



MEETING OF THE BOARD OF GOVERNORS
Committee on Public Affairs

July 21, 2021 at 10:45 a.m.
Via Videoconference and PBS North Carolina Live Stream
University of North Carolina System Office
Center for School Leadership Development, Room 128
Chapel Hill, North Carolina

AGENDA

OPEN SESSION

- A-1. Approval of the Minutes of April 21, 2021C. Philip Byers
- A-2. State Government Relations Update Bart Goodson
- A-3. Federal Government Relations UpdateElizabeth Morra
- A-4. Adjourn

DRAFT MINUTES

April 21, 2021
University of North Carolina System Office
Center for School Leadership Development, Room 128
Chapel Hill, North Carolina

This meeting of the Committee on Public Affairs was presided over by Chair C. Philip Byers. The following committee members, constituting a quorum, were also present in person or by video: N. Leo Daughtry, Steven B. Long, Dwight D. Stone, and Temple Sloan.

Chancellor participating was Darrell Allison.

Staff members present included Bart Goodson, Elizabeth Morra, and others from the UNC System Office.

1. Call to Order and Approval of OPEN Session Minutes (Item A-1)

Chair Byers called the meeting to order at 11:30 a.m., on Wednesday, April 21, 2021.

Chair Byers called for a motion to approve the open session minutes of February 21, 2021.

MOTION: Resolved, that the Committee on Public Affairs approve the open session minutes of February 21, 2021, as distributed.

Motion: N. Leo Daughtry

Motion carried

Roll Call Vote	
Byers	Yes
Stone	Yes
Long	Yes
Daughtry	Yes
Sloan	Yes

2. State Government Relations Update (Item A-2)

Chair Byers called on Mr. Bart Goodson to provide a state government relations update to the committee. Mr. Goodson highlighted the activities and meetings at the North Carolina General Assembly, with respect to efforts to promote the UNC System 2021 Budget and Legislative Agenda. All of the UNC System priorities have been filed via bills in either the House or Senate. Many of these bills passed at least one chamber and staff continues to press

these issues as the May 13 crossover date approaches. Staff expects the remainder of the items to be included in the state budget. The Senate filing deadline passed and the House filing deadline is in early May. The state relations team is tracking over 150 bills this session. Lastly, Mr. Goodson updated the committee on meetings with members regarding the UNC System 2021 Budget and Legislative Agenda and Capital Request.

3. Federal Government Relations Update (Item A-3)

Chair Byers called upon Ms. Elizabeth Morra to provide a federal government relations update to the committee. Ms. Morra gave an update on the latest stimulus bill, The American Rescue Plan, and what it could mean for UNC System campuses in terms of funding and policy. She also outlined plans for two infrastructure bills making their way through Congress and previewed what was included in President Biden's FY2022 budget request. Finally, Ms. Morra told the committee about the newly reformed earmark process introduced in Congress, which is now called community project-funding requests.

4. Military Affairs Update (Item A-4)

Chair Byers called upon Ms. Kathie Sidner to provide a military affairs update to the committee. Ms. Sidner gave an update on the Patriot Star Scholarship program, a \$1 million state appropriated scholarship program for eligible military children and spouses. The UNC System administers this scholarship program through two North Carolina non-profit organizations, the Patriot Foundation and the Marine Corps Scholarship Foundation. Through April 2021, \$860,000 of the \$1 million funds for FY2021 had been distributed to 145 students attending 20 public, private, two-year, and four-year institutions of higher learning in North Carolina. The majority of scholarship recipients (101 of 145) attend UNC System institutions.

Chair Byers introduced the new student representative to the committee Ray Palma from the University of North Carolina at Chapel Hill.

5. Adjourn (Item A-5)

There being no further business and without objection, the meeting adjourned at 12:19 p.m.



AGENDA ITEM

A-2. State Relations Update..... Bart Goodson

Situation: The committee will receive a report on the ongoing legislative session. This will include an update on the status of the budget process and 2021 UNC System Budget and Legislative Priorities.

Background: Staff will give an overview of the Senate Operating Budget and Capital included in Senate Bill 105, 2021 Appropriations Act. Included in the recent Senate Budget are many items from 2021 UNC System Budget and Legislative Priorities and nearly all of the UNC System Capital Improvement Priorities request, that passed during the February Board of Governors meeting. The Senate budget passed on June 25, 2021. The House of Representatives is expected to release their budget in late July or early August.

Assessment: Enclosed is the presentation that will be delivered by staff.

Action: This item is for information only.



AGENDA ITEM

A-3. Federal Relations Update Elizabeth Morra

Situation: The committee will receive an update on federal legislation impacting the UNC System.

