

COMMITTEE ON PUBLIC AFFAIRS

Committee on Public Affairs

October 23, 2014

4. State Legislative and Policy Agenda UpdateDrew Moretz

Situation: The legislature is currently holding interim committee meetings. Staff is tracking those issues relevant to UNC. The committee work will lead to policy recommendations for the next legislative session.

With the 2015 Legislative Session starting in January, the Committee will receive a brief overview on the process to develop the UNC Policy Agenda for the long session, as well as receive a copy of the submissions for consideration.

Background: Legislative committee meetings are ongoing, including a Joint Education Oversight Committee meeting that reviewed UNC tuition/fees and the Elizabeth City State University stabilization efforts.

Each year, the UNC Board of Governors approves a policy agenda, which enables staff to advocate for key University priorities. To date, the constituent institutions and internal General Administration departments have submitted policy proposals (log included). There will be several rounds of meetings reviewing the proposals, which will lead to a draft agenda for your consideration at the December meeting.

Assessment: N/A

Action: This is for information and discussion.

2015 Policy Agenda Proposals

Note: This is a comprehensive list of policy proposals submitted, not a final approved policy agenda.

| | Human Resources/Personnel Proposals | Campus | Summary | Recommendation |
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| 1. | Removal of UNC System Institutions from SPA Evaluation Requirements of Office of State Human Resources | UNCC, UNC-CH, NCSU, ASU, WCU, UNCP | Amend SL 2013-382 which, as approved last year, adds substantial administrative requirements and burdens on universities' human resources operations. Previous dialogue between OSHR and UNC-GA indicated mutual interest in ensuring that any special needs of the University System would be met and that System officials would be allowed latitude in developing a policy and approach suitable for the universities. The policy OSHR proposes has the opposite effect. UNC-CH HR indicates that it severely impacts the work already underway with enhancements to performance management with our online processes and changes being planned with migration from People Admin version 5.8 to 7.0. OSHR implemented complete revision to SPA performance management which adds substantial administrative requirements and burdens for all institution HR operations and all supervisors and reviewers of SPA employees. | |
| 2. | Change SPA Probation Period from 24 months to 12 months | UNCC, UNC-CH, NCSU, ECU, ASU, WCU, UNCP | Amend SL 2013-382 which changed the SPA probationary period from 9 months to 24 months, aligning them with the 24 month period to achieve career state employee status. No university sought this change and most feel this is far too long to be on probationary status. Proposal is to move the period down to 12 months. Competitive disadvantage to private sector recruitment and retention; most are 6 to 9 months. 24 months is much too long for a probationary period. | |
| 3. | Unified Personnel Structure/ System | UNCGA, WSSU, UNCSA, ECU, WCU, UNCP | Modify specific provisions of the State HR Act to provide for a unified personnel structure / system for University employees under the authority of the Board of Governors. | |
| 4. | Benefits Eligibility of Domestic Partners under State Health Plan | UNCG, WCU | Revise the rules of the State Health Plan to extend health insurance coverage to the domestic partners of University employees. | |
| 5. | Insurance Acquisition Authority | UNCGA, ECU, UNCW, | Authorize the University to acquire insurance products on its own initiative, rather than acquiring insurance through the Department of Insurance. | |

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| | | WCU, UNCP | | |
| 6. | Retirement Technical Corrections | UNCGA, ASU, UNCW, WCU | <p>Modify certain provision of the optional retirement plan statute, N.C. Gen. Stat. § 135-5.1, to provide for flexibility and efficiency in administration of the ORP: To authorize an increase in the UNC ORP EMPLOYER contribution rates from 6.84% to 8.00% over a two year period (7.42% in 2015 and 8% in 2016). Rates have not increased in over 17 years; Designate the UNC ORP as the “default” plan option for UNC employees if they do not make a retirement election, rather than TSERS; To authorize law enforcement officers that participate in the Optional Retirement Program to be eligible for the 5% employer contribution to the State 401(k)—but direct the contribution to the UNC 403(b) Plan; Remove the appropriations budget cut of \$4 million against ORP plan contributions (i.e. offset from forfeitures); Change ORP enrollment window from 60 to 30 days (plan to discuss pro and cons with campuses)</p> <p>Modify provisions of the Teachers’ and State Employees’ retirement statute (N.C. Gen. Stat. § 135) and relevant provisions of N.C. Gen. Stat. § 116 to: To amend the required break in service for TSERS retirees from six months to 30 days; Amend N.C. Gen. Stat. G.S. 135-1(20) to remove the language that prohibits “volunteers” except for service as a member of a school board or as an unpaid bona fide volunteer in a local school administrative unit.</p> | |
| 7. | After Tax Benefit Plans | UNCGA, ASU, WCU | Modify the statute for Competitive selection of payroll deductions insurance products paid for by State employees to be approved by the President of The University as it impact University employees and to eliminate the requirement that each institution maintain an Employee Insurance Committee. | |
| | Efficiencies/Reporting Requirements Proposals | Campus | Summary | Recommendation |
| 8. | Chancellor’s approved projects | UNCC, UNCP, UNCG, UNCW, UNCA, NCSU, ECU, ASU, WCU | Restore increase in Chancellor’s approval of projects from \$300k to \$1 million for at least General Fund appropriations. | |
| 9. | Approval of Certain Repair [Renovation],and Maintenance | UNCC, | Chancellor’s authority be restored to (1) approve repair, renovation, and | |

