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April 20, 2021

A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES TO THE LAWS GOVERNING THE UNIVERSITY OF NORTH CAROLINA TO EXEMPT FINANCE, BUSINESS OFFICE, AND AUDITOR PROFESSIONALS FROM MOST PROVISIONS OF THE NORTH CAROLINA HUMAN RESOURCES ACT; TO CONSOLIDATE AND ELIMINATE CERTAIN REPORTS; TO CODIFY CAPITAL PROJECT REPORTING REQUIREMENTS; AND TO PROVIDE THE UNIVERSITY OF NORTH CAROLINA FLEXIBILITY TO ADDRESS BUDGETARY AND OTHER IMPACTS OF COVID-19 THROUGH EARLY RETIREMENT INCENTIVES, REDUCTION IN FORCE APPROVAL AUTHORITY, AND AUTHORITY TO PROVIDE STATE HEALTH PLAN PREMIUM PAYMENTS FOR CERTAIN EMPLOYEES PLACED ON EMERGENCY TEMPORARY FURLOUGHS.

The General Assembly of North Carolina enacts:

PART I. EXEMPT UNC FINANCE PROFESSIONALS, BUSINESS OFFICE PROFESSIONALS, AND AUDITOR PROFESSIONALS FROM MOST PROVISIONS OF THE NORTH CAROLINA HUMAN RESOURCES ACT

SECTION 1. G.S. 126-5(c1) reads as rewritten:

"(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

...
(8) Instructional and research staff, finance professionals, business office professionals, auditor professionals, information technology professionals, physicians, and dentists of The University of North Carolina, including the faculty of the North Carolina School of Science and Mathematics.

...."

PART II. UNC REPORT MODIFICATIONS/ELIMINATIONS

ELIMINATE REPORT ON MEDICAL SCHOOL PLANS FOR RESIDENTS ENTERING PRIMARY CARE DISCIPLINES/MODIFY DATE OF GRADUATE REPORT

SECTION 2.1. G.S. 143-613 reads as rewritten:



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1 **"§ 143-613. Medical education; primary care physicians and other providers.**

2 (a) In recognition of North Carolina's need for primary care physicians, Bowman Gray
3 School of Medicine and Duke University School of Medicine shall each prepare a plan with the
4 goal of encouraging North Carolina residents to enter the primary care disciplines of general
5 internal medicine, general pediatrics, family medicine, obstetrics/gynecology, and combined
6 medicine/pediatrics and to strive to have at least fifty percent (50%) of North Carolina residents
7 graduating from each school entering these disciplines. ~~These schools of medicine shall present~~
8 ~~their plans to the Board of Governors of The University of North Carolina by April 15, 1996, and~~
9 ~~shall update and present their plans every two years thereafter. The Board of Governors shall~~
10 ~~report to the Joint Legislative Education Oversight Committee by May 15, 1996, and every two~~
11 ~~years thereafter on the status of these efforts to strengthen primary health care in North Carolina.~~

12 (b) The Board of Governors of The University of North Carolina shall set goals for the
13 Schools of Medicine at the University of North Carolina at Chapel Hill and the School of
14 Medicine at East Carolina University for increasing the percentage of graduates who enter
15 residencies and careers in primary care. A minimum goal should be at least sixty percent (60%)
16 of graduates entering primary care disciplines. ~~Each school shall submit a plan with strategies to~~
17 ~~reach these goals of increasing the number of graduates entering primary care disciplines to the~~
18 ~~Board by April 15, 1996, and shall update and present the plans every two years thereafter. The~~
19 ~~Board of Governors shall report to the Joint Legislative Education Oversight Committee by May~~
20 ~~15, 1996, and every two years thereafter on the status of these efforts to strengthen primary health~~
21 ~~care in North Carolina.~~

22 Primary care shall include the disciplines of family medicine, general pediatric medicine,
23 general internal medicine, internal medicine/pediatrics, and obstetrics/gynecology.

