

**University of North Carolina Board of Governors  
Committee on Public Affairs  
Friday, February 13, 2004  
8:30 a.m.**

**Executive Conference Room**

**AGENDA**

1. Approval of January 9, 2004 minutes\*
2. Committee consideration of State Agenda proposals
3. FYI – 2004 Federal Agenda (for full Board consideration)\*
4. Other

\* Materials attached

## 2004 Short Session Non-Budget Legislative Initiatives

### HIGHEST PRIORITY

#### Finance

- |   |  |   |
|---|--|---|
| 1 | Bond Project Modifications<br>Campus Requests  | <p>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 due to changed conditions or discovery of a more efficient means to accomplish the same end result.</p> <p>1a) <u>NC A&amp;T</u>. Cancellation of Central Cooling Plant Phase I (\$9,430,700) and transfer to a New School of Education.</p> <p>1b) <u>UNCW</u>. Reduce the scope of Alderman Hall Classroom Building (-\$2,204,652) and Kenan Auditorium (-\$1,173,325). Apply the reduced funds (\$3,377,977) to King Hall Classroom Building, Hinton James Hall Classroom Building and Kenan Hall Classroom Building.</p> <p>1c) <u>FSU</u>. Alter the scope of Comprehensive Renovation and Conversion of Spaulding for Public Safety Facilities (\$1,420,845) to reflect occupancy of the complete facility by Student Health Services and student counseling.</p> <p>1d) <u>FSU</u>. Transfer unused funds (\$300,000) from William Collins Building Renovation to a renovation of the Mitchell Building. The Mitchell Building will house the Public Safety Facilities.</p> <p>1e) <u>NCSU</u>. Change scope of Harrelson Hall Higher Education Bond Project from a renovation to a replacement project. A replacement classroom facility will be constructed to meet the current needs of the campus (\$13,608,500)</p> |
| 2 | Special Obligation Bonds For<br>Acquisition of Equipment and<br>Renovation or Repair of Existing<br>Facilities | Amend GS 116 and GS 116D to provide low-cost financing for major equipment purchases and repairs and renovations to facilities for smaller-scale projects that are not considered to be Capital Improvement projects.   |
| 3 | Authority For One-Time<br>Expenditures   | Amend GS 116-30.2(b) to authorize NC School of Science and Mathematics to carry over 2 ½% of its general fund appropriations for one time expenditures.   |
| 4 | Contributions To Parental Savings<br>Trust Fund Tax Deductible.  | Amend GS 105-134.6 & GS 116-209.25 to allow taxpayers who make contributions to the Parental Savings Trust Fund to deduct all, or a portion of, their total contributions in calculating NC taxable income for any given tax year beginning in 2004.  |
| 5 | Retain Proceeds From Sale of<br>Chancellor's Residence   | Allow for a one-time exemption from GS 146-30 to allow FSU and NCSA to retain the proceeds from the sale of the existing chancellor's residence and apply the proceeds toward the cost of a new residence.  |

**Management & Administration**

6 UNC Internal Mediation Documents

Seek to protect documents and discussion generated by UNC internal mediation from discovery in litigation and/or use at trial; and to clarify that a mediator preparing a mediation settlement agreement is not engaged in the practice of law.

7 Need-based Nursing Scholarship Loan Program

Permit the State Education Assistance Authority to administer the Need-based Nursing Scholarship Loan Program consistent with the process by which it administers other need-based scholarship loans. This recommendation is a result of a performance audit report from the Office of the State Auditor.

**Academic Affairs**

8 Military Tuition

Amend the NC Military Tuition Statutes (GS 116-143.3)

- a) Add “abiding in this state” to relevant sentences of GS 116-143.3 (b1) and (b2)
- b) Work to improve military tuition benefits for active duty members of the armed services abiding in the state.
- c) Allow in-state tuition for dependents of active military personnel upon permanent reassignment outside of the state.
- d) Grandfather transferees at the rate they enjoyed while abiding in NC.

**Human Resources**

9 Amend N.C. Disability Income Plan

Repeal changes to G.S. 135 legislation enacted last session that rewrote the definitions of disability under the N.C. Disability Income Plan.