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| | Projects | ECU, WCU, UNCP, UNCG | maintenance projects (hereafter referred to as “minor RRME projects”) <= \$1m from any type of operating funds and (2) carry forward unexpended State funds that are contractually obligated. | |
| 10. | Changes to informal projects | UNCC, ECU, WCU, UNCG | Capital project authority threshold (as governed by OSBM) be increased to match the \$500,000 informal project threshold as defined in §133-1.1.(a).(1), and (2) that (absent the reenactment of §116-13.1.(c)), expenditures for repairs, maintenance, and related equipment between \$100,000 and the University operating budget threshold not require OSBM budget approval. Secure clarity be provided in statute, policy, and the NC Budget Manual supporting expenditures for minor repairs, renovations, maintenance, and related equipment (hereafter referred to as “minor RRME projects”) for all facilities governed by G.S. 143C Article 8 (appropriated and non-appropriated). (currently, statute, policy and budget manual are not in sync) | |
| 11. | Change cash management and state appropriation process | UNCC, ECU, UNCP | Change daily requisition of funds to monthly reacquisition of funds. Onerous daily request adjustments. | |
| 12. | Eliminate or Reduce Frequency of Mobile Communications Devices (Cell phone report Reduction of Penalty and Interest On Past Due Accounts) | UNCC, UNCP | Eliminate or reduce the report to OSBM of mobile devices. Compromise option: Change from quarterly to annually | |
| 13. | Coordination of State-level Year End Budgeting, Accounting, and Reporting Requirements | UNCC, ECU | Sync reporting required by State Auditor and OSBM on similar year-end reporting | |
| 14. | Quarterly reporting in IBIS | UNCC | Create a process to automatically transfer budget data from the North Carolina Accounting System (NCAS) maintained by the Office of State Controller (OSC) to the Integrated Budget Information System (IBIS) maintained by the Office of State Budget and Management (OSBM), thereby eliminating the need to re-key UNC’s internal flex budget revisions. | |
| 15. | Fee Report | UNCC, NCSU | Eliminate the OSBM fee report as required per G.S. 143C-9-4 | |
| 16. | Utility Savings Investment Program (USIP) | ASU, UNCG, ECU, WCU | Creates the Utility Savings Investment Program (USIP). Authorizes State Governmental Units [as defined in GS 143-64.17 (7)], in consultation with The Department of Administration State Construction Office (SCO), and State Energy Office (SEO), to implement Utility Savings Investment Projects financed through the Verified Utility Savings the project produces. | |
| 17. | University Property Transactions | WSSU | Streamline the process for a State university’s property transactions. The current system of BOT, BOG, COS and then SPO approvals are excessively long, little value- | |