Background: Elizabeth Morra will provide the committee with a federal update on what Congress is working on, including the infrastructure package and annual appropriations bills.

Assessment: Enclosed is the presentation that will be delivered by staff.

Action: This item is for information only.



PUBLIC AFFAIRS

Meeting of the Board of Governors
July 21, 2020



STATE RELATIONS UPDATE

Bart Goodson

2021 Budget Priorities

<u>2021 Budget Priorities</u>	<u>House</u>	<u>Senate</u>	<u>Governor</u>	<u>Law</u>
UNC System Enrollment Funding		\$69.57M (\$29.5M NR → R)		
NC Promise Program		\$15M		
Building Reserves		\$26.05M (15.14M NR → R)		
H 142, UNC Building Reserves	\$2.35M NR		SL 2021-19	✓
Faculty and Staff Salaries Equity with State Agencies		1.5 + 1.5 = 3%		
<u>2021 Legislative Priorities</u>				
HR flexibilities	H602		SL 2021-80	✓
Carryforward				
Waiver of interest charges on past due accounts	H 196		SL 2021-3	✓
One North Carolina Scholarship				
Exempt finance & auditor officers from NC HR Act	H 602		SL 2021-80	✓
Report consolidation or eliminations	H 602		SL 2021-80	✓
SB 390, UNC Law Enforcement Recruitment			SL 2021-20	✓
Self-Liquidating (UNC W/UNC G)		S 367	SL 2021-74	

Key: ■ Passed ■ Will be considered in budget

State Relations – *Update on UNC System Priorities:*

House Bill 142: UNC Building Reserves/Certain Projects, SL 2021-19

House Bill 602: UNC Legislative Priorities/HR/Reports, SL 2021-80
(3 sections from HB 243: UNC Legislative Priorities/COVID-19 Impacts)

Senate Bill 367: UNC W & UNC G Self-Liquidating Capital Project, SL 2021-74

Senate Bill 390: UNC Law Enforcement Recruitment, SL 2021-20

Other Bills:

- House Bill 481: Firearm Disposal/UNC Campus Police, **Senate Rules**
- House Bill 707: Student Borrowers' Bill of Rights
 - This bill was last heard in House, Universities Committee.
- Senate Bill 126: Clean Up Obsolete Boards, **S Failed Concur In H Com Sub**
- Senate Bill 355/House Bill 64: Government Transparency Act of 2021
 - House voted not to concur on House Bill 64.
- Senate Bill 728: PPT & Speaker UNC Bds of Trustees Appts, Ratified

Senate Operating Budget Comparison

- Senate Bill 105, 2021 Appropriations Act
 - Passed the Senate on June 25, 2021

	UNC System Budget Priorities		Senate's Recommended Budget			
	2021-22	2022-23	2021-22	2022-23		
Base Budget (excludes Aid to Private Institutions)	2,962,056,895	2,962,173,367	2,962,056,895	2,962,173,367		
Enrollment Change Funding¹ (including NCSSM Morganton Campus)	69,568,728	113,391,202	69,568,674	73,391,148		
	1,334,264 NR	347,412 NR	1,334,264 NR	347,412 NR		
NC Promise Program	15,000,000	20,000,000	15,000,000	20,000,000		
Building Reserves	26,047,751	35,624,286	26,047,751	26,047,751		
	2,804,782 NR	1,242,230 NR	2,804,782 NR	— NR		
Faculty and Staff Salaries			47,182,236	94,364,472		
Senate: FY22: 1.5% Raise \$1,000 Bonus \$500 Bonus if salary < \$75k FY23: 1.5% Raise	Equity with State agencies		92,277,624 NR*	—		