**Governance**

10 Dual Office Holding

Eliminate the prohibition against spouses of members of the Board of Governors’ and of members of Boards of Trustees’ being employees or officers of the State, so long as the spouse is not an officer or employee of UNC, for BOG members, or of the relevant campus, for BOT members.

**PRIORITY**

**Finance**

11 Lead-Time For Acquisition Of Real Property

The acquisition of real property valued \$25,000 or greater by the UNC System requires approval by the respective Board of Trustees, UNC Board of Governors, Jt. Commission on Governmental Operations (Gov. Ops) and the Council of State. Only Gov. Ops does not have a regular, year round meeting time thereby creating delays. It is recommended that GS 146-22 be rewritten in a manner requiring the purchase of land by reporting to Gov. Ops thirty (30) days prior to the sale.

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|----|---------------------------------------|--|
| 12 | Construction Specifications           | Modify GS 133-3 to allow campuses of the University to establish campus standards for building components by conducting public evaluation and selection processes and thereafter specifying said components by brand when writing construction specifications. |
| 13 | NC Rehabilitation Pilot Building Code | Adoption of the NC Rehabilitation Pilot Building Code as the NC Existing Building Code.  |

**Human Resources**

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|----|-----------------------|---|
| 14 | Paid Time Off Program | Amend GS 126 to allow a Paid Time Off program to State and University employees. If not enacted, allow the University to offer a Paid Time Off program to employees. A Paid Time Off program merges all the kinds of leave instead of keeping track of annual leave, sick leave, etc. separately. |
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## 2005 Long Session Non-Budget Legislative Initiatives

### Finance

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|----|-----------------------------|---|
| 15 | Revenue Anticipation Notes  | Permit use of revenue anticipation notes to borrow money for the purpose of paying expenses budgeted or incurred for the current fiscal year in anticipation of the receipt of revenues estimated to be realized during such fiscal year. |
| 16 | Property Insurance Program  | Seek exemption from the NC Department of Insurance's State Property Fire Insurance Fund and establish our own property insurance program.   |
| 17 | Amend Contract Requirements | Abolish the requirement to only allow for 3-year contracts without prior written permission from the State Purchasing Officer.  |

### Human Resources

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|----|---|---|
| 18 | University Personnel System                             | Provide the authority for the University of North Carolina to create a separate university personnel system that would better reflect the needs of a multi-campus, multi-mission, higher education system.  |
| 19 | Optional State Retirement Program                       | <ul style="list-style-type: none"><li>a) Allow all EPA employees who were never given an opportunity a one-time option to switch from TSERS to ORP. These are employees who were actively employed prior to August 1, 2003.</li><li>b) Decrease vesting period for the ORP to one year.</li></ul>                                       |
| 20 | Tuition Status of Undocumented NC High School Graduates | If the federal DREAM act passes, which will return to the states the right to decide the tuition status of undocumented students who graduate from state high schools, UNC should support legislation to study and make recommendations concerning resident tuition status for undocumented students who graduate from NC high schools. |



# The University of North Carolina

## 2004 Federal Agenda

The following Federal agenda was developed based on suggestions and recommendations received from the constituent campuses and affiliated organizations of the University. The general themes by which priorities are categorized are taken from the Board of Governors' Long-Range Plan. The activities and initiatives described below will be undertaken, whenever possible, in conjunction with the North Carolina Congressional delegation and the North Carolina Governor's Washington Office and, where appropriate, the relevant higher education organizations and professional societies.

One of the most important Congressional activities facing higher education this year is the reauthorization of the Higher Education Act. This legislation will have a profound impact on the University of North Carolina, its students and their families for years to come. Therefore, the Board of Governors will work closely with the North Carolina Congressional delegation, the Governor and the national higher education community to ensure that any changes to existing law serve to strengthen federal programs that will: provide greater access and support for our students; increase the infrastructure and capabilities of our campuses; foster the training, recruitment, and retention of high quality teachers; support the rising generation of graduate students; support and expand international educational opportunities for our students and faculty; and take full advantage of the potential of information technology to innovate and invigorate the teaching and learning process.

