

APPENDIX O

2003 LONG SESSION NON-BUDGET LEGISLATIVE INITIATIVES

PERSONNEL AND BENEFITS

PROPOSAL

Highest Priority

1. Optional Retirement Plan
(UNC-OP)

Improve the UNC Optional Retirement Program (ORP) as follows:

Amend GS 135-5.1

- (1) Reduce the 5-year vesting requirement to one year
- (2) Increase the employer contribution rate so that it is competitive with peer institutions
- (3) Expand eligibility to include EPA non-faculty instructional and research staff of the University of North Carolina as defined by the provisions of G.S. 126-5(c1)(8)

2. Military Tuition
(FSU)

Amend GS 116-143 to provide a tuition rate for University of North Carolina institutions that are competitive with private institutions whose students are eligible for NC Legislative Tuition Grants. For all practical purposes, NC Legislative Tuition Grants combined with military tuition assistance make a college education at private institutions free to active duty members of the Armed services of United States Air Force, Army, Coast Guard, Marine Corps, and Navy while stationed in North Carolina. This proposed new military tuition rate would be available to any active duty service members qualified for admission to an institution of higher education as defined in G.S. 116-143.19(a)(3). This status would remain in effect as long as the official duty station of the armed services member is in North Carolina, even though he or she may be temporarily deployed to another location.

3. State Health Plan Benefits Improvement
(UNC-OP)

Amend GS 116-17.2 to improve State Health Plan Benefits by seeking legislation that would permit a campus to offer alternative health insurance under a Section 125 plan for spouse and/or dependent children.

4. Parental Savings Trust Fund Payroll Deductions
(SEAA)

Amend GS 143-3.3 to allow payroll deduction for University and State employees contributing to the Parental Savings Trust Fund (North Carolina's National College Savings Program)

Priority

5. N.C. Teachers' and State Employees Retirement
(UNC-OP)

Improve N.C. Teachers' and State Employees' Retirement System (TSERS) benefits as follows:

Amend Chapter 135

- (1) Increase the TSERS retirement factor to 2.0%.
- (2) Reduce the number of years that the Average Final Compensation is based on from 4 to 3 years.

6. Reduce Employee Contribution Rate to TSERS
(ECU)

Currently, the employee contribution rate into the Teachers and State Employees' Retirement System (TSERS) is 6%. This rate is well above the national average of 4%. The lack of salary increases coupled with the increased cost for employee benefits has also created problems recruiting and retaining quality employees. Lowering the contribution rate to the national average would have a positive impact on the employee morale.

7. Voluntary Furloughs

Amend GS 116-17.3 to Allow employees who go on an

(UNC-OP)

approved voluntary furlough or an approved voluntary reduction of hours to retain benefits provided by the University. Statutory changes would allow the employee volunteering for furlough to participate in all state and university benefit programs to the same extent that they were eligible prior to the furlough. Employer contributions to benefits would not be reduced on the account of an employee's furlough status.

Prepare for Legislative Presentation or Recommend for Legislative Study

8. State Health Plan Benefits Subsidizing
(UNC-OP)

Amend GS 135-37 – 135-41.3 to improve State Health Plan benefits by subsidizing family coverage or by taking other steps to reduce the cost of health insurance coverage for employees and their covered spouses and dependent children.

9. Retirement Health Care Coverage
(ECU)

Lengthen the service time requirement for guaranteed health insurance coverage at retirement from five to ten years.

10. Employee Contribution for NC FLEX
(UNC-OP)

Amend GS 116-17.2 to allocate a monthly employer contribution for the N.C. Flex program to provide a true cafeteria concept where employees can choose how they wish to spend their money

MANAGEMENT AND ADMINISTRATION

Highest Priority

1. University Parking Jurisdiction (ASU)

PROPOSAL

Technically correct existing provisions and increase University jurisdiction to regulate parking on public streets adjacent to or near the campus.

2. Exempt UNC Trust Property from
property taxes (ASU)

Amend statutes to exempt UNC trust property from property taxes. HB 1509 was introduced during 2002 session but did not pass. Change would exempt trust property for all UNC institutions.

3. University Smoke-free Facilities
(WCU)

To amend GS 143-597 to add the following subsection: (7) University residence halls, health services facilities, wellness centers, physical education facilities, or student recreation centers.

Prepare for Legislative Presentation or Recommend for Legislative Study

3. Purchasing Flexibility (UNC-CH)

Amend GS 116-13 to exempt the University from State purchasing requirements on all contract and grant funds and on all funds except for state-appropriated funds.

4. Purchasing – Delegated Authority Limit
(UNC-CH)

The University has been delegated authority to make purchases up to \$250,000 under State Purchase and contract regulations. Proposal would increase the University's delegated purchasing authority to \$1 million.