24 (b1) The Board of Governors of The University of North Carolina shall set goals for
25 State-operated health professional schools that offer training programs for licensure or
26 certification of physician assistants, nurse practitioners, and nurse midwives for increasing the
27 percentage of the graduates of those programs who enter clinical programs and careers in primary
28 care. ~~Each State operated health professional school shall submit a plan with strategies for~~
29 ~~increasing the percentage to the Board by April 15, 1996, and shall update and present the plan~~
30 ~~every two years thereafter. The Board of Governors shall report to the Joint Legislative Education~~
31 ~~Oversight Committee by May 15, 1996, and every two years thereafter on the status of these~~
32 ~~efforts to strengthen primary health care in North Carolina.~~

33 (c) The Board of Governors of The University of North Carolina shall further initiate
34 whatever changes are necessary on admissions, advising, curriculum, and other policies for
35 State-operated medical schools and State-operated health professional schools to ensure that
36 larger proportions of students seek residencies and clinical training in primary care disciplines.
37 The Board shall work with the Area Health Education Centers and other entities, adopting
38 whatever policies it considers necessary to ensure that residency and clinical training programs
39 have sufficient residency and clinical positions for graduates in these primary care specialties.
40 As used in this subsection, health professional schools are those schools or institutions that offer
41 training for licensure or certification of physician assistants, nurse practitioners, and nurse
42 midwives.

43 (d) The progress of the private and State-operated medical schools and State-operated
44 health professional schools towards increasing the number and proportion of graduates entering
45 primary care shall be monitored annually by the Board of Governors of The University of North
46 Carolina. Monitoring data shall include (i) the entry of State-supported graduates into primary
47 care residencies and clinical training programs, and (ii) the specialty practices by a physician and
48 each midlevel provider who were State-supported graduates as of a date five years after
49 graduation. The Board of Governors shall certify data on graduates, their residencies and clinical
50 training programs, and subsequent careers by ~~November~~ April 15 of each calendar year,

1 beginning in ~~November of 2012,~~ April of 2022, to the Fiscal Research Division of the Legislative
2 Services Office and to the Joint Legislative Education Oversight Committee.

3 (e) The information provided in subsection (d) of this section shall be made available to
4 the Appropriations Committees of the General Assembly for their use in future funding decisions
5 on medical and health professional education."
6

7 **EXEMPT UNC FROM REPORT ON GOVERNMENT FEES**

8 **SECTION 2.2.(a)** G.S. 143C-9-4 reads as rewritten:

9 **"§ 143C-9-4. Biennial fee report.**

10 (a) The Office of State Budget and Management shall prepare a report biennially on the
11 fees charged by each State department, bureau, division, board, commission, institution, and
12 agency during the previous two fiscal years. The report shall include the statutory or regulatory
13 authority for each fee, the amount of the fee, when the amount of the fee was last changed, the
14 number of times the fee was collected during the prior fiscal year, and the total receipts from the
15 fee during the prior fiscal year.

16 (b) The provisions of subsection (a) of this section shall not apply to The University of
17 North Carolina."

18 **SECTION 2.2.(b)** G.S. 116-11(9b) reads as rewritten:

19 "(9b) The Board of Governors shall report by February 1 of each year to the Joint
20 Legislative Education Oversight Committee, the Senate Appropriations
21 Committee on Education/Higher Education, the House of Representatives
22 Appropriations Subcommittee on Education, and the Fiscal Research Division
23 on the actions and adjustments necessary to its budgetary policies, regulations,
24 and standards resulting from the Current Operations Appropriations Act for
25 the administration and operation of The University of North Carolina and the
26 distribution of State and federal funds to constituent institutions. The report
27 shall include at least the following information for each constituent institution:

28 a. Guidelines related to State salaries of University of North Carolina
29 employees, including range, median, and mean of faculty salaries at
30 the institution.

31 ...

32 k. The total amount of mandatory student fee revenue collected by
33 institution and fee type.