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| | | | added processes. | |
| 18. | Include other universities so that the BOG can authorize energy conservation measures | UNCG, ECU, ASU, UNCW, WCU | Current legislation allows only NC State and UNC Charlotte to implement energy conservation measures under the provisions of this law. The request is to expand this provision to include other universities so that all universities have the option to either use an ESCO or implement energy conservation projects on their own. | |
| 19. | Eliminate Position Control | UNCG | The request is to allow UNC campuses to exercise salary control instead of position control. Rather than budgeting each individual positions, budgets would be established for salaries within each function or program. | |
| 20. | Enhance efficiency of State Human Resources Act | UNCGA, ASU, WCU | Revise the North Carolina State Human Resources Act (Chapter 126, N.C. Gen. Stat. § 126-1, et seq.) to: add a definition of applicant and amending other definitions or statutory text to better capture the range of HR-related records and information; amend 126-23(a)(3) to be specific to agency/university records and amend 126-24 to clarify access to various personnel information for employees and others; clarify the ability of employing agencies and universities to administer discipline to their SHRA employees by updating; more specifically define the scope of protected activity under the whistleblower protection provisions ('protection for reporting improper government activities' in Article 14 of Chapter 126) to minimize duplicative employment complaints. | |
| | Finance/Budget | Campus | | Recommendation |
| 21. | Reduction of Penalty and Interest On Past Due Accounts | UNCC | Allow universities to set penalty charges on past-due student accounts of up to 10%, as is stated in G.S. 147-86.23, rather than requiring that the maximum 10% be charged, as has been interpreted by the Attorney General's Office. Allow universities an exception to the minimum interest rate of 5% (as prescribed in G.S. 105-241.21 under G.S. 147-86.23) for past-due student accounts. | |
| 22. | Administer Self-Supporting Programs in Institutional Trust Funds | ASU, WCU, UNCG, UNCW, UNCC, UNCSA, ECU, ASU, WCU, UNCP | Transfer the administration of Summer Term Instruction and Non-Credit Extension Instruction tuition currently in the General Fund to Institutional Trust Funds (ITF). | |
| 23. | Move Non-Credit Instruction to Institutional Trust Funds | UNCG, | Current legislation requires continuing education instruction to fall under the | |

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| | | UNCSA, ECU, ASU, UNCW, WCU | general fund. The request is to revise the legislation to move non-credit continuing education instruction to institutional trust funds. | |
| 24. | University budget and accounting matters | WSSU | Reassign the responsibility of oversight of budget and accounting matters currently held by OSBM and other agencies and how they allocate (and withhold in bad times) finances consumes a great deal of resources. (same issue as UNCG proposal immediately below?) | |
| 25. | Study Allotment and Cash management Processes | UNCG, UNCSA, WCU | This request is to conduct a study of the state's allotment and cash management processes to determine if it is the most efficient use of state resources, and if the interest earned on state funds not allotted is greater than the cost of existing allotment and cash management processes. It appears to be inefficient and costs more than interest earned by not just fully allotting the cash necessary to cover the proportionate share of the authorized budget on a routine cycle. If the cost is more, then each state agency could receive and allocation of state appropriations at the beginning of the quarter (the state of Georgia operates on this basis). This would force each state agency to live within the cash received, instead of the current allotment process. Each state agency could invest the short-term cash. | |
| 26. | In-State Tuition for American Indians Enrolled at UNCP | UNCP | UNC Pembroke respectfully proposes that in-state tuition rates be offered to all state and federally recognized American Indian tribes living outside North Carolina. | |
| 27. | Resident Tuition for Border Counties within South Carolina | UNCP, UNCC, WCU, UNCC | UNC Pembroke respectfully proposes that in-state tuition rates be offered to South Carolina counties located 35 miles from the North Carolina border. This area includes the homes of at least 8 American Indian tribes and many of these counties are closer to UNC Pembroke than SC state schools. | |
| 28. | Eliminate tuition surcharge for credit hours earned at non-UNC institutions | UNCG, ECU | SL 2013-325 does not distinguish between credit hours earned at UNC campuses and non-UNC campuses. This law should be amended to distinguish between the two and no apply to non-UNC credit hours for tuition surcharge purposes. | |
| 29. | Convert to Accrual Basis of Accounting | UNCG, ASU | The Office of State Budget and Management requires the university to operate on a cash basis of accounting during the fiscal year. The Office of State Controller requires the University to convert to accrual basis of accounting after the end of the fiscal year for financial reporting. This request is to operate on the accrual basis of accounting throughout the year. | |
| 30. | SODCA Authority | ECU | Full reinstatement of SODCA Authority for Brody School of Medicine. | |
| 31. | University Budget Effectiveness | UNCGA, UNCSA, | Restore the ability of the Board of Governors and the President to fully describe and communicate the needs of the University to the Governor and the General | |

