On July 26th, 2013, both the House and Senate adjourned for the year. The 2013 legislative session saw a number of significant policy issues being discussed with the potential for wide-ranging impact on the University. We saw a number of victories in Raleigh, but many of the victories were from playing defense.

Consistent with recent budgets, the University budget had higher levels of cuts compared to our education peers. The University of North Carolina was cut by 4.7% (not adjusting for continuation growth), while DPI and the community colleges face cuts of under 2%.

In the final budget, we had a number of successes, such as:

- Fully-funding our continuation request, including enrollment growth
- Fewer line-item cuts with significant Management Flexibility
- Removed Facilities & Administrative “line-item” reporting requirement
- Retained UNC’s IT Exemption, which has served us well
- Increased university research campuses authority on disposition by lease, which is important to our research campuses
- Confining legislatively-mandated out-of-state tuition hikes to undergraduate students
- Authorization for the UNC School of the Arts and NC School of Science & Math to charge certain fees
- $60m in Repair & Renovations funding
- Allowing “compensation increases” for retention and equity issues
- Fixed the Upper Payment Limit for physicians, which is a significant savings for UNC/ECU
- NC Guaranteed Admissions Program (NC GAP) was moved to a study from a $12.6m cut in 2014-15

We were not able to secure items in the budget, such as:

- In-state tuition for transitioning veterans
- $15m appropriation for the UNC School of Medicine
- Retain full $50m funding for the University Cancer Research Fund (UCRF)

In addition to the budget items, there were numerous pieces of legislation introduced impacting the university. While many of the items never made it through the committee process, we did engage legislators on a number of bills which were moving.

While we had some successes, we did see bills not favorable to the university advance this session. We appreciate the leadership in both chambers for working with us throughout the session. The following pages provide additional details on the legislation impacting the university.
Legislative Impacting the University of North Carolina

H. 74: Regulatory Reform Act of 2013
Legislation included study of Administrative Procedures Act exemptions and Student Attorney bill (H. 834).

H. 232: State Health Plan Statutory Changes/APA
Amended late in session to reflect delay in employer mandate, which allowed the state/university to avoid spending significant resources in the next year.

H. 239: Non-Resident Tuition of Out-of-State Scholarship Recipients
Defeated bill in both House Education Committee and again in the full House Appropriations Committee.

H. 255: Tuition Surcharge/Advanced Notification
Bill signed into law requires UNC Board of Governors shall develop a uniform core set of notification principals for tuition surcharge notifications, including for students approaching the limit.

H. 381: Treasurer’s Retirement Plan Changes
Original legislation would absorb UNC Optional Retirement Plan into Treasurer’s newly-created ORP plan. Worked on an amendment with Treasurer’s office to allow Board of Governor’s decide on a future merger. This legislation did not move this session.

H. 604/S. 701: State Ownership of Intellectual Property
Legislation would tell state agencies they “shall” take ownership stake in IP created on state property, on state employee’s time and other scenarios where the agency should exert an ownership stake. This legislation did not pass either chamber nor did it make it into final budget.

H. 735/S. 719: Students Groups Rights & Recognition
Both bills passed their respective chambers this session. The Senate sponsor has agreed to not pursue the legislation pending BOG action.

H. 818: University Energy Savings Contracts
Originally a Coal Ash Study bill, Rep. Mike Hager stripped out the original language and included six additional campuses who could self-perform energy savings initiatives. The amended H. 818 passed the House Energy & Public Utilities Committee, but did not move out of House Finance.

H. 903: UNC/North Carolina Community College System Articulation Agreement
Bill signed into law states the University of North Carolina campuses must abide by the existing articulation agreements. A new articulation agreement several years in the works will be released later this year with the goal of implementation in Fall 2014.

H. 937: Amend Various Gun Laws
Bill signed into law allows concealed carry permit holders to carry guns onto university property in a closed container in a locked car. Bill also allows guns in detached single family residences on campus. Original version contained a more expansive “campus carry” provision.

S. 444: UNC/Cherokee Language
Bill signed into law requires UNC campuses to create policy that recognizes the Cherokee language as a language for which a student may satisfy the foreign language course requirement for degree completion at the institution.
S. 473: Health Cost/Transparency Act
Bill mandates hospitals publish rates of common procedures. The legislation also eliminates the authority to recover debts owed through tax returns and lottery winnings granted to state agencies for UNC Health Care and ECU Physician’s Practice.

S. 480: UNC Capital Improvement Projects
Bill allows UNC campuses to borrow money for self-liquidating projects. The legislation went to a conference, due to a House amendment removing one of the projects. The conference report returned the BOG-approved project and the full list of projects was approved by both chambers.

S. 485: UNC E-Commerce
Bill signed into law provides UNC with an exemption from the 1925 Daily Deposit Act to transact business with private sector partners who will not make deposits daily. Each exemption must be approved by the State Treasurer for sound business purposes. We worked with the State Treasurer and the State Controller’s office.

S. 547: Energy Savings Contracts Amendment
Original version of the legislation would have removed NCSU’s new authorization to self-perform energy savings projects, as well as make other changes to awarding of ESCO contracts. In House Finance, we successfully amended the bill to allow NCSU to retain their authority, while expanding the authority to UNCC as well.

S. 658: UNC Dorm Rules
Bill introduced to prohibit campuses from assigning certain students in the same dorm room, suites or university owned apartments. The provision was included in the Senate budget, but was not included in the House budget. The Board of Governors passed a policy dealing with this issue.

H. 846: Jobs and Education Privacy Act
Bill intended to protect the privacy of admission applicants to academic institutions, job applicants, employees, and students by preventing public and private entities from accessing or requiring access to an individual’s social media accounts. At our urging, the bill was amended on the House floor before passing that chamber to provide exemptions to academic institutions so that campus-based investigations are not unduly restricted. The Bill is awaiting action in the Senate and the bill’s sponsors are willing to meet with stakeholders, including the UNC system, to further discuss additional modifications.

New Studies/Reports/Policy:
Study creation of Western Campus of North Carolina School of Science & Math (S. 402)
Statewide Motor Fleet Management (S. 402)
Program Evaluation Division Efficiency Study (Joint Program Evaluation Committee recommendation)
Create Policy for Coordinated Residency Determination (S. 402)
Facilities & Administrative (S. 402)
Study NC Guaranteed Admissions Program (NC GAP) (S. 402)