### Ensure Access to Higher Education

*The Board of Governors has stressed the importance of ensuring access to higher education for all qualified citizens, but especially to traditionally underrepresented segments of North Carolina's population. Toward that end, the University will strive to achieve the following goals:*

1. Support Federal programs for student financial aid, student support services and related activities, including:
  - Increase Pell Grants (\$4,050 current maximum)  
(grant assistance to low-income undergraduate and graduate students; in 2002-2003, more than 37,600 UNC students received more than \$100M in Pell grants)

## Ensure Access to Higher Education (cont.)

- Increase Supplemental Educational Opportunity Grants  
*(grant assistance to low-income undergraduates; in 2002-2003, more than 8,100 UNC students received more than \$7.1M in SEOG funds)*
  - Increase funds for the Federal Work Study program  
*(assistance provided to campuses to help undergraduate and graduate students pay for college through part-time work; in 2002-2003, almost 5,800 UNC students earned almost \$8M in work-study aid)*
  - Increase federal support for state-supported financial aid programs  
*(funding from the federal Leveraging Educational Assistance Partnership (LEAP) and Special LEAP is designed to encourage states to fund need-based programs by requiring the state to match the federal funds; in 2002-2003 more than 2600 UNC students received almost \$1.7M through the NC Student Incentive Grant (NCSIG) program)*
  - Increase funding for the GEAR-UP and TRIO programs  
*(GEAR-UP provides comprehensive mentoring, counseling and other services for low-income elementary and secondary school students and their families to help establish pathways to college; 3 UNC campuses (ASU, FSU and NCA&T) and the Office of the President have been awarded GEAR-UP grants. TRIO provides education outreach and student support services to encourage disadvantaged individuals to enter and complete college.)*
  - Increase funding for the GAANN and Javits graduate fellowship programs; change GAANN stipend calculation to merit-based  
*(GAANN (Graduate Assistance in Areas of National Need) and Javits programs support graduate students in a wide range of fields; many outstanding students are unable to accept GAANN Fellowships because they do not qualify for an adequate stipend.)*
2. Support federal policies that increase opportunities for access to the university for students and their families, including:
- Federal initiatives to promote college access by providing information to students and parents that college is both possible and affordable; build on success of College Foundation of North Carolina ([www.CFNC.org](http://www.CFNC.org)) in promoting access to college with a particular focus on low-income, first generation students.
  - Federal legislation to allow states to decide how to handle residency regarding undocumented students for tuition purposes.
  - Provisions in the Higher Education Act reauthorization that: strike an appropriate balance between grants and loans for students; provide adequate support for campus-based student aid programs and student support/college access programs; provide greater flexibility for distance education students to qualify for federal grants and loans, while also protecting against fraud and abuse; and guard against inappropriate expansion of transfer of credit.

## Intellectual Capital Formation

*The Board of Governors has articulated the importance of excellence in graduate, professional and undergraduate programs to develop an educated citizenry that will enable North Carolina to flourish. A key element of that goal is to ensure that the facilities and campus environment necessary to support that educational excellence are available. Resources to accomplish the latter will be realized through both the Board's capital plan and Federal sources. Therefore, the University will work to support the following Federal initiatives:*

1. Programs to support Historically Black Colleges and Universities and institutions serving under-represented populations, including:
  - Department of Education institutional programs  
*(Title III of the Higher Education Act provides funds to strengthen academic programs and fundraising capabilities at institutions that serve minority and disadvantaged students)*
  - Department of Agriculture 1890 Land Grant Programs  
*(formula funds for research and extension activities at historically black land grant institutions)*
  - Department of Agriculture Higher Education Programs  
*(funds provided for capacity building (research, teaching and facilities) at historically black land grant institutions)*
  - Agency-based minority science and engineering opportunity programs  
*(programs at various Federal agencies, including NASA and DoD, which support research and education capacity building at HBCU's and other minority institutions)*
2. Programs to support infrastructure needs at various institutions, including:
  - National Institutes of Health Extramural construction grants  
*(funds to support construction of biomedical research facilities not located on the NIH campus)*
  - Federal/Congressional initiatives supporting the preservation of buildings at historically women's and historically black institutions  
*(Federal programs and/or legislative initiatives that support these types of activities, which are applicable to several UNC institutions)*
  - National Science Foundation Programs for minority serving institutions  
*(programs such as the advanced networking with minority serving institutions (AN-MSI) which provide funds for building and supporting network facilities at HBCU's and other minority institutions)*
  - Department of Education Title III Institutional Development grants  
*(funds to support capacity building at post-secondary institutions that serve minority and disadvantaged students)*
  - Department of Agriculture formula funds  
*(research and extension funds that can be used for capacity building purposes, including support for personnel and, in some cases, facilities)*