Other UNC Items (not requested)					
ORP Retirement Contribution	–	–	(4,691,022)	380,353	
TSERS Retirement Contribution	–	–	7,329,780	16,647,297	
State Health Plan Contribution	–	–	24,283,523	39,528,180	
Ultraviolet-C Sterilization Units	–	–	2,000,000	NR*	–
Early College Education Facility Planning Funds for UNCW	–	–	994,000	NR	–
Report on Implementation of Science of Reading	–	–	500,000	NR	–
DIT Subscription Rate Increase	–	–	128,103		128,103
NCSSM Tuition Grants	–	–	1,619,637		3,728,460
	–	–	2,108,823	NR	–
COVID-19 Research Grants (UNC-CH)	–	–	30,000,000	NR*	–
Water Safety Act	–	–	100,000		100,000
	–	–	15,000,000	NR	–
Fisheries Study	–	–	1,000,000	NR	–
Research Grants for HMSIs	–	–	500,000	NR	500,000
Jordan and Falls Lake Study	–	–			(500,000)
	–	–			750,000
FerryMon Water Monitoring (\$170k NR)	–	–			<i>receipt-supported</i>
ModMon River Monitoring (\$160k NR)	–	–			<i>receipt-supported</i>
Western School of Medicine - Asheville	–	–	4,600,000		4,600,000
Southern Regional AHEC	–	–	4,800,000		4,800,000
NCSU College of Engineering	–	–	10,000,000	NR	10,000,000
Innovation in Manufacturing Biopharmaceuticals	–	–	2,000,000	NR	–
Soldier to Agriculture Program	–	–	150,000	NR	–
NC Clean Energy Technology Center ²	–	–	133,334	NR	133,334
Tyrrell County 4-H Program	–	–	500,000	NR*	–
ECU Residency Program	–	–	2,300,000		3,600,000
NC A&T Doctoral Programs	–	–	3,500,000		7,500,000
NC A&T Ag. Research and Coop. Ext.	–	–	3,000,000		3,000,000
NC A&T Center for Energy Research ²	–	–	133,333	NR	133,333
Appalachian Energy Center ²	–	–	133,333	NR	133,333
NCCU Campus Security Improvements	–	–	475,127	NR	346,500

	UNC System Budget Priorities		Senate's Recommended Budget	
	2021-22	2022-23	2021-22	2022-23
Financial Aid and SEAA				
Longleaf Commitment Grants	–	–	25,500,000 NR*	–
National Guard Tuition Assistance Program	–	–	(2,112,815)	(2,112,815)
UNC Need-Based Aid Expansion	–	–	6,296,525	6,296,525
UNC Need-Based Aid Consolidation ²	–	–		(77,898,523)
NC Need-Based Scholarship for Public Colleges and Universities ²	–	–		78,063,523
Financial Aid Public Awareness Campaign	–	–	1,500,000 NR	–
SEAA Upfit and Moving Costs	–	–	750,000 NR	–
FAFSA Outreach	–	–	745,000	745,000
SEAA Data Analytics	–	–	125,000	125,000
Total Recurring Operating Changes	110,616,479	169,015,488	209,822,392	302,534,474
Total Nonrecurring Operating Changes	4,139,046	1,589,642	189,794,620	12,343,912
Total Recommended UNC Budget Changes	114,755,525	170,605,130	399,617,012	314,878,386
Total Recommended UNC Budget	3,076,812,420	3,132,778,497	3,361,673,907	3,277,051,753
Total Percent Change	3.9%	5.8%	13.5%	10.6%
Total Percent Change without ARPA funds	3.9%	5.8%	8.4%	10.6%
Aid to Private Institutions				
Base Budget	201,349,756	211,349,576	201,349,756	211,349,576
Opportunity Scholarship Grant Reserve	–	–	61,800,000 NR	15,000,000
Personal Education Savings Accounts	–	–	9,650,000	9,650,000
Special Education Scholarship Expansion	–	–	5,950,000	5,950,000
Special Education Scholarship Consolidation	–	–	–	(16,043,166)
Personal Education Student Accounts	–	–	–	16,043,166
Wake Forest Institute for Regenerative Medicine	–	–	7,000,000 NR	–
Patriot Foundation	–	–	250,000 NR	250,000 NR
Marine Corps Scholarship Foundation	–	–	250,000 NR	250,000 NR
Total Aid to Private Institutions	201,349,756	211,349,576	286,249,756	242,449,576

*Funded by the State Fiscal Recovery Fund (ARPA)

¹ Funding for FY 2022-23 enrollment growth is included in the Statewide Reserves

² Also includes receipt funding

Notes:

All items are recurring unless specified as nonrecurring (NR).

Highlighted items indicate that the item was not funded as requested.