34 l. Any source of student auxiliary revenue that represents greater than
35 ten percent (10%) of the overall student auxiliary revenue by
36 institution and revenue type.

37 m. Any source of sales revenue that represents greater than ten percent
38 (10%) of the overall sales revenue by institution and sales revenue
39 type."

40 41 **REPEAL REPORT ON RESEARCH COLLABORATIONS ON MILITARY** 42 **BEHAVIORAL HEALTH**

43 **SECTION 2.3.** G.S. 127B-20 reads as rewritten:

44 **"§ 127B-20. Collaboration on research to address health and other ~~problems required;~~**
45 **~~report by UNC General Administration [System Office],~~ problems.**

46 (a) The System Office of The University of North Carolina, in collaboration with
47 Operation Re-Entry North Carolina at East Carolina University, North Carolina Translational
48 and Clinical Sciences Institute, other institutions of higher education in this State, the North
49 Carolina National Guard, and the United States Department of Veterans Affairs, shall, to the
50 extent available resources allow, collaborate on research to address the behavioral health
51 problems and challenges facing military personnel, veterans, and their families.

1 (b) The research required by this section shall be conducted by collaborative research
2 teams which shall include civilian investigators from institutions of higher learning in this State
3 and private research organizations, health providers in regional and national military health
4 system institutions, and providers and investigators in VISN 6 in the VA system. These teams
5 shall aggressively pursue federal funding to conduct the research required by this section.

6 (c) At a minimum, the research required by this section shall include the following goals:

7 (1) To define the behavioral health problems facing service members, veterans,
8 and their families, with a special emphasis on the behavioral health needs of
9 the reserve components of the Armed Forces of the United States, including
10 the National Guard.

11 (2) To develop, implement, and evaluate innovative pilot programs to improve
12 the quality, accessibility, and delivery of behavioral health services provided
13 to this population.

14 (3) To evaluate the effectiveness of new programs put into place by the National
15 Guard and other military organizations to address the behavioral health
16 challenges facing military service personnel, veterans, and family members.
17 The National Guard shall cooperate in providing information to assess the
18 effectiveness of behavioral health services provided to it and its members.

19 (4) To contribute to the knowledge of evidence-based behavioral health
20 screening, diagnosis, treatment, and recovery supports for military service
21 personnel, veterans, and their families.

22 (5) To study other issues pursuant to requests by the various branches of the active
23 and reserve components of the Armed Forces of the United States and the
24 United States Department of Veterans Affairs, in order to improve behavioral
25 health services for service members, veterans, and their families.

26 ~~(d) On July 1, 2012, and annually thereafter, the System Office of The University of~~
27 ~~North Carolina shall report its findings to the Joint Legislative Health Care Oversight Committee~~
28 ~~and to the House of Representatives and Senate Appropriations Subcommittees on Health and~~
29 ~~Human Services."~~

31 EDUCATOR PREPARATION/RECRUITMENT/EFFECTIVENESS REPORT 32 CONSOLIDATION

33 **SECTION 2.4.(a)** Report on Number of School Administrators. – G.S. 116-74.21(c)
34 is repealed.

35 **SECTION 2.4.(b)** Future Teachers of North Carolina Report. – G.S. 116-41.32 is
36 repealed.

37 **SECTION 2.4.(c)** UNC-NCCCS 2+2 E-Learning Initiative. – Section 9.7(c) of S.L.
38 2008-107, as amended by Section 9.3(c) of S.L. 2010-31, reads as rewritten:

39 "**SECTION 9.7.(c)** ~~The University of North Carolina and~~ Community Colleges System
40 Office shall report by April 15, 2011, and annually thereafter, to the Joint Legislative Education
41 Oversight Committee, the State Board of Education, the Office of State Budget and Management,
42 and the Fiscal Research Division of the General Assembly on the implementation of the
43 UNC-NCCCS 2+2 E-Learning Initiative. This report shall include:

44 (1) The courses and programs within the 2+2 E-Learning Initiative;