### Intellectual Capital Formation (cont.)

- Corporation for Public Broadcasting programs  
*(infrastructure and facilities grants, as well as programming resources utilized by UNC-TV)*
3. Programs to support human capital formation, including:
- Undergraduate research programs  
*(programs at such as agencies as the Dept. of Education, National Science Foundation, National Aeronautics and Space Administration, and National Institutes of Health, that support the enhancement of undergraduate research programs at all institutions, including activities at NCA&T, UNCA, UNCC, UNC-CH, UNCG, UNCP, UNC-OP, and WSSU)*
  - Nurse and nursing educators shortage  
*(funds that will support efforts to address both the shortage of nurses and the shortage of nursing faculty across the state, including programs at NCA&T, NCCU, UNCC, UNC-CH, UNCG and UNCW)*
  - Designation as a minority-serving institution  
*(increase UNC Pembroke faculty competitiveness for federal grants through designation as a minority-serving institution)*
4. Provisions in the Higher Education Act reauthorization that strengthen Title III and other institutional capacity building programs; resist expansion of the definition of eligible institutions without a commensurate increase in available funding.

### K-16 Education

*The Board of Governors has placed a great deal of emphasis on the University's role in proposing and supporting initiatives that serve the needs of the State's public schools. These initiatives include the development of innovative teacher preparation programs, professional development initiatives, and programs, curriculum and materials to ensure the continuous improvement in the academic achievement of North Carolina's students. The University will seek to capitalize on Federal initiatives on behalf of the various campuses engaged in these types of innovative activities, including:*

1. Identifying and pursuing, in conjunction with the State Department of Public Instruction and local school districts, opportunities through the No Child Left Behind K-12 reform programs that support innovative university/K-12 partnerships in teacher recruitment, training and retention and the use of information technologies in education, including such initiatives as those proposed or underway at ECU, FSU, NCA&T, NCCU, NCSU, UNCC, UNC-CH, UNCG, UNC-OP, UNCP, UNCW, WCU and WSSU, the NC School of Science and Mathematics (NCSSM), and the Office of the President (UNC-OP).

## K-16 Education (cont.)

2. Pursuing program funding within the National Science Foundation, the Department of Education and other agencies relating to the improvement of math/science education and closing of the achievement gap in grades K-12, including initiatives such as those proposed or underway at ASU, FSU, NCA&T, NCCU, UNCA, UNCC, UNC-CH, UNCG, UNC-OP and UNCP.
3. Supporting provisions in the Higher Education Act reauthorization that: recognize and support the vital role played by schools of education in the recruitment, training and retention of teachers; develop appropriate measures of the success of those programs; and promote the use of technology in the classroom and as a means of improving student learning.

## Creation and Transfer of Knowledge

*The Board of Governors' Long Range Plan emphasizes the crucial role the University plays in expanding the frontiers of knowledge through scholarship and research, and stimulating economic development in North Carolina through research, technology transfer and public service activities. The Federal government plays a key role in supporting many of these efforts across the University. Therefore, the University will place particular emphasis on maximizing the Federal resources available to funds these various activities, including:*

1. Ensuring that the university is engaged extensively in local, regional and national homeland security and disaster preparedness programs. These efforts include:
  - Interacting with first responders, policy makers and decision makers at the local, state, and Federal level;
  - Participating in the development of future programmatic and regulatory responses that will ensure a safe environment on our campuses for students, staff and surrounding communities, while striking the appropriate balance between openness and security;
  - Identifying opportunities to bring the university's expertise to bear on the homeland and national security issues facing the nation, through multi-institutional, regional and/or state-wide initiatives (e.g., NC Partnership for Homeland Security, NC Disaster Institute), regional activities involving individual institutions (e.g, Center for Homeland Security and Disaster Management (UNCC), and individual campus initiatives (e.g., ECU, NCA&T, NCSU, UNC-CH, UNCG and UNCW).
2. Increasing competitively awarded support for university-based research, scholarship, public service and outreach from various Federal agencies. Federal awards to UNC institutions totaled more than \$631 Million in FY2003, including:
  - National Institutes of Health  
(UNC institutions received almost \$305M in 2002-2003)
  - Department of Education  
(UNC institutions received more than \$87M in 2002-2003)

