

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE BILL 602
PROPOSED COMMITTEE SUBSTITUTE H602-PCS10325-BE-17

Short Title: UNC Legislative Priorities/HR/Reports.

(Public)

Sponsors:

Referred to:

April 20, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT FINANCE, BUSINESS OFFICE, AND AUDITOR PROFESSIONALS
3 FROM MOST PROVISIONS OF THE NORTH CAROLINA HUMAN RESOURCES ACT,
4 TO CONSOLIDATE AND ELIMINATE CERTAIN REPORTS, TO MAKE CHANGES
5 FOR IN-STATE TUITION FOR VETERANS TO COMPLY WITH FEDERAL LAW, AND
6 TO CODIFY CAPITAL PROJECT REPORTING REQUIREMENTS.

7 The General Assembly of North Carolina enacts:

8
9 **PART I. EXEMPT UNC FINANCE PROFESSIONALS, BUSINESS OFFICE**
10 **PROFESSIONALS, AND AUDITOR PROFESSIONALS FROM MOST PROVISIONS**
11 **OF THE NORTH CAROLINA HUMAN RESOURCES ACT**

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

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

15 ...

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

20"

21
22 **PART II. UNC REPORT MODIFICATIONS/ELIMINATIONS**

23
24 **ELIMINATE REPORT ON MEDICAL SCHOOL PLANS FOR RESIDENTS**
25 **ENTERING PRIMARY CARE DISCIPLINES/MODIFY DATE OF GRADUATE**
26 **REPORT**

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

28 "**§ 143-613. Medical education; primary care physicians and other providers.**

29 (a) In recognition of North Carolina's need for primary care physicians, Bowman Gray
30 School of Medicine and Duke University School of Medicine shall each prepare a plan with the
31 goal of encouraging North Carolina residents to enter the primary care disciplines of general
32 internal medicine, general pediatrics, family medicine, obstetrics/gynecology, and combined
33 medicine/pediatrics and to strive to have at least fifty percent (50%) of North Carolina residents
34 graduating from each school entering these disciplines. ~~These schools of medicine shall present~~
35 ~~their plans to the Board of Governors of The University of North Carolina by April 15, 1996, and~~
36 ~~shall update and present their plans every two years thereafter. The Board of Governors shall~~



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1 report to the Joint Legislative Education Oversight Committee by May 15, 1996, and every two
2 years thereafter on the status of these efforts to strengthen primary health care in North Carolina.

3 (b) The Board of Governors of The University of North Carolina shall set goals for the
4 Schools of Medicine at the University of North Carolina at Chapel Hill and the School of
5 Medicine at East Carolina University for increasing the percentage of graduates who enter
6 residencies and careers in primary care. A minimum goal should be at least sixty percent (60%)
7 of graduates entering primary care disciplines. ~~Each school shall submit a plan with strategies to
8 reach these goals of increasing the number of graduates entering primary care disciplines to the
9 Board by April 15, 1996, and shall update and present the plans every two years thereafter. The
10 Board of Governors shall report to the Joint Legislative Education Oversight Committee by May
11 15, 1996, and every two years thereafter on the status of these efforts to strengthen primary health
12 care in North Carolina.~~

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

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

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

34 (d) The progress of the private and State-operated medical schools and State-operated
35 health professional schools towards increasing the number and proportion of graduates entering
36 primary care shall be monitored annually by the Board of Governors of The University of North
37 Carolina. Monitoring data shall include (i) the entry of State-supported graduates into primary
38 care residencies and clinical training programs, and (ii) the specialty practices by a physician and
39 each midlevel provider who were State-supported graduates as of a date five years after
40 graduation. The Board of Governors shall certify data on graduates, their residencies and clinical
41 training programs, and subsequent careers by ~~November~~ April 15 of each calendar year,
42 beginning in ~~November of 2012,~~ April of 2022, to the Fiscal Research Division of the Legislative
43 Services Office and to the Joint Legislative Education Oversight Committee.