5. State Term and Convenience Contracts
(UNC-CH)

Current state law and policy make the University subject to all state term and convenience contracts. Proposal would exempt the University from term and convenience requirements. Allow the University to use these contracts or establish separate term or convenience contracts if it chooses.

GOVERNANCE

PROPOSAL

Highest Priority

1. Membership of Board of Trustees
(NCSA)

Amend GS 116-65 to change the wording in the Enabling Act and the CODE regarding Board of Trustee membership (*ex. Officio*) from the conductor of the North Carolina Symphony to a representative of the North Carolina Symphony. (Consider changing to "Conductor or Conductor's designee.")

2. The North Carolina Arboretum Board of Directors
(NC Arboretum)

Amend GS 116-243 to "Appointed members may serve two full four-year terms following the initial appointment and may not be reappointed until they have been absent for at least ~~four years~~ one year."

FINANCE

Highest Priority

1. Enrollment Funding in Continuation Budget
(UNC-OP)

PROPOSAL

Amend GS 116-11(9)a.

Currently, the University has to spend a significant amount of time in the budgetary process just trying to ensure access to incoming students. This proposal would:

- make access to higher education a non-discretionary budget item,
- mean new UNC students would be treated the same in the budget process as the growing population of students in grades K-12,
- give more certainty that growth needs in future years will be met,
- allow the University to concentrate on budget requests to enhance and strengthen the quality of UNC campuses, and
- avoid the dilemma of considering tuition increases to ensure enrollment growth funding.

2. University's Distinguished Professors Endowment
Trust Fund (UNC-OP)

Change the matching requirements for the University's Distinguished Professors Endowment Trust Fund program in order to enable the focused growth and the smaller institutions with lesser private funding capacity to establish more endowed professorships. Change ratio from \$2:\$1 for private to State matching to \$1:\$1 private to State matching.

3. Collection of penalties and forfeitures
(UNC-OP)

Amend GS 115C-437 to define the clear proceeds of penalties and forfeitures collected as excluding the whole actual cost of collection.

4. Bond project modifications
campus requests (UNC-OP)

The following projects listed in Chapter 3 of the 2000 Session Laws and authorized by voter referendum in November 2000 have been recommended for scope modifications by the campuses. These suggested changes are consistent with the initial intent of the listed projects. However, these alterations are resultant of changed conditions or discovery of a more efficient means to accomplish the same end result.

4.A University of North Carolina at Asheville

Carmichael Hall Classroom Building – Comprehensive Renovation – The preliminary programming of this project has determined that it will be more cost effective to replace this facility than renovate. The request is to shift this from a building renovation to demolition and new construction.

4.B University of North Carolina at Pembroke

Residence/Dining Hall – Replacement of Jacobs and Wellons – Based upon discussions with the dining vendor, the campus has determined that the ten-year dining hall needs have been satisfied. However, the campus has experienced robust enrollment growth that has put pressure on student housing

needs. The campus requests using the funds from this project to address housing needs exclusively.

4.C Winston-Salem State University

Anderson Center -- Comprehensive Renovation and Change of Use for Early Childhood/Gerontology Programs – This facility was deemed in the university's master plan to be an inappropriate site for the two programs cited in the title. The campus has sufficient funds in the project (\$400,000) to renovate existing space in Coltrane Hall to house Gerontology along with other the Social Science programs currently in this building. Funds in the amount of \$1.5 million also exist to construct a separate 7,300 square-foot facility for the Early Childhood program in a location that will avoid conflicts with other campus activities and be consistent with the newly adopted master plan. Finally, renovations of the Anderson Center at an estimated cost of \$5 million will complete this project.

4.D Health Center Building and Old Nursing Comprehensive Modernization and Reuse

The scope of the project includes renovation of 15,807 square feet in the existing Health Center Building and the connected second floor of the Old Nursing Building. Both of these buildings were constructed in the 1950s and are in poor condition. The campus master plan update adopted by the university board of trustees in 2001 recommends that a new Student Health Center be constructed along Martin Luther King Jr. Drive (MLK) as a key component of the university's strategy of reclaiming MLK as a campus street. The master plan identified that a 10,000 square foot stand-alone facility would meet the space requirements for this program. The new facility can be constructed with funds in the existing project budget. The campus master plan also recommends future demolition of the existing Health Center Building and the Old Nursing Building.

Priority

5. Special Obligation Bonds

Amend Section 116D-26(f) to provide a maximum maturity of 30 years rather than 2 years on special obligation bond anticipation notes. This proposal would provide greater flexibility to the campuses in structuring short-term debt obligations.

6. Special Obligation Bonds

Amend Section 116D-26(c) to provide a maximum maturity of 30 years rather than 25 years on special obligation bonds. This proposal would provide greater flexibility to the campuses in amortizing their debt obligations.