

University of North Carolina 2012 Session Law Summary

Human Resources

Liability Insurance (SL 2012-142; Section 9.15)

Authorizes the University to purchase commercial insurance of any kind to cover all risks or potential liability relating to the management, direction, and administration of University employee benefit plans.

Salary Provisions (SL 2012-142; Section 25.1D and 25.2)

Removes the restrictions for salary increases for UNC employees that were in place for FY 12-13 in section 29.7 and 29.8 of SL 2011-145. Provides that funds should be allocated to the University to provide for a 1.2% salary increase and describes allowable uses of the funds.

Repeal of Provisions Related to Compensation Adjustment and Performance Pay Reserve (SL 2012-142; Section 25.2A)

Monitor Most Salary Increases (SL 2012-142; Section 25.2B)

Requires monitoring of salary changes to track the increases awarded in the FY 12-13 budget while removing the language that tracked the restrictions eliminated in section 25.2.

Comprehensive Review for Reform of Public Employee Compensation

Plans/Recommendations for Legislation by March 1, 2013 (SL 2012-142; Section 25.2D)

A review and study of current compensation plans for certain state employees will be conducted and findings will be reported by March 1, 2013.

University Faculty Recruiting and Retention Fund (SL 2012-142; Section 25.3)

Provision tracks the expansion of \$3 million in the committee report for Faculty Recruitment and Retention.

Salary-Related Contributions (SL 2012-142; Section 25.10)

Provides changes to the employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for FY 12-13.

Optional Retirement System/Forfeiture Funds (SL 2012-142; Section 25.11)

Forfeitures associated with the Optional Retirement Program must be retained in the ORP and used only for the exclusive benefit of ORP participants and their beneficiaries, including reasonable and necessary expenses of plan administration.

Expand Optional Retirement System Eligibility for UNC (SL 2012-142; Section 25.12)

Expands eligibility for UNC employees hired on or after January 1, 2013 to participate in the Optional Retirement Program.

Cost-of-Living Increases for Retirees of the Teachers' and State Employees' Retirement System, the Judicial Retirement System, and the Legislative Retirement System

(SL 2012-142; Section 25.13)

Cost of Living Adjustment will be 1% for these retirees.

Special Annual Leave Bonus (SL2012-145; Section 6B.1)

Provides full-time permanent employees with one-time five days of annual leave credited on July 1, 2012. The leave will expire on June 30, 2013 and may not be paid in a lump sum upon termination of employment unless the person effects a retirement from a State-supported retirement system immediately upon termination of employment. Part-time employees will receive a pro rata amount of the five days.

2012 Workers' Compensation Amendments (SL2012-135)

Makes substantive changes to the Workers' Compensation Act, including information that can be released to an employer regarding the employee's ability to return to work and the process by which this occurs.

Establishes an eight member Joint Legislative Committee on Workers' Compensation Insurance Coverage Compliance and Fraud Prevention and Detection (Committee) and details the Committee's scope of review, reporting requirements, and additional administrative issues.

No Public Retirement for Convicted Felons (HB153 – presented to Governor on 6/29/12)

Prohibits payment of retirement benefits or allowances, except for a return of member contributions plus interest, to any member of the Teachers' and State Employees' Retirement System or the Optional Retirement System (based on rules to be developed by the Plan Administrator) if the offense is committed while the member is in service or the individual's conduct is directly related to the individual's office or employment. Forfeitures are remitted to the applicable retirement system.

Stop Waste, Fraud, and Abuse in Government (HB 1074 – presented to Governor on 6/29/12)

Authorizes the Retirement System Division to conduct investigations to detect and prevent fraud and ensure full accountability in any activity related to the use or management of Retirement System funds.

Retirement Administrative Changes (SL 2012-178)

Makes changes to administration of the State Retirement Systems in order to conform statute to current administrative practices.

Retirement Technical Changes (SL 2012-130)

Makes technical and conforming changes to statutes affecting the State Retirement Systems consistent with the requirements of the Internal Revenue Code.

Academic Affairs

Clarifying Cooperative High School Statutes (SL 2012-142; Section 7.11)

Makes changes to the Cooperative Innovative High School statutes by defining the partner institution of higher education, consistently applying the term “cooperative innovative high school, defining the approval process, and clarifying the funding model.