44 (e) The information provided in subsection (d) of this section shall be made available to
45 the Appropriations Committees of the General Assembly for their use in future funding decisions
46 on medical and health professional education."
47

48 EXEMPT UNC FROM REPORT ON GOVERNMENT FEES

49 SECTION 2.2.(a) G.S. 143C-9-4 reads as rewritten:
50 "§ 143C-9-4. Biennial fee report.

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

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

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

10 "(9b) The Board of Governors shall report by February 1 of each year to the Joint
 11 Legislative Education Oversight Committee, the Senate Appropriations
 12 Committee on Education/Higher Education, the House of Representatives
 13 Appropriations Subcommittee on Education, and the Fiscal Research Division
 14 on the actions and adjustments necessary to its budgetary policies, regulations,
 15 and standards resulting from the Current Operations Appropriations Act for
 16 the administration and operation of The University of North Carolina and the
 17 distribution of State and federal funds to constituent institutions. The report
 18 shall include at least the following information for each constituent institution:

19 a. Guidelines related to State salaries of University of North Carolina
 20 employees, including range, median, and mean of faculty salaries at
 21 the institution.

22 ...

23 k. The total amount of mandatory student fee revenue collected by
 24 institution and fee type.

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

28 m. Any source of sales revenue that represents greater than ten percent
 29 (10%) of the overall sales revenue by institution and sales revenue
 30 type."

31 32 **MODIFY REPORT ON RESEARCH COLLABORATIONS ON MILITARY** 33 **BEHAVIORAL HEALTH**

34 **SECTION 2.3.** Section 10(d) of S.L. 2011-185 reads as rewritten:

35 "~~SECTION 10.(d) On By July 1, 2012, 2021, and annually thereafter, the General~~
 36 ~~Administration of The University of North Carolina System Office shall report its findings to the~~
 37 ~~Joint Legislative Health Care Oversight Committee and to the House of Representatives and~~
 38 ~~Senate Appropriations Subcommittees on Health and Human Services.~~House Homeland
 39 Security, Military, and Veterans Affairs Committee."

40 41 **EDUCATOR PREPARATION/RECRUITMENT/EFFECTIVENESS REPORT** 42 **CONSOLIDATION**

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

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

47 **SECTION 2.4.(c)** UNC-NCCCS 2+2 E-Learning Initiative. – Section 9.7(c) of S.L.
 48 2008-107, as amended by Section 9.3(c) of S.L. 2010-31, reads as rewritten:

49 "~~SECTION 9.7.(c) The University of North Carolina and Community Colleges System~~
 50 ~~Office shall report by April 15, 2011, and annually thereafter, to the Joint Legislative Education~~
 51 ~~Oversight Committee, the State Board of Education, the Office of State Budget and Management,~~

1 and the Fiscal Research Division of the General Assembly on the implementation of the
2 UNC-NCCCS 2+2 E-Learning Initiative. This report shall include:

- 3 (1) The courses and programs within the 2+2 E-Learning Initiative;
- 4 (2) The total number of prospective teachers that have taken or are taking part in
5 this initiative to date broken down by the current academic period and each of
6 the previous academic periods since the program's inception;
- 7 (3) The total number of teachers currently in the State's classrooms, by local
8 school administrative unit, who have taken part in this initiative;
- 9 (4) The change in the number of teachers available to schools since the program's
10 inception;
- 11 (5) The qualitative data from students, teachers, local school administrative unit
12 personnel, university personnel, and community college personnel as to the
13 impact of this initiative on our State's teaching pool; and
- 14 (6) An explanation of the expenditures and collaborative programs between the
15 North Carolina Community College System and The University of North
16 Carolina, including recommendations for improvement."

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

18 "(12d) The Board of Governors shall provide a comprehensive annual report on
19 ~~teacher education~~ educator preparation efforts at The University of North
20 Carolina. The report shall include information about ~~teacher education~~
21 educator preparation and recruitment, ~~2+2 initiatives, distance education~~
22 ~~programs focused on teacher education, and professional development~~
23 ~~programs for teachers and school administrators.~~ initiatives to improve
24 educator quality, student success measures, and strategic research and related
25 efforts. The ~~teacher education~~ educator preparation report shall be due on
26 ~~April-October~~ 15 of each year to the Joint Legislative Education Oversight
27 ~~Committee and Committee.~~ The Board shall provide a copy of the report to
28 the State Board of Education."
29

30 **ELIMINATE CONSULTATION WITH GOV OPS ON DEBT FOR GOLF** 31 **COURSES/TRANSIENT ACCOMMODATIONS FACILITIES**

32 **SECTION 2.5.** G.S. 66-58(h) is repealed.
33

34 **ELIMINATE REPORT ON UNC SYSTEM PRESIDENT'S STRATEGIC INITIATIVE** 35 **RESERVE FUNDS FOR SPECIAL PROJECTS**

36 **SECTION 2.6.** The University of North Carolina System Office shall not be required
37 to submit an annual report to the Joint Legislative Education Oversight Committee on the use of
38 funds from The University of North Carolina President's Strategic Initiative Reserve but shall
39 make this information available upon request to the Fiscal Research Division of the General
40 Assembly.
41

