capital projects that receive planning funds will be back on the agenda for construction money in the future, and capital projects that receive construction funds will require operating money once they are completed. As the House budget is discussed, it should be viewed in the larger context of what this budget means for future spending as well as current.

The House proposed budget includes \$26 million in capital planning funds for projects whose total cost is estimated to be \$729 million. While planning funds are a responsible way to begin a project, and do not commit the state to constructing the buildings, they are the first step in the building process.

These project funds mean that, in addition to the \$151 million directly appropriated for capital and the \$449 million in projects proposed for financing (resulting in a \$48 million increase in General Fund debt service in 2008-09), the House has signaled its intention to build \$729 million worth of currently unfunded new projects in the near future.

Many of these planned projects are worthwhile — they include, for example, additions to four prisons to reduce the shortage of prison beds as proposed in the Department of Correction’s long-term plan. They also include some more controversial projects, such as the \$90-million School of Dentistry at Eastern Carolina University. The school received \$3 million in planning funds last year and would receive another \$2.5 million in planning funds in the House budget.

The House has responsibly listed the total cost of each capital project for which planning funds have been appropriated. As legislators and citizens review the House budget, they would be wise to read closely. In view of potential future costs, they may want to leave a little more money on the bottom line.

**LIST OF CAPITAL PROJECTS ON NEXT PAGE.**

## Planning Funds for Capital Projects

Project	Appropriation	Total Project Cost
State Highway Patrol Training Facility	\$ 1,721,000	\$ 26.6 million
State Capital Visitors Center/Plaza/Underground Parking	\$ 627,281	\$ 28.0 million
Scotland Correctional Institution Minimum Security Addition	\$ 1,033,088	\$ 13.2 million
Bertie Correctional Institution Medium Security Addition	\$ 1,551,950	\$ 19.8 million
Lanesboro Correctional Institution Medium Security Addition	\$ 547,839	\$ 19.8 million
Tabor Correctional Institution Minimum Security Addition	\$ 364,680	\$ 13.2 million
SBI Operations Wing	\$ 1,300,000	\$ 34.2 million
Appalachian State University - Education Building	\$ 500,000	\$ 35.8 million
East Carolina University - School of Dentistry	\$ 2,500,000	\$ 90.0 million
Elizabeth City State University - Education Building	\$ 994,000	\$ 20.0 million
South Millennium Campus - Nanoscience and Nanoengineering Building	\$ 2,485,000	\$ 58.0 million
NC Central University Nursing Building	\$ 1,136,000	\$ 24.0 million
NC School of Science & Mathematics - Discovery Center	\$ 3,337,000	\$ 70.4 million
UNC-Chapel Hill - School of Dentistry Addition	\$ 2,500,000	\$ 125.0 million
UNC-Charlotte - Research Facilities Phase II	\$ 3,340,000	\$ 76.2 million
Western Carolina University - Health and Gerontological Building	\$ 600,000	\$ 46.2 million
Winston-Salem State University - Science and General Office Building	\$ 1,351,000	\$ 28.2 million
<b>TOTAL</b>	<b>\$ 25,888,838</b>	<b>\$ 728.6 million</b>



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