45 (2) The total number of prospective teachers that have taken or are taking part in
46 this initiative to date broken down by the current academic period and each of
47 the previous academic periods since the program's inception;

48 (3) The total number of teachers currently in the State's classrooms, by local
49 school administrative unit, who have taken part in this initiative;

50 (4) The change in the number of teachers available to schools since the program's
51 inception;

- 1 (5) The qualitative data from students, teachers, local school administrative unit
2 personnel, university personnel, and community college personnel as to the
3 impact of this initiative on our State's teaching pool; and
4 (6) An explanation of the expenditures and collaborative programs between the
5 North Carolina Community College System and The University of North
6 Carolina, including recommendations for improvement."

7 **SECTION 2.4.(d)** G.S. 116-11(12d) reads as rewritten:

8 "(12d) The Board of Governors shall provide a comprehensive annual report on
9 ~~teacher education~~ educator preparation efforts at The University of North
10 Carolina. The report shall include information about ~~teacher education~~
11 educator preparation and recruitment, ~~2+2 initiatives, distance education~~
12 ~~programs focused on teacher education, and professional development~~
13 ~~programs for teachers and school administrators.~~ initiatives to improve
14 educator quality, student success measures, and strategic research and related
15 efforts. The ~~teacher education~~ educator preparation report shall be due on
16 ~~April-October~~ 15 of each year to the Joint Legislative Education Oversight
17 ~~Committee and Committee.~~ The Board shall provide a copy of the report to
18 the State Board of Education."
19

20 **ELIMINATE CONSULTATION WITH GOV OPS ON DEBT FOR GOLF**
21 **COURSES/TRANSIENT ACCOMMODATIONS FACILITIES**

22 **SECTION 2.5.** G.S. 66-58(h) is repealed.
23

24 **ELIMINATE REPORT ON UNC SYSTEM PRESIDENT'S STRATEGIC INITIATIVE**
25 **RESERVE FUNDS FOR SPECIAL PROJECTS**

26 **SECTION 2.6.** The University of North Carolina System Office shall not be required
27 to submit an annual report to the Joint Legislative Education Oversight Committee on the use of
28 funds from The University of North Carolina President's Strategic Initiative Reserve but shall
29 make this information available upon request to the Fiscal Research Division of the General
30 Assembly.
31

32 **ELIMINATE UNC ENROLLMENT GROWTH PROJECTION REPORT**

33 **SECTION 2.7.** G.S. 116-30.7 is repealed.
34

35 **ELIMINATE REPORT ON DEFAULTS ON PROJECTS WITHOUT PERFORMANCE**
36 **BONDS**

37 **SECTION 2.8.** G.S. 143-129(i) reads as rewritten:

38 "(i) Procedure for Letting of Public Contracts. – The Department of Transportation
39 ("~~DOT~~"), ~~The University of North Carolina and its constituent institutions ("UNC"), ("DOT")~~
40 and the Department of Administration ("DOA") shall monitor all projects in those agencies ~~and~~
41 ~~institutions~~ that are let without a performance or payment bond to determine the number of
42 defaults on those projects, the cost to complete each defaulted project, and each project's contract
43 price. Beginning March 1, 2011, and annually thereafter, ~~DOT, UNC, DOT~~ and DOA shall report
44 this information to the Joint Legislative Committee on Governmental Operations."
45

46 **REQUIRE UNC TO ADOPT RULES FOR REPORTING ON CERTAIN CONTRACTS**
47 **UNDER A PUBLIC-PRIVATE PARTNERSHIP**

48 **SECTION 2.9.** G.S. 143-133.1 reads as rewritten:

49 "**§ 143-133.1. Reporting.**

50 ...

1 (b) ~~The~~ Except as provided in subsection (b1) of this section, the Secretary of
2 Administration shall adopt rules to implement the provisions of this section, including the format
3 and frequency of reporting.