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| | | UNCW, WCU, UNCP | Assembly. Recognize the relationship and connection between the University and the legislative branch. Revise the State Budget Act to restore the University's prior exemption from the executive branch budgeting process. Realign the University's budgeting process under the authority of the Board of Governors, consistent with Chapter 116 of the North Carolina General Statutes, as it existed prior to 2013. | |
| 32. | NCSSM faculty compensation model | NCSSM | The purpose of this proposal is to legislate a mechanism that triggers budgetary allocations to NCSSM and UNC-SA for the purposes of high school faculty compensation commensurate with NCGA allocations made to NC public school teacher compensation plans. The allocation would then be subsequently distributed consistent with the authority of the UNC BOG and the NCSSM and UNC-SA BOTs to determine faculty compensation. | |
| 33. | Pilot Tuition Adjustments for SC, TN and GA Border Residents | WCU | A pilot program to allow WCU to offer in-state tuition plus a surcharge for applicants living in counties within a 100 mile radius of Jackson County, NC. This would include counties in South Carolina, Georgia and Tennessee. | |
| | Campus Safety | Campus | Summary | Recommendation |
| 34. | Privacy Protection to Encourage Reports of Sexual Assault, Hazing and Other Crimes | UNC-CH, UNCSA, ECU, UNCP | Protects the identity and identifying information of individuals who file reports or serve as witnesses to the Clery Act, laws prohibiting sexual violence, or an institution's anti-hazing activities. | |
| | Legal | Campus | Summary | Recommendation |
| 35. | Privacy Protection for Donor Records | UNC-CH, UNCSA, ECU, ASU, UNCW, UNCP | Protect donor gift records from public records. In support of the legislature's goal of protection against sensitive and identifying information of individuals, as reflected in the Identity Theft Protection Act (SL 2005-414), donor records at constituent institutions may be vulnerable to requests for documents that could ultimately misuse an individual donor's sensitive information. This proposal seeks to amend G.S. 116-36 pertaining to the Endowment Fund to keep donor records private from the public record. The legislation would allow the donor to consent to the disclosure of the donor's name, amount and purpose of his/her gift. | |
| 36. | Protect Records of Minors Participating in Campus-Sponsored Programs | UNC-CH, UNCGA, UNCSA, UNCW, UNCP | Clarify that records related to minors participating in programs either sponsored by a constituent institution of the University of North Carolina, or serving minors at a University facility are confidential and not subject to disclosure under the Public Records Act. (Two proposals, one by amending Chapter 116, the other by amending Chapter 132.) | |
| 37. | Attorney-Client and Deliberative Process Exemptions to the Public Records Act | UNCGA, ECU, UNCW | To create an exception within Chapter 132 (Public Records Act) that provides an exemption for records reflecting privileged communications, based on deliberative process and attorney-client privilege. To exempt inter-agency and intra-agency | |

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| | | | preliminary reports, drafts, opinions, and advice from public disclosure until the document in question has been finalized or published. | |
| 38. | Align NCSEAA governance and oversight to the Board of Governors | UNCGA | Revise the North Carolina State Education Assistance Authority (NCSEAA) authorizing statute (Article 23 of Chapter 116, N.C. Gen. Stat. § 116-201, et seq.) to clearly define NCSEAA as an affiliated entity of The University of North Carolina. | |
| 39. | Board of Governors Legal Services Authority | UNCGA, UNCSA, UNCP | Empower the Board of Governors to authorize the President of the University to engage the services of private counsel on behalf of the University in those matters where such engagements would benefit the University/constituent institutions. The statutory change would remove the need to seek approval from the Attorney General and the general counsel to the Governor when engaging outside counsel, but would make clear that payment for counsel comes from University resources (as it does now). | |
| 40. | Enhance efficiency of Law Enforcement Agencies by recognizing their unique role as part of the Public Records Act | UNCGA, UNCSA | Revise the “sensitive public security information” exception in the North Carolina Public Records Act (Chapter 132, N.C. Gen. Stat. § 132-1.7) to allow law enforcement agencies and universities to not release records related to weapons and equipment inventory and capabilities. | |
| | Academic Affairs | Campus | Summary | Recommendation |
| 41. | Reinstate Master’s Degree Salary Supplement for All Teachers Earning Master’s Degrees | UNCP, ECU, UNCW, WCU | The supplemental pay for teachers who earn master’s degrees be reinstated for all teachers, regardless of the teaching assignment, and that these teachers be paid on the “M” salary schedule. | |
| | Health Proposals | Campus | Summary | Recommendation |
| 42. | Establishing Authority for Campus Smoke Free Policies | UNCGA, UNCP | The University proposes to expand the exemptions in NCGS Chapter 143, Article 64 (“Smoking in Public Places”) to include The University of North Carolina which would have the effect of eliminating the 100-foot boundary limitation that is established in §143-596 and §143-597(a)(6). | |
| | Miscellaneous | Campus | Summary | Recommendation |
| 43. | Ex-Officio Members of the NCSSM Board of Trustees | NCSSM | Modify legislation prescribing the appointment of the NCSSM Board of Trustees to provide for self-appointment of up to three (3) non-voting, ex-officio members. | |
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