



APPENDIX O

The University of North Carolina 2007 Legislative Agenda – Policy Recommendations

1 President's Advisory Committee on Efficiency and Effectiveness (PACE) Recommendations

The following are the PACE's legislative recommendations to find efficiencies within the University. Reflected below are the potential cost savings and cost avoidance factors for these items, which by year five could collectively total \$20 million annually. **For the savings in recurring state appropriations that are identified below, the University will reallocate dollars in lieu of other state funding to its core missions: teaching, research and public service.**

Auxiliary Services

- Provide vending regulatory relief by repealing G.S. 143-64 which requires water and juice proposals be solicited separately.

Estimated Cost Savings / Avoidance

Failure to address this issue could reduce contract revenue by \$1.8 million annually.

Facilities Management

- Building systems efficiency improvements by modifying G.S. 133-3 and allow campuses to establish standards for building components.
- Increase informal limit for small construction from \$300K to \$500K.
- Raise force account limit to a single total limit of \$200K, allowing organizations to perform work in-house when more cost-effective.

Estimated savings of \$300,000 in year two, increasing to \$500,000 in year five. Cost avoidance of \$100,000 in year two and \$560,000 in years three-five.

Estimated annual savings of \$320,000

Estimated annual savings of \$157,500

Other Barriers

- Elimination of duplicative or unnecessary reports including the Management Flexibility report and the Home-based Employees report and modify the Personal Services Contract report to streamline reporting procedures.

Estimated annual savings of \$300,000.

Construction / Leasing

- *Streamline construction document review processes by requiring one review by the State Construction Office and the Department of Insurance. (tentative – follow work of study committee)*
- Modify G.S. 120-76.1(b) to allow for notification to Governmental Operations thirty (30) days prior to onset of a capital project.
- Extend leasing authority to qualified campuses, as determined by the Board of Governors.

Estimated average annual savings of 5% per project. Applied to system-wide capital expenditures of \$350 million, future cost avoidance is \$17.5 million.

Inflationary savings obtained from reduced approval time at a monthly rate of 0.6% per project.

Savings would come by reducing lengthy lease times from about 9 to 4 months.

January 12, 2007

Approved by Board of Governors

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| 2 | Governance Clarification | <ul style="list-style-type: none"> • Clarify the governance structure of the NC Center for Nursing. <i>Requested by UNC GA.</i> • Eliminate the prohibition against spouses of members of the Board of Governors and members of the Boards of Trustees being employees or officers of the State, so long as the spouse is not a member of the General Assembly, and is not an officer or employee of UNC (if married to a BOG member) or relevant UNC campus (if married to a BOT member). <i>Requested by BOG.</i> |
| 3 | Update Teacher Assistant Scholarship Fund | Modify G.S. 116-209.35 to serve all teacher assistants pursuing teaching certification, whether through community colleges or four-year colleges. <i>Requested by NC SEAA.</i> |
| 4 | Grievance Procedures | Codify employee grievance procedures for Cooperative Extension Service to align with the State Personnel Office. <i>Requested by NCSU and NC A&T.</i> |
| 5 | Campus Police | Designate campus police status for officers at the NC Arboretum. <i>Requested by NC Arboretum.</i> |
| 6 | Medical Campuses Tobacco Free | Clarify G.S. 143-599 to allow tobacco free areas around the Medical Campus and properties of UNC Health Care as well as the Health Sciences campus at ECU. <i>Requested by UNC Health Care and ECU.</i> |
| 7 | UNC Campus Facilities Tobacco Free | Allow all UNC institutions to designate non-smoking campus facilities and entryways. <i>Requested by ASU, ECU and FSU.</i> |
| 8 | UNC Hospitals and Statewide Accounts Receivable Program | Amend G.S. 147-86.20 to allow UNC Hospitals and UNC Physicians & Associates to waive the obligation to charge interest on delinquent patient accounts. <i>Requested by UNC Health Care.</i> |

The Board of Governors supports the NC Community Colleges' legislative agenda for the 2007 session of the NC General Assembly. The University looks forward to continuing its partnership with the NC Community College system.