## Creation and Transfer of Knowledge (cont.)

- National Science Foundation  
*(UNC institutions received more than \$56M in 2002-2003)*
  - Department of Defense  
*(UNC institutions received almost \$44M in 2002-2003)*
  - Department of Agriculture  
*(UNC institutions received almost \$17M in 2002-2003)*
  - National Aeronautics and Space Administration  
*(UNC institutions received over \$11M in 2002-2003)*
  - Department of Commerce  
*(UNC institutions received over \$11M in 2002-2003)*
  - Environmental Protection Agency  
*(UNC institutions received over \$7M in 2002-2003)*
  - Department of Energy  
*(UNC institutions received over \$6.5M in 2002-2003)*
  - Department of Transportation  
*(UNC institutions received almost \$3M in 2002-2003)*
  - Corporation for Public Broadcasting  
*(UNC received over \$740K in 2002-2003)*
  - National Endowments for the Arts and Humanities  
*(UNC institutions received almost \$780K in 2002-2003)*
3. Participating in the development of Federal legislation and policies that affect higher education and university-based research, including maintaining and promoting policies that encourage university-based research and technology transfer (i.e., Bayh-Dole and other intellectual property policies). Work collaboratively with the recording and media industry to accommodate the appropriate use of peer-to-peer applications and comply with copyright laws.
4. Seeking to capitalize on innovative initiatives being developed, or currently underway, across the various UNC campuses, including:
- Biotechnology/genomics:
    - \* *work in collaboration with state-wide initiatives to ensure that North Carolina maintains a national leadership role in biotechnology, bioinformatics, proteomics, and genomics, including such initiatives as bioimaging, the Biomanufacturing Consortium and campus-based initiatives (e.g., at NCA&T, NCCU, NCSU, UNCA, UNCC, UNC-CH, UNCG, UNCP, WCU and WSSU).*

## Creation and Transfer of Knowledge (cont.)

- Environment and marine sciences:
  - \* *support continued Federal funding for the Southeast Atlantic Coastal Ocean Observing System (SEA-COOS), the Coastal Ocean Research and Monitoring Program (CORMP), and other, campus-initiated marine science initiatives (e.g., at ECU, ECSU, NCSU, UNC-CH and UNCW).*
  - \* *work to position North Carolina as the leader in national and international coastal ocean observing science;*
  - \* *identify and secure Federal funds to support multi-institutional marine science research, education and outreach programs.*
- Health and biomedical sciences:
  - \* *assist campuses in identifying and securing resources to augment or develop research and training programs in the health and biomedical sciences, including programs to improve health awareness (e.g., ECSU, NCSSM, NCSU, UNC-OP, UNC-TV, UNCW, WSSU) and health disparities research (NCA&T, UNCC, UNC-CH, UNCG, and UNCP).*
- Math, science and technology:
  - \* *secure additional funding for the Center for Optoelectronics and Optical Communications.*
  - \* *support campus-based efforts in faculty recruitment and retention and undergraduate research opportunities, with a particular focus in attracting women and minority students into the science, technology, engineering and mathematics (STEM) fields.*
  - \* *support community-oriented activities such as the Pisgah Astronomical Research, Science and Education Center (PARSEC).*
- Public service and economic development:
  - \* *secure additional funding for the North Carolina Agromedicine Institute, an important inter-institutional initiative designed to aid workers in the farming, fishing and forestry industries.*
  - \* *continue to assist the NC Congressional delegation in creating the SouthEast Crescent Authority (SECA) to promote the economic development of Eastern North Carolina and other states in the Southeast.*
  - \* *support Federal programs, including the Manufacturing Extension Partnership, which will assist individual campuses in their efforts to implement economic development initiatives to serve the communities throughout the state.*
  - \* *continue efforts to assist military bases in their interactions with local communities regarding environmental, education and municipal concerns and to ensure long-term sustainability.*
  - \* *seek funding for the National Program for Citizen-Soldier Support, a multi-campus initiative to improve family readiness programs.*
- Transportation:
  - \* *seek the continued support of the NC Congressional delegation and Governor's Office for the North Carolina Transportation Consortium, a multi-campus initiative designed to address statewide transportation issues, during consideration of Federal transportation reauthorization legislation.*

