State Budget and Legislative Update

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Budget Essential Priorities

- **Minimize new cuts**
  - Senate: $0 Management Flex reduction
  - House: $19.1 million Management Flex reduction
  - Conference: $2.4 million additional Management Flex reductions

- **Retain/Reward Talent**
  - Senate: SPA raise; No EPA raise; some salary flexibility
  - House: SPA raise; EPA raise with salary flexibility
  - Conference: SPA raise ($1,000 + benefits), No across the board EPA raise, $5 million for salary adjustments with BOG discretion, salary flexibility, BOG salary adjustment approval of 10%+
Budget Essential Priorities, cont.

- **Strategic Directions Funding**
  - Senate: BOG funding with cuts to C&Is or from $15 million discretion
  - House: $3 million Game Changing Research, $1 million CFNC support, $15 million discretion
  - Conference: $3 million Game Changing Research and $1 million CFNC support appropriated; $15 million BOG discretion; Review of Centers & Institutes to fund Strategic Directions and Distinguished Professors at BOG discretion
Essential Efficiency Priorities

- Maintain Carry Forward
  - House position (Section 11.17)
- Expand UNC Leasing Authority
  - Senate position (Section 36.7)
- Maintain Chancellors’-approved projects
  - Senate position (Section 36.6)
UNC BOG Policy Priorities

- **Carry Forward** [Section 11.17]
  - Senate: Pilot Project with limitations
  - House: Maintains current authority
  - Conference: Maintains authority

- **In-state Tuition for Veterans** [Section 11.12]
  - Yellow Ribbon program in both

- **Non-permanent Employee Insurance Provision** [Section 35.16]
  - Senate: SHP must create low cost option with BOG option
  - House: SHP must create low cost option without BOG option
  - Conference: SHP must create low cost option without BOG option
UNC BOG Policy Priorities, cont.

- **SODCA** [Section 12I.4.(a)]
  - Senate: Not included
  - House: Included
  - Conference: SODCA reinstated for those with insurance

- **Upper Payment Limit** [Section 12H.13]
  - Senate: Included with 28.85% assessment
  - House: Included with 25.9% assessment (and right # of ECU slots)
  - Conference: Reinstated with corrected number of slots for ECU without new assessment
UNC BOG Policy Priorities, cont.

- Waive tuition for faculty/staff (from 2 to 3 classes) [Section 11.9]
  - Senate: Not included (clarified fees can be waved)
  - House: Included (clarified fees can be waved)
  - Conference: Waive tuition for up to 3 classes as requested
Conference Outcomes

- BOG out-of-state tuition flexibility [House Section 11.18]
  - Included (House)
- NCSSM Morganton campus planning [Section 11.16/36.15]
  - Not Included
- University Tuition Study [Section 11.15]
  - Included, conducted by Joint Legislative Education Oversight Committee (House)
- Private/Public HBCU Internship program
  - Included (House)
- Optometry School Study (in House not in Senate) [Section 11.13]
  - Included
Conference Outcomes, cont.

- Advertising restrictions on lottery (in House/not in Senate) [Section 5.2]
  - Not Included
- Salary supplement for Teachers with Advanced degrees [Section 8.2]
  - Clarified, grandfather students with 1 class completed by August 1, 2013
Other Budget items

- Negative Enrollment Adjustment Factor reduction of $5.3 million
- NC Research Campus funding at $29 million (from existing appropriation)
- UNCG/NCA&T Union Square Public-Private Partnership, $2 million (from existing appropriation)
- NCSU Next Generation Power Electronics Innovation Institute, $2 million
- NCSU Food processing/plant science initiatives, $600,000
- ASU College of Health Sciences Planning Funds, $3 million
- New Teacher Support Program, $1.2 million
- UNC Need-Based Financial Aid Forward Funding
- NCSSM Teacher Step Pay Increase
New Reports/Studies

- Report on Funding of State Medical Schools
- Report on Institutional Trust Funds
- Report on Academic Summer Bridge Program
- Report on CFNC Sustainability
- Study on Financial Aid Payment Schedule to Incentivize 30 completed hours per year
- ECSU Study by Joint Legislative Education Oversight Committee
UNC BOG Policy Priorities

Not included in the Budget or Other Legislation

o State Aid Intercept
o In-state Tuition for veterans (Yellow Ribbon program instead)
o University Cancer Research Fund restoration
o ORP donut hole fix (directly addressed in H1195)
Non-budget bills (Passed)

- H1182 UNC Non-Appropriated Capital Projects (S.L. 2014-60)
- H1043 Prequalification Update (S.L. 2014-42)
- S761 Civilian Credit for Military Training (S.L. 2014-67)
- H1050 Omnibus Tax Law Changes (S.L. 2014-3)
- H1195 Fiscal Integrity/Pension-Spiking Prevention (S.L. 2014-88)
- S719 Student Organizations/Rights and Recognition (S.L. 2014-28)

- H1133 Technical and Other Corrections (Research Exemption included)