Senate 2021-23 Capital Budget Comparison

Project	UNC Budget Priorities	Senate's Recommended Budget		
		2021-22	2022-23	Total Project Authorization
Repair, Renovation, and Rehabilitation	\$491,175,000			
Comprehensive Renovation and Facility Modernization	\$468,050,000	\$250,000,000	\$250,000,000	\$ 431,050,000
ASU Duncan Hall Renovation	\$20,000,000			\$20,000,000
ECU Howell Science Building South	\$30,000,000			\$30,000,000
ECSU Infrastructure Upgrades	\$27,000,000			\$27,000,000
FSU Rosenthal and Chick Building Renovations	\$9,500,000			\$9,500,000
NC A&T Carver Hall Comprehensive Modernization Phase	\$10,400,000			\$10,400,000
NC A&T Price Hall Renovation Phase 2	\$8,500,000			\$8,500,000
NCCU Taylor Education Building Renovation	\$13,750,000			\$13,750,000
NCSSM Academic Commons & Dining Hall Renovation	\$12,400,000			\$12,400,000
NCSU Renovation of 111 Lampe Drive	\$42,000,000			\$42,000,000
UNCA Lipinsky Renovation	\$10,000,000			\$10,000,000
UNC-CH Carrington Hall Renovation	\$42,500,000			-
UNCC Cameron Second Floor Renovation	\$19,100,000			\$19,100,000
UNCC Burson Renovation	\$25,900,000			\$25,900,000
UNCG Jackson Library Renovation/Addition	\$81,000,000			\$81,000,000
UNCP Business Administration Renovation	\$12,500,000			\$12,500,000
UNCSA Stevens Center Renovation	\$25,000,000			\$25,000,000
UNCW Randall Library Renovation/Expansion ¹	\$56,000,000			\$61,500,000
WCU Moore Building Renovation	\$15,000,000			\$15,000,000
WSSU Hauser Hall - Renovation Phase 2	\$7,500,000			\$7,500,000
New Construction	\$35,500,000	\$112,061,000	\$184,750,000	\$671,011,000
NC State STEM Building ²	\$7,000,000	\$18,250,000	\$36,500,000	\$160,000,000
UNC-CH Business School ²	\$7,000,000	-	-	-
ECU Brody School of Medicine ²	\$15,000,000	\$21,500,000	\$53,750,000	\$215,000,000
UNCP Health Sciences Center ²	\$6,500,000	\$9,100,000	\$22,750,000	\$91,000,000
NC State Apiculture Facility	-	\$4,000,000	-	4,000,000
ECSU New Residence Hall	-	\$10,000,000	\$30,000,000	\$40,000,000
ECSU Sky Bridge	-	\$2,500,000	-	\$2,500,000
ECSU New Dining Facility	-	\$7,500,000	-	\$7,500,000
ECSU Flight School	-	\$4,000,000	\$10,000,000	\$34,000,000
ASU Peacock Hall	-	\$12,500,000	\$12,500,000	\$25,000,000
NCSSM R&R and Wellness Center	-	\$12,000,000	-	\$12,000,000
NCCU Lab Equipment	-	\$3,011,000	-	\$3,011,000
FSU Dormitories	-	\$2,000,000	\$5,000,000	\$20,000,000
WSSU K.R. Williams Auditorium	-	\$5,700,000	\$14,250,000	\$57,000,000

¹ S.L. 2018-5 appropriated \$5.5 million in advanced planning funds for the Randall Library Renovation and Expansion at UNC Wilmington.

² Only Advanced Planning was requested

Note: Prioritization of the listed repair, renovation, rehabilitation, and comprehensive renovation projects (see Appendix for complete list) is delegated to the Board of Governors up to the amount authorized. The General Assembly intends to fund the balance of the authorized project costs during the 2023-25 fiscal biennium.



Senate Capital Budget

SIX-YEAR INTENDED PROJECT ALLOCATION SCHEDULE

SECTION 40.2. It is the intent of the General Assembly to fund capital improvement projects on a cash flow basis and to plan for future project funding based upon projected availability in the State Capital and Infrastructure Fund. Nothing in this section shall be construed (i) to appropriate funds or (ii) as an obligation by the General Assembly to appropriate funds for the projects listed in future years. The following schedule lists capital improvement projects that will begin or be completed in fiscal years outside of the 2021-2023 fiscal biennium and estimated amounts (in thousands) needed for completion of those projects:

Project Code	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
UNC/R&R21	250,000	250,000	250,000	250,000	250,000	250,000
R&R21	200,000	200,000	200,000	200,000	200,000	200,000
DOA21-1	50,000	60,500	54,000	64,500	—	—
NCGA21-2	1,800	11,391.3	38,000	51,000	—	—
UNC/ECU21-1	21,500	53,750	86,000	53,750	—	—
UNC/NCS20-1	18,250	36,500	18,250	—	—	—
UNC/PEM21-1	9,100	22,750	36,400	22,750	—	—
UNC/ECS21-4	4,000	10,000	10,000	10,000	—	—
UNC/FSU21-1	2,000	5,000	8,000	5,000	—	—
UNC/WSS21-1	5,700	14,250	22,800	14,250	—	—
CC	100,000	100,000	100,000	100,000	—	—

State Relations – Next Steps:

- House Budget
- House / Senate Budget Conference
- Governor



FEDERAL RELATIONS UPDATE

Elizabeth Morra

Congressional Priorities

- Infrastructure
- Annual Appropriations Bills

QUESTIONS?

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