



MEETING OF THE BOARD OF GOVERNORS  
Committee on Public Affairs

October 21, 2020 at 10:30 a.m.  
Via Videoconference and UNC-TV Live Stream  
University of North Carolina System Office  
Center for School Leadership Development, Room 128  
Chapel Hill, North Carolina

**AGENDA**

- A-1. Approval of the Minutes of September 16, 2020 .....C. Philip Byers
- A-2. State Government Relations Update ..... Drew Moretz
- A-3. Federal Government Relations Update .....Elizabeth Morra
- A-4. Adjourn

## DRAFT MINUTES

September 16, 2020  
University of North Carolina System Office  
Center for School Leadership Development, Board Room  
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 by in person or by video: Dwight D. Stone, N. Leo Daughtry, and Steven B. Long.

Chancellor participating on the videoconference was Peggy Valentine.

Staff members present included Drew Moretz, 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 12:48 p.m. on Wednesday, September 16, 2020.

Drew Moretz called for a motion to approve the open session minutes of July 22, 2020.

**MOTION:** Resolved, that the Committee on Public Affairs approve the open session minutes of July 22, 2020, as distributed.

**Motion:** N. Leo Daughtry

**Motion carried**

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

### 2. 2019-2020 Committee on Public Affairs Annual Report (Item A-2)

The chair reviewed the committee's work from the 2019-2020 fiscal year.

**MOTION:** Resolved, that the Committee on Public Affairs approve the 2019-2020 Committee Annual Report for submission to the full Board of Governors.

**Motion:** C. Phillip Byers

**Motion carried**

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

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

Chair Byers called upon Elizabeth Morra to provide a federal government relations update to the Public Affairs Committee. Ms. Morra discussed how Congress and the White House have stalled in their efforts to agree on a fourth COVID-19 stimulus package. While four different stimulus proposals have been introduced in Congress, there is no consensus between the House and Senate on a bill that can ultimately become law. Next, Ms. Morra updated the committee on the various proposals, as well as ongoing advocacy to stress the urgency for Congress to act on behalf of UNC System priorities in the next stimulus package. Those priorities include flexible funding for universities, university research relief, limited and temporary liability protections, and state and local government assistance. Finally, the committee was briefed about how Congress will need to pass a stopgap funding measure, or continuing resolution, by the end of the month in order to keep the federal government open and running.

### **4. State Government Relations Update (Item A-4)**

Chair Byers called on Mr. Moretz to provide a state government relations update to the committee. Mr. Moretz updated the committee on the Special Legislative Session that occurred early this month. Several UNC System-specific issues were funded in H. 1105, including funding for PPE and testing and tracing. The legislature included \$5m and \$9m for research projects at both FSU and UNC Charlotte, respectively. Dr. Jeff Warren, executive director of the NC Policy Collaboratory, then briefed the committee on the Collaboratory's research work with UNC System institutions, including the various COVID-19 projects. Finally, Mr. Moretz presented the committee with proposed statutory changes to state HR policies seeking to prepare for potential budget cuts to the System due to COVID-19. The committee will consider these requested HR flexibilities at its next meeting.

**This item is for information only.**

### **5. Adjourn**

There being no further business, the meeting adjourned at 1:45 p.m.

---

Steven B. Long, Secretary



## AGENDA ITEM

A-2. State Government Relations Update ..... Drew Moretz

- Situation:** The committee will receive an update on the 2020 legislative session and review the Campus/Division Policy Agenda Requests.
- Background:** Mr. Moretz will present the Campus/Division Policy Agenda Requests for the 2021 Legislative Session. The committee will discuss the requests. The policy agenda is slated to be voted on in November. Mr. Moretz will also provide the committee with the legislative session report for 2020.
- Assessment:** The Campus/Division Policy Agenda Requests will be reviewed by the committee.
- Action:** This item is for discussion only.