Establish NC Teacher Corps (SL 2012-142; Section 7A.7)

Establishes the NC Teacher Corps to recruit and place recent graduates of colleges and universities and mid-career professionals as teachers in high needs public schools. The program will be administered by the State Board of Education, in consultation with the Board of Governors of UNC and the NC Independent Colleges and Universities.

UNC Partnership for National Security (SL 2012-142; Section 9.13)

Allows UNC to use available funds to continue and expand its work on the UNC Partnership for National Security.

North Carolina Longitudinal Data System (SL2012-133)

Creates the North Carolina Longitudinal Data System. Declares that the Data System is located administratively in the Department of Public Instruction (DPI) but authorizes the Data System to exercise its powers and duties independently of DPI and the State Board of Education.

States that the purpose of the Data System is to (1) facilitate and enable the exchange of student data among state agencies and institutions; (2) generate timely and accurate student performance information to be used to improve the state’s education system and provide guidance to decision makers; and (3) facilitate and enable linking student data and workforce data.

An Act to Improve Public Education (SL 2012-77)

Makes various education reforms, including the addition of clarifying language regarding teacher preparation programs. Language ensures students preparing to teach in elementary schools have adequate coursework in the teaching of reading and math; are assessed to determine knowledge in scientifically based reading and math instruction; continue to receive preparation in applying formative and summative assessments; and are prepared to integrate arts education across the curriculum.

Finance/Capital

Payment of 2012 Medicaid Costs (SL 2012-02)

Makes various adjustments to the FY 11-12 budget, including a transfer of \$20 million originally allocated to the Repairs and Renovations Account to ensure adequate funding in the Medicaid Program for FY 11-12.

Use of R&R Funds for 2011-2012 Medicaid Costs (SL 2012-57)

Authorizes a transfer of up to \$94 million in funds appropriated to the Repairs and Renovations Reserve Account for the 2011-12 fiscal year for use to ensure payment to Medicaid providers for the rest of the 2011-12 fiscal year. Limits transfers under this

provision to the actual amounts needed to pay providers through the end of 2011-12 fiscal year. Funds in excess of the actual need are to be transferred back to the Repairs and Renovations Account for allocation to state agencies and the University.

Repairs and Renovations Reserve Allocation for 2012 (SL 2012-142; Sections 2.2 and 26.4)

Appropriates \$23,170,924 to state government and UNC for repairs and renovations and allocates 50% for UNC to be used in accordance to G.S. 143C-4-3.

Financial Aid (SL 2012-142; Section 5.3; SL 2012-145; Section 1.3)

Provides allocations from the Education Lottery for Need-Based Financial Aid. The total allocation from all sources for Need-Based Financial Aid including the General Fund, Escheat and Lottery Fund is \$147,635,342 for FY 12-13. This represents \$25 million in expansion compared to the previously budgeted allocation for FY 12-13.

Remove Consultation by Governor Requirement/Interim Appropriations Committees

(SL 2012-142; Section 6.1)

Removes interim consultation requirement for the Governor for various actions and removes monthly meetings of the Appropriation Committees during the interim.

Authorize Certain Modifications of the Certified Budget (SL 2012-142; Section 6.9)

Allows the Director of the Budget to allocate funds carried forward from one fiscal year to the next.

Study Tuition Cost for Veterans (SL 2012-142; Section 9.1)

Requires a study of tuition costs for veterans who enroll in the State's community colleges or in any constituent institution of the University.

Study UNC Tuition Surcharge (SL 2012-142; Section 9.8)

Requires a study of the tuition surcharge mandated by G.S. 116-143.7 and particularly the surcharge's effect on the number of credit hours taken by students. Methods for notifying students when they are approaching the credit hour limit will also be examined.

UNC Student Fees/Institutional Trust Funds (SL 2012-142; Section 9.9)

Requires that all student fees be deposited into institutional trust funds. The fees not already being deposited into institutional trust fund accounts are application Fees, education and technology Fees and special fees.

UNC Acquisition and Disposition of Real Property (SL 2012-142; Section 9.10)

Grants authority for UNC to dispose of property by lease for a period of 10 years or less without requiring the approval of the Governor and the Council of State before proceeding with a lease agreement.

UNC/Funds for Campuses Specializing in the Arts and Sciences (SL 2012-142; Section 9.14)

Allocates \$3 million from the management flexibility restoration to the campuses specializes in arts and sciences including UNC School of the Arts, UNC Asheville and the North Carolina School for Science and Mathematics.

