

**University of North Carolina Board of Governors
Committee on Public Affairs**

Friday, May 12, 2006
8:30 am
Executive Conference Room

AGENDA

1. Approval of April 11, 2006 minutes
2. State Legislative Update
 - Amendment to Non-Budget Agenda
 - 2006 General Assembly Session update
 - Discussion of June 7th activities
3. Federal Update
4. Other

DRAFT

**Minutes of the Committee on Public Affairs
UNC Board of Governors
April 11, 2006**

The following committee members were present:

Peter Hans, Chair	Governor Holshouser
Bunny Sanders, Vice Chair	Leroy Lail
Brent Barringer	Fred Mills
Peaches Blank	Gladys Robinson
John Davis	Craig Souza

The following additional Board members, staff, and others were present:

Brad Adcock	Wayne McDevitt
Bill Burns	Mark Fleming
Hannah Gage	Erin Schuettpelz
Willie Gilchrist	Kimrey Rhinehardt
Charles Hayes	Jeff Davies
Peter Keber	Rob Nelson
Charles Norwood	Alan Mabe
Cary Owen	Joni Worthington
Al Roseman	Ginger Burks
David Yongue	James Smith
Zach Wynne	Laura Foxx

Chairman Hans called the meeting to order.

1. Ms. Sanders moved, seconded by Mr. Davis, that the minutes of February 10, 2006 be approved. The motion carried.
2. The committee heard from Erin Schuettpelz, Director of State Government Relations about amendments to the 2006 Non-budget Legislative Agenda. As requested by the committee, fiscal impact data for each item on the non-budget agenda was included on the amended agenda. Upon motion from Ms. Robinson, seconded by Ms. Saunders, the committee approved the amendments to the 2006 non-budget state legislative agenda.
3. The committee then heard from Kimrey Rhinehardt, Assistant Vice President for Federal Relations, with updates on federal activities.

There being no further business, the committee adjourned.



The University of North Carolina

2006 Non-Budget Legislative Agenda

- 1 **Enrollment Funding in the Continuation Budget**

Place Enrollment Funding in the Continuation budget for the University and the Community College system, in a similar manner as the public schools.
- 2 **University Efficiency Measures**
 - Allow the Board of Governors to delegate statutory duties to the President.
 - Elimination of duplicative or unnecessary reports and allow appropriate reports to be provided by the President, in lieu of the Board of Governors.
 - Authorize the Board of Governors to increase informal contract limit (for small construction) from \$300K to \$500K.
 - Clarify that consultant contracts be approved by the State Purchasing Office, in the same manner as service contracts.
 - Raise the force account limit to \$200K for all direct and indirect costs of a construction project or to \$100K for the total cost of labor on a project.
 - 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.
 - Permit the use of special obligation bonds or other means of financing for acquisition of equipment and renovation or repair of existing facilities.
- 3 **Faculty & Staff Competitiveness**
 - University exemption from, or modification of, G.S. 135-1(20) to preserve UNC's phased retirement plan and allow for more flexibility in rehiring of retirees.
 - Expand the existing Tuition Waiver Program for faculty & staff:
 - a. Increase number of allowed courses from two to three.
 - b. 25% tuition reduction for dependents and spouses of UNC employees.
 - c. Implement a Tuition Remission Exchange program between the University system and the Community College system. *Total 2007-08 Fiscal Impact: \$25.1 million; \$7.7 million for tuition and \$12.9 million in enrollment changes for Community College employees to take courses at the University; \$1.3 million for tuition and \$3.2 million in enrollment changes for University employees to take courses at the Community Colleges.*
 - Provide immediate (or 1-year) vesting in ORP for EPA employees in order to make compensation packages more competitive with University peers. *Maximum reduction of available balances in State Retirement System would total \$806,300.*

April 11, 2006

Approved by Board of Governors

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| 4 | Bond Project Modifications | <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> <ol style="list-style-type: none"> 1) UNC-Chapel Hill proposes to transfer funds from Caldwell and Howell Halls to other classroom projects. 2) UNC-Chapel Hill proposes to transfer funds from Hill and Davie Halls to other classroom projects. 3) NCSU proposes to change scope of Williams Hall Laboratory Building Comprehensive Renovation and transfer of residual funds to Polk Hall Laboratory Building's comprehensive renovation, 1911 Classroom Building comprehensive renovation and Park Shops comprehensive renovation and conversion for general academic use. 4) WCU proposes to change scope of Forsyth Classroom and Computer Labs Building-Comprehensive Renovation and transfer residual funds to Stillwell Lab Building-Comprehensive Renovation. |
| 5 | Principal Fellows Program Modification | <p>Modify the current Principal Fellows Program to provide 49 fellowships per year by adjusting the amount of the scholarship loan to reflect tuition increases and inflation.</p> |
| 6 | Nursing Scholars Program Modification | <p>To permit the State Education Assistance Authority to determine scholarship loan award levels for the Nursing Scholars Program and to eliminate confusion in existing statute regarding recipients who are enrolled less than full-time.</p> |
| 7 | Dental and Medical Scholarship Loan Modification | <p>To grant the Board of Governors authority to forgive a dental or medical scholarship loan and avoid imposing hardship on a recipient who is trying to complete the requisite service to have his or her loan forgiven.</p> |
| 8 | Contributions To Parental Savings Trust Fund Tax Deductible | <p>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 2006. <i>If enacted, provision would result in a recurring reduction of General Fund Revenues of \$1.3 million</i></p> |
| 9 | UNC Non-Appropriated Capital Projects | <ul style="list-style-type: none"> ▪ Request authorization for non-appropriated capital projects for the campuses of the University (in development) ▪ Revise use of self-liquidating funds to allow for the purchase of residential student housing. |

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| 10 | Center for Design Innovation, Joint Millennial Campus, Center for Nursing and <u>NC Center for Health and Aging</u> | Modification of SL 2004-179 to provide that the Center for Design Innovation (WSSU & NCSA), the Joint Millennial Campus (UNCG & NCA&T), a Nursing & Allied Health Building (UNCP) and <u>a NC Center for Health and Aging facility (WCU/UNCA/MAHEC Consortium)</u> will be completed with the allocation of funding. |
| 11 | 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 nor a member of the General Assembly. Include NCSSM in this provision. |
| 12 | NCSSM Governance | Designate the NC School of Science and Mathematics a high school constituent institution, effective July 1, 2007. |
| 13 | Parking Fines Assessment | Modification of G.S. 115C to allow for the recovery of administrative costs for assessing parking fines on the campuses. <i>If enacted, provision would result in a recurring reduction of General Fund revenues of \$4.6 million</i> |
| 14 | Exemption from Sales Tax | Provide that organizations, including disregarded entity limited liability companies, that are recognized by the Internal Revenue Service as charitable organizations, exempt from taxation under Section 501(a) of the Internal Revenue Code, shall be exempt from paying sales tax in connection with providing student housing and other educational facilities. <i>If enacted, provision would result in a one-time reduction of General Fund revenues of \$228,869 (WCU)</i> |
| 15 | University Golf Courses – Alcohol Sales | Allow golf courses open to the public and owned by University campuses to sell alcohol. |