# **PUBLIC AFFAIRS**

Meeting of the UNC Board of Governors

October 21, 2020



# STATE RELATIONS UPDATE

Drew Moretz

# 2021 UNC Policy Agenda

---

## ***Public Affairs Committee charge:***

- *Approve a unified System Policy Agenda for legislative and Congressional consideration*

## ***Path Forward:***

- *Review Items/Discussion: October*
- *Discussion/Approval: November*

***Legislative Session Begins January 2021 amid budget uncertainty***



# 2021 Legislative Policy Agenda

---

## ***Instructions:***

- *Focus on Strategic Plan Goal Affordable & Efficient Operations*

## ***Institutional requests:***

- *RFP sent to institutions September*
- *Responses due October 9*

## ***System Priorities:***

- *Provide UNC w/flexibilities needed to address coming budget uncertainty*

# Policy Categories

---

## *Types of Requests:*

- *President's Priorities*
  - *HR Flexibilities*
  - *Carryforward flexibility*
  - *State Financial Aid Simplifications*
- *Efficiency Measures*
  - *Reduce Costs to Students (UNCC)*
  - *Report Eliminations (WCU/ASU/UNCSSO)*
- *Items to be Addressed by Budget & Finance*
  - *Tuition flexibility*
  - *Expansion of Institutional Trust Funds*

# Policy Categories

---

## *Types of Requests:*

- *Changes to Recently-Enacted Statutes*
  - *Carryforward expansion*
  - *Chancellor authorization on small capital projects*
- *HR Flexibilities*
  - *New requests to deal with leave during COVID and business/audit officers*
- *Report Elimination*
  - *Work continues with legislative staff to verify which reports are unneeded*
  - *Expect additional list of reports to eliminate/reduce frequency prior to next meeting*

# Next Steps

---

## ***Based on Committee Feedback:***

- *Answer your questions*
- *Review with UNC leadership*
- *Craft Policy Agenda for 2021*
- *Provide additional one-pagers to support each request*
- *Bring back to Committee next month for adoption*

# 2019 & 2020 Legislative Report

---

*Comprehensive almanac of bills impacting UNC during the 2020 and 2019 sessions.*

*Both reports are linked here:*

- <https://www.northcarolina.edu/offices-and-services/government-relations/state-relations/>

THANK YOU

CONNECT



[www.northcarolina.edu](http://www.northcarolina.edu)



[uncsystem](https://www.facebook.com/uncsystem)



[@UNC\\_system](https://twitter.com/UNC_system)



[@UNC\\_system](https://www.instagram.com/UNC_system)

# QUESTIONS?

CONNECT



[www.northcarolina.edu](http://www.northcarolina.edu)



[uncsystem](https://www.facebook.com/uncsystem)



[@UNC\\_system](https://twitter.com/UNC_system)



[@UNC\\_system](https://www.instagram.com/UNC_system)

Note: This is a comprehensive list of policy proposals submitted, not a final approved policy agenda.

	President's Priorities	Campus	Summary
1.	Further expansion of carry-forward authority: Allow 5% carryforward to be used for purposes other than Repairs & Renovations	SO	<p>S. 212 provided an expansion of Carryforward to 5% for UNC institutions. The bill also limited eligible uses, so institutions may only use these funds for Repairs &amp; Renovations. Additionally, the legislation would send the savings above 2.5% to the BOG to potentially reallocate amongst the institutions.</p> <p>In light of the budget shortfall due to COVID facing state legislators, UNC institutions should be incentivized to find savings in the current fiscal year to prepare for potential budget cuts. Due to the uncertain future of federal relief for states, state agencies should prepare for a state budget that includes reductions. By incentivizing the institutions to find savings in the current year, the institution leaders can minimize the impacts of the cuts that are likely to come in FY22.</p>
2.	State financial aid simplification	System Strategy & Policy	<p>Consolidate and simplify the UNC Need-based Grant, Education Lottery Scholarship, and Community College Grant into one North Carolina Scholarship</p> <p>A change to consolidate the three student aid programs that serve UNC and NCCCS students. If you recall, we had some receptivity last year on this, and we are working with the Board to bring our Need-based Grant program in-line with the Education Lottery Scholarship and Community College Grant so that consolidation will be possible in this coming session.</p>
3.	HR flexibilities, including but not limited to flexible furlough and early retirement authority.	SO	<ul style="list-style-type: none"> <li>- Authority for Temporary Salary Reductions</li> <li>- Early Retirement Incentive Program for UNC System</li> <li>- Reduction in Force and Severance Payment Authority for UNC System Employees, subject to the North Carolina Human Resources Act</li> </ul>