## Creation and Transfer of Knowledge (cont.)

5. Undertaking a sustained effort to increase the funding opportunities available to the constituent campuses and affiliate organizations through competitive grants from various Federal agencies, including the Departments of Commerce, Defense, Education, Energy and Homeland Security, as well as the National Science Foundation, National Institutes of Health, National Aeronautics and Space Administration, and the National Endowments for the Arts and the Humanities.
6. Support provisions in the Higher Education Act reauthorization that provide adequate and sustained support for graduate students in recognition of the vital role they play in creating and advancing knowledge, and in providing valuable research and learning experiences to undergraduate students.

## Internationalization

*The Board of Governors Long-Range plan includes a strategic direction on internationalization, which reflects the University's commitment to promote an international perspective throughout the University community to prepare students to become leaders in a multi-ethnic and global society. Toward that end, the University will support initiatives to increase opportunities for international education, collaboration and research, including:*

- Promoting funding and initiatives that encourage international education and research opportunities for UNC students and faculty:  
*urge increased funding for international education programs through the Department of State, the Department of Education, and the Department of Defense;*
- Providing international educational opportunities to North Carolina's citizens:  
*identify and pursue funding that will support university-wide efforts to make international educational programs available to the people of North Carolina.*
- Promoting increased opportunities for international collaboration:  
*support Federal initiatives that would encourage and facilitate international research, educational and public service collaboration among UNC institutions, NC organizations and international partners in various fields and disciplines.*
- Ensuring continued opportunities and success for UNC international programs:  
*assist the Departments of State and Homeland Security in implementing effective and reasonable student/scholar visa requirements, including fee charges; continue to monitor impact on campuses of SEVIS and US VISIT to make sure that appropriate balance between security and opportunity is achieved.*
- Promoting improvements to Title VI (International Programs) of the Higher Education Act:  
*strengthen and broaden opportunities to create partnerships between K-12 and higher education to include more international content in the K-12 curriculum; expand opportunities for college and university students and faculty to engage in international education experiences; ensure that oversight of federal programs is clearly defined and appropriate in scope.*

## Transformation and Change

*The Board of Governors seeks to use the power of information technology and more effective educational, administrative, and business practices to enable the university to respond to the competitive global environment of the 21<sup>st</sup> century. The Federal government is serving as a catalyst to the many efforts in higher education to harness the power of information technology. Accordingly, the University will seek to take advantage of those various opportunities, including:*

- Integrating information technology into the learning environment  
*support an evolving nation of learners through sustainable infrastructures, applications and content creation; support existing and proposed federal programs that provide funds for networking capabilities at minority-serving institutions; participate in collaborations such as the Departments of Commerce and Education initiative to obtain and create knowledge in personalized ways.*
- Developing K-20 e-learning resources  
*Work with public schools and community colleges to use multi-media resources to provide educational/development programs in a variety of professional fields.*
- Applying DTV technology to distance education, instruction and public service  
*develop collaboration with national public television and higher education associations to secure Federal funding for pilot projects; pursue independent opportunities for UNC-TV to maximize the potential of digital broadcasting.*
- Developing North Carolina grid computing technology  
*Work with various NC organizations to build a statewide grid infrastructure that will enable secure access to distributed research, education and administrative resources; secure funding to develop applications that will significantly benefit the NC economy and university/industry research capabilities.*
- Developing and publicizing useful and appropriate accountability measures  
*Ensure that any accountability-related provisions in the Higher Education Act reauthorization will provide students, parents, policymakers and the public with information that is useful and appropriate, without being overly burdensome on institutions of higher education.*