4 (b1) ~~The Board of Governors of The University of North Carolina shall adopt rules to~~
5 ~~implement the provisions of this section for The University of North Carolina, including the~~
6 ~~format and frequency of reporting. The rules shall include that constituent institutions of The~~
7 ~~University of North Carolina shall report the information required by subsection (a) of this~~
8 ~~section to the Board of Governors on an annual basis.~~

9 "

10 11 **PART IV. CODIFY CAPITAL PROJECT REPORTING REQUIREMENTS**

12 **SECTION 4.** Article 8 of Chapter 143C of the General Statutes is amended by adding
13 the following new section to read:

14 **"§ 143C-8-14. Capital project reporting.**

15 (a) Definitions. – The following definitions apply in this section:

16 (1) Capital project. – Any capital improvement, as that term is defined in
17 G.S. 143C-1-1, that is (i) funded in whole or in part with State funds, including
18 receipts, non-General Fund sources, or statutorily or constitutionally
19 authorized indebtedness of any kind, (ii) not complete, and (iii) authorized by
20 the General Assembly for a total project cost of at least ten million dollars
21 (\$10,000,000).

22 (2) Construction phase. – The status of a particular capital project as described
23 using the terms customarily employed in the design and construction
24 industries.

25 (b) Reporting. – The following reports on capital projects are required:

26 (1) By October 1 and April 1 of each year, the following reports shall be submitted
27 to the Joint Legislative Oversight Committee on Capital Improvements and
28 the Fiscal Research Division:

29 a. The Office of State Budget and Management shall report on the status
30 of capital projects funded from the State Capital and Infrastructure
31 Fund or other State funds.

32 b. Each State agency shall report on the status of agency capital projects
33 funded from non-State funds.

34 (2) Beginning January 1, and quarterly thereafter, each State agency shall report
35 on the status of agency capital projects to the Office of State Budget and
36 Management.

37 (c) Report Contents. – The reports required by subsection (b) of this section shall include
38 at least the following information about every agency capital project:

39 (1) The current construction phase of the project.

40 (2) The anticipated time line from the current construction phase to project
41 completion.

42 (3) Information about expenditures that have been made in connection with the
43 project, regardless of source of the funds expended.

44 (4) Information about the adequacy of funding to complete the project, including
45 estimates of how final expenditures will relate to initial estimates of
46 expenditures, and whether or not scope reductions will be necessary in order
47 to complete the project within its budget.

48 (5) For capital projects authorized within the most recent fiscal year only, an
49 estimate of the operating costs for the project for the first five fiscal years of
50 its operation.

1 (d) Additional Requirements. – In addition to the other reports required by this section,
2 the State Construction Office shall submit a report on April 1 of each year to the Joint Legislative
3 Oversight Committee on Capital Improvements and the Fiscal Research Division that contains
4 the following:

- 5 (1) The status of the Facilities Condition Assessment Program (FCAP), including
6 (i) summary information about the average length of time that passes between
7 FCAP assessments for an average State building, (ii) detailed information
8 about when the last FCAP assessment was for each State building complex,
9 and (iii) detailed information about the condition and repairs and renovations
10 needs of each State building complex.
11 (2) The status of plan review, approval, and permitting for each State capital
12 improvement project and community college capital improvement project
13 over which the Office exercises plan review, approval, and permitting
14 authority, including (i) summary information about the workload of the Office
15 during the previous quarter, including information about the average length of
16 time spent by the State Construction Office on each major function it performs
17 that is related to capital project approval, and (ii) detailed information about
18 the amount of time spent engaged in those functions for each project that the
19 State Construction Office worked on during the previous quarter."
20

21 **PART V. EARLY RETIREMENT INCENTIVE PROGRAM FOR UNC**

22 **SECTION 5.(a)** The Board of Governors of The University of North Carolina may
23 authorize the adoption of an early retirement incentive program to provide long-term cost-savings
24 to The University of North Carolina and improved operational efficiencies for The University of
25 North Carolina to remain in effect until December 31, 2022. The University of North Carolina
26 System Office shall develop policies and regulations for the early retirement incentive program
27 that shall provide, at a minimum, the following:

- 28 (1) To participate in the program, an employee must be eligible for early or full
29 service retirement if participating in the Teachers' and State Employees'
30 Retirement System of North Carolina (TSERS) or must be at least age 55 and
31 vested in the Optional Retirement Program (ORP).
32 (2) Employees approved for the early retirement incentive program may receive
33 a severance payment of not less than one month of an employee's annual base
34 salary and not greater than six months of the annual base salary, based on
35 criteria to be established by the President and on availability of funds. This
36 severance payment shall be exempt from payroll deductions for retirement
37 contributions and shall not be considered compensation for the purposes of
38 the supplemental plans administered by the Supplemental Retirement Board
39 of Trustees established in G.S. 135-96.
40 (3) If an employee who is approved for the early retirement incentive does not
41 qualify for the full employer premium contribution for retiree health coverage
42 provided under TSERS or ORP, then the constituent institution may, at its
43 option, provide the employee an amount equivalent to 12 months of the full
44 employer contribution to the employee health insurance premium.
45 (4) The program may be provided to employees both subject to and exempt from
46 the North Carolina Human Resources Act. The program shall not be made
47 available to employees receiving disability or workers' compensation benefits.

48 **SECTION 5.(b)** By October 1, 2021, and December 1, 2022, if an early retirement
49 incentive program is implemented under this section at The University of North Carolina, The
50 University of North Carolina System Office shall report to the Department of the State Treasurer
51 and the Fiscal Research Division of the General Assembly on implementation of the early

1 retirement incentive program, including the number of employees participating by each
2 constituent institution and total amount paid out by the program.

3 **SECTION 5.(c)** This section expires December 31, 2022.
4

5 **PART VI. HUMAN RESOURCES POLICY FLEXIBILITY/REORGANIZATIONS FOR**
6 **UNC SYSTEM EMPLOYEES SUBJECT TO THE NORTH CAROLINA HUMAN**
7 **RESOURCES ACT**

8 **SECTION 6.** G.S. 116-14 is amended by adding a new subsection to read:

9 "(b3) The President shall have the authority to approve a reduction in force for positions
10 subject to the North Carolina Human Resources Act in accordance with the reduction in force
11 policies of the Office of State Human Resources without further approval by any other State
12 agency. The President may delegate this authority to approve a reduction in force to a chancellor
13 of a constituent institution. The authority to approve a reduction in force may include
14 reorganization and payment of severance with non-State funds. The President and any chancellor
15 of a constituent institution who approves a reduction in force pursuant to this section shall comply
16 with the following:

17 (1) Submit an annual informational report to the Office of State Human Resources
18 on all approved reductions in force, reorganizations, and severance payments
19 for employees who are subject to the North Carolina Human Resources Act
20 under this section.

21 (2) If State funds are used for payment of severance in connection with a
22 reduction in force under this section, the payment of the severance shall be
23 subject to any required preapproval by the Office of State Budget and
24 Management."
25

26 **PART VII. PROVIDE STATE HEALTH PLAN PREMIUM PAYMENTS FOR CERTAIN**
27 **EMPLOYEES PLACED ON EMERGENCY TEMPORARY FURLOUGHS**

28 **SECTION 7.** The Board of Governors of The University of North Carolina may
29 allocate non-State funds to pay the employee portion of the monthly premiums for participation
30 in the State Health Plan for Teachers and State Employees that would have been paid if (i) the
31 participating employee is currently on an emergency temporary furlough and (ii) the emergency
32 temporary furlough places the employee below half-time employment for a calendar month. The
33 Board of Governors shall not provide for more than 12 months of employee premiums for
34 employees on furlough between June 1, 2020, and December 31, 2021. The employee shall not
35 be required to repay The University of North Carolina for any monthly premiums paid in
36 accordance with this section.
37

38 **PART VIII. EFFECTIVE DATE**

39 **SECTION 8.** This act is effective when it becomes law. Section 4 of this act applies
40 to capital projects authorized before, on, or after that date.