	<b>Campus Priorities:</b>		
	<b>Changes to Recently-Enacted Statutes</b>	<b>Campus</b>	<b>Summary</b>
4.	Reduction of Interest Charges on Past-Due Accounts	UNCC	<p>Allow universities an exception to the minimum interest rate of 5% (the minimum NCDOR rate permitted as prescribed in G.S. 105-241.21 under G.S. 147-86.23) for past-due student accounts.</p> <p>*In May 2020, <u>Senate Bill 704</u>, the “2020 COVID-19 Recovery Act,” was passed, Section 5.27 of which waived interest charges on UNC student debt that was outstanding between March 13, 2020, and September 15, 2020. This temporary waiver has not been extended as of Sept. 30, 2020.</p>
5.	Chancellor’s approved projects changes/Reinstate authority for small capital projects \$1,000,000	WSSU	<p>Restore authority for Chancellor’s approval of certain General Fund-supported capital projects up to \$1 million. The current limit is \$600,000.</p> <p>There are numerous instances where campuses need to either acquire or upgrade essential equipment on and those costs can exceed \$600,000. A WSSU specific example was a 2016 HVAC and controls upgrade at the RJ Reynolds building on campus. Through proper stewardship of state and federal funding, we were able to fund the cost, however this work totaled \$670,000. It exceeded the current statute by \$70,000. UNC System institutions have the expertise to oversee their own transactions for such work, on behalf of the State, with little oversight and low risk. We ask that the authority be increased to \$1,000,000.</p>
	<b>New Requests</b>	<b>Campus</b>	<b>Summary</b>
6.	Laboratory School Monthly Financial Reporting to the Department of Public Instruction	WCU	<p>DPI requires the lab schools to file three reports monthly- monthly financial report, a payroll report and an accounts payable report. We wish to be except from filing monthly reports, with a request to be able to file quarterly reports.</p> <p>It takes a significant amount of time of a staff accountant, an associate vice chancellor and an IT business analyst to crosswalk the data from Banner to the DPI format, validate the data and then transmit by the second business day. In reality, the transactions are within the statistical population of transactions that are subject to audit by the Office of the North Carolina State Auditor.</p>
7.	Flexibility for advance planning for bond funded capital projects	UNCA	UNC Asheville would like the capital projects approval process to include a step that allows Advance Planning to occur before requesting full project authority. The ability to use

			<p>General Funds, including R&amp;R Funding, to fund Advance Planning would definitely help the process for smaller schools, like UNC Asheville.</p> <p>General funds cannot be used for advance planning for bond projects. From a funding standpoint, the issues created are clearly different between small and large schools. Larger schools likely have access to "auxiliary" funds that can be used to complete Advance Planning, but smaller schools, like UNC Asheville, likely cannot identify auxiliary funding to complete needed Advance Planning ahead of an official project request to the BOG.</p>
	<b>Human Resources Requests</b>	<b>Campus</b>	<b>Summary</b>
8.	HR-Related Policies	UNCG	<p>Below we highlight several HR-related policies which do not require explicit specific statutory modifications (they likely could be addressed by the State Human Resources Commission or BOG in policy, though a statute would obviously resolve that issue).</p> <ul style="list-style-type: none"> <li>• Funded increases or a one-time bonus for employees [budget]</li> <li>• Early retirement options and/or a phased retirement option for staff [135-3(8) and/or 135-58]</li> <li>• Flexible options (furlough, salary reduction, RIF) for faculty [a statute could mandate this, to mitigate effect of BOG policy, no specific statute regulates faculty salaries]</li> <li>• Convert exempt level financial and audit positions to EHRA. [Add an explicit exemption/addition to existing exemptions in 126-5(c)]</li> <li>• Allow all employees to continue to use vacation and/or sick leave interchangeably through December 31, 2021 to allow flexibility for employees who continue to struggle with the impact of COVID-19. [could be addressed by BOG and State Human Resources Commission policy, but a statutory directive could streamline the application of this flexibility]</li> </ul>
9.	HR flexibilities, including but not limited to flexible furlough and early retirement authority.	FSU	<p>Our Leave process currently does not allow employees to carry over 240 hours of leave into the next calendar year. Any unused leave over 240 hours will be moved to the employees' sick leave account.</p> <p>For employees in the TSERS retirement plan, sick leave can be used to add service time to their retirement eligibility. Employees in the ORP retirement plan will forfeit all sick leave at the time they retire. There are various reasons that preclude employees from using their allocated leave over 240 hours by yearend. Reasons include Adverse Weather and special projects.</p>

