

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

- State Aid Intercept
- In-state Tuition for veterans (Yellow Ribbon program instead)
- University Cancer Research Fund restoration
- 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)
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- H1133 Technical and Other Corrections (Research Exemption included)