Special Responsibility Constituent Institutions – Audit (SL 2012-142; Section 17.2)

Last year, the General Assembly required that each campus use State funds to contract with the State Auditor or with a certified public accountant to perform their annual audit. This provision allows the contract for audit services to be for up to three years in duration.

UNCW Social and Behavioral Sciences Building (SL 2012-142; Section 26.6)

Expands previously approved special indebtedness authorized for a UNCW teaching laboratory to also include renovations for the Social and Behavior Science Building at UNCW.

Authorize UNC Carryforward Funds to be used for Capital Projects through June 30, 2013

(SL 2012-142; Section 26.10)

Funding for Bowles Center for Alcohol Studies (SL 2012-145; Section 2.2)

Clarifies the responsibility of the Controller's Office to transfer fees charged to people convicted of a DWI who are seeking to regain a driver's license to the Bowles Center for Alcohol Studies at UNC-CH.

Funding for UNC Medical School (SL 2012-145; Section 2.3)

Transfers the appropriation for UNC Hospital to the UNC School of Medicine to be used for medical education.

ECU Rental Receipts (S847, Section 67 – presented to Governor on 7/3/12)

Allows ECU Division of Health Sciences to retain rental/lease receipts in clinical accounts.

Nonappropriated Capital Projects (SL 2012-164)

Authorizes the construction and financing of University and state agency capital improvement projects.

Other

Consultation with a Legislative Committee (SL 2012-142; Section 6.11)

Defines the expectations for an individual or entity that is required to consult with a committee.

Enhance Enterprise-Level Business Intelligence to Increase Efficiency in State Government

(SL 2012-142; Section 6A.7A)

Creates the Enterprise-Level Business Intelligence Initiative to evaluate existing data analytics projects and plans across state government and the University that could generate greater efficiencies in business operations.

UNC/Repeal Obsolete or Redundant Reporting Requirements (SL 2012-142; Section 9.4)

NC Graduates in Primary Care Centers/Change Report Date (SL 2012-142; Section 9.5)

Permanent Transfer of Funding for Military One-Stop & BRAC Outreach

(SL 2012-142; Section 9.7)

The Military One-Stop & BRAC Outreach program previously vested in Fayetteville State University is transferred to UNC General Administration.

AEDs in State Buildings (HB 914 – presented to Governor on 7/3/12)

A task force is created to identify public/private funds for the purpose of placing AEDs in all state-owned buildings and adopt policies and training plans for the use of AEDs.

Time of Meeting for Legislative Sessions (SB 847; Section 66.5)

The House and Senate will convene on the second Wednesday in January for the sole purpose of electing officers, adopting rules, and otherwise organization of the session. They will adjourn that day until the third Wednesday after the second Monday in January.

State Employee Debt as it relates to health services provided by ECU

(SB 847, Section 68 (a) – presented to Governor on 7/3/12)

Revised G.S. 143-553(a) so that State employees who have a debt to ECU Health Sciences cannot be fired solely due to that debt.

Collection of Unpaid Debts (SB 847, Sections 68(b) and (c)) – presented to Governor on 7/3/12)

Exempts ECU Health Sciences from statutory regulations regarding collections of unpaid debts.

Modify UNC Health Care System Board (SL 2012-174)

Increases the number of members by one. Moving forward, the 24-member board will include 12 members appointed by the Board of Governors after consultation with the UNC President, eight ex-officio members, and four at-large members elected by the Board of Directors. The current Board of Directors has 23 members—15 appointed by the UNC President and ratified by the Board of Governors and 8 serving ex officio.

Simplify Beverage Contract Bids (SL 2012-89)

Repeals statute that requires Local School Administration Units, Community Colleges, and the University of North Carolina to have separate bids for juice and water.

Regulatory Reform Act of 2012 (SB 810 – presented to Governor on 6/28/12)

Provides that agencies subject to the act shall not enforce against any person a policy, guideline, or other interpretation of law or regulation that meets the definition of a rule unless same has been adopted as a rule in accordance with the Act. Requires submission of any proposed rules to the Office of State Budget and Management (for cabinet agency rule-making) or the Rules Review Commission (for Council of State agency rule making) to obtain certification that the agency adhered to the principles set forth in the Act. Provides for appeal to the Office of Administrative Hearings, rather than the State Personnel Commission, for matters involving alleged unlawful employment practices.