			Flexibility at the Institution level to allow employees the flexibility of using unused leave hours over 240 hours through March 31 <sup>st</sup> of the new year.
	<b>Operational Requests</b>	<b>Campus</b>	<b>Summary</b>
10.	Report Consolidation or Elimination (or UNC requirement to participate)	ASU/SO	With regard to institutional efficiency, we request the elimination of various reports as they involve a significant amount of time, effort and (human) resources. We will work to eliminate or revise statutes to exclude the requirement for the UNC System to complete various reports.
	<b>Budget Requests</b>	<b>Campus</b>	<b>Summary</b>
11.	Expansion of Trust Fund Legislation	ASU	The general statute which governs the use of Institutional Trust Funds (NCGS 116-36.1) does not currently permit tuition to be deposited into Trust funds. Revise the statute (G.S. 116-36.1) to allow all tuition receipts to be deposited into Trust funds.
12.	Border State Admission and Tuition Flexibility	UNCA	<p>As the premier liberal arts and sciences university in the UNC System, UNC Asheville recruits about 15% of its students from out of state. In the next decade, UNC Asheville will increase this percentage. Currently, 45% of those out of state students are Division I athletes. Our recruitment is complicated by the NC Promise at Western Carolina University (WCU), the favorable border tuition policies in Tennessee that allow NC residents to attend at in-state rates, and the current 12 cell matrix that returns roughly half of the out of state tuition income to the state of North Carolina.</p> <p>NC Promise offered at WCU, and Tennessee's favorable border state tuition programs offered at ETSU and UT Chattanooga create a challenging competitive environment for UNC Asheville because we are not able to offer the same affordable rates as these universities.</p>

**AGENDA ITEM**

A-3. Federal Government Relations Update..... Elizabeth Morra

**Situation:** The committee will receive an update on federal legislative issues.**Background:** Since the committee's last meeting, Congress has continued to work on another stimulus package to extend aid during the COVID-19 pandemic. Ms. Morra will provide an update on the continuing resolution that the Senate passed and the President signed, allowing the federal government to remain operational until December 11, 2020.**Assessment:** This briefing will summarize the federal stimulus package proposals and the continuing resolution.**Action:** This item is for information only.





# **PUBLIC AFFAIRS**

Meeting of the UNC Board of Governors

October 21, 2020



# FEDERAL RELATIONS UPDATE

Elizabeth Morra, VP Federal Relations

# Stalled Stimulus Plans

---

- \$3.5 Trillion House HEROES Act (Spring)
- \$1.0 Trillion Senate HEALS Act (July)
- \$300 Billion 'Skinny' Stimulus (Sept)
- \$1.5 Trillion House Problem Solvers Caucus

Most Recent:

- \$2.2 Trillion House HEROES Act 2.0 (Oct)
- \$1.8 Trillion White House Offer (Oct)
- \$500 Billion Senate Stimulus (this week)



# UNC System Priorities/Stimulus Bills

---

- **Higher Education Funding**
  - \$30-37 billion
  - House HEROES 2.0, White House Offer
  - (CARES Act included \$14 billion)
- **State and Local Government Assistance**
  - \$436 billion House HEROES 2.0, \$300 billion White House Offer
  - (CARES Act included \$150 billion)
- **Liability Protections**
  - X House HEROES 2.0
  - ✓ White House Offer/Scaled-back Senate bill

# Where Things Stand

---

- Continuing Resolution (CR) until December 11
  - Extension of GI Education Benefits
  - Extension of NIH Multiyear Research Grant Funding
- Lame Duck Session after Elections
  - COVID-19 Stimulus Bill
  - Finish FY 2021 Appropriations Bills, or new CR
- White House Executive Orders

# Department of Energy Event

---

- Congrats to six campuses that participated in Department of Energy Roundtable in Raleigh with Energy Secretary Brouillette Oct. 12
- NC State, UNC-CH, WSSU, NC A&T, ECSU, NCSSM
- STEM Career Pathways to Support Future Energy Workforce

# QUESTIONS?

CONNECT



[www.northcarolina.edu](http://www.northcarolina.edu)



[uncsystem](https://www.facebook.com/uncsystem)



[@UNC\\_system](https://twitter.com/UNC_system)



[@UNC\\_system](https://www.instagram.com/UNC_system)