42 **ELIMINATE UNC ENROLLMENT GROWTH PROJECTION REPORT**

43 **SECTION 2.7.** G.S. 116-30.7 is repealed.
44

45 **ELIMINATE REPORT ON DEFAULTS ON PROJECTS WITHOUT PERFORMANCE** 46 **BONDS**

47 **SECTION 2.8.** Section 1.2 of S.L. 2010-148 reads as rewritten:

48 "**SECTION 1.2.** The Department of Transportation ("~~DOT~~"), ~~The University of North~~
49 ~~Carolina and its constituent institutions ("UNC"), ("~~DOT~~") and the Department of Administration~~
50 ("~~DOA~~") shall monitor all projects in those agencies ~~and institutions~~ that are let without a
51 performance or payment bond to determine the number of defaults on those projects, the cost to

1 complete each defaulted project, and each project's contract price. Beginning March 1, 2011, and
2 annually thereafter, ~~DOT, UNC, DOT~~ and DOA shall report this information to the Joint
3 Legislative Committee on Governmental Operations."
4

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

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

8 "**§ 143-133.1. Reporting.**

9 ...

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

13 (b1) The Board of Governors of The University of North Carolina shall adopt rules to
14 implement the provisions of this section for The University of North Carolina, including the
15 format and frequency of reporting. The rules shall include that constituent institutions of The
16 University of North Carolina shall report the information required by subsection (a) of this
17 section to the Board of Governors on an annual basis.

18"

19
20 **PART III. IN-STATE TUITION/VETERANS/FEDERAL LAW COMPLIANCE**

21 **SECTION 3.** G.S. 116-143.3A reads as rewritten:

22 "**§ 116-143.3A. Waiver of 12-month residency requirement for certain veterans and other**
23 **individuals.**

24 ...

25 (b) Waiver of 12-month residency requirement for certain veterans and other Certain
26 Individuals. – Any veteran, dependent of a veteran, or other individual who qualifies for
27 admission to an institution of higher education as defined in G.S. 116-143.1(a)(3) is eligible to
28 be charged the in-State tuition rate and applicable mandatory fees for enrollment, to the extent
29 required by ~~Section 702 of the Veterans Access, Choice, and Accountability Act of 2014, as~~
30 ~~amended,~~ 38 U.S.C. § 3679, without satisfying the 12-month residency requirement under
31 G.S. 116-143.1, provided the individual meets all of the following criteria:

32 ...

33 (d) ~~After the expiration of the three-year period following discharge as described in 38~~
34 ~~U.S.C. § 3679(e), any enrolled individual who is eligible for in-State tuition under this section~~
35 ~~shall continue to be eligible for the in-State tuition rate so long as the covered individual remains~~
36 ~~continuously enrolled (other than during regularly scheduled breaks between courses, quarters,~~
37 ~~terms, or semesters) at that institution of higher education.~~

38"

39
40 **PART IV. CODIFY CAPITAL PROJECT REPORTING REQUIREMENTS**

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

43 "**§ 143C-8-14. Capital project reporting.**

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

45 (1) Capital project. – Any capital improvement, as that term is defined in
46 G.S. 143C-1-1, that is (i) funded in whole or in part with State funds, including
47 receipts, non-General Fund sources, or statutorily or constitutionally
48 authorized indebtedness of any kind, (ii) not complete, and (iii) authorized by
49 the General Assembly for a total project cost of at least ten million dollars
50 (\$10,000,000).

- 1 (2) Construction phase. – The status of a particular capital project as described
2 using the terms customarily employed in the design and construction
3 industries.
- 4 (b) Reporting. – The following reports on capital projects are required:
- 5 (1) By October 1 and April 1 of each year, the following reports shall be submitted
6 to the Joint Legislative Oversight Committee on Capital Improvements and
7 the Fiscal Research Division:
- 8 a. The Office of State Budget and Management shall report on the status
9 of capital projects funded from the State Capital and Infrastructure
10 Fund or other State funds.
- 11 b. Each State agency shall report on the status of agency capital projects
12 funded from non-State funds.
- 13 (2) Beginning January 1, and quarterly thereafter, each State agency shall report
14 on the status of agency capital projects to the Office of State Budget and
15 Management.
- 16 (c) Report Contents. – The reports required by subsection (b) of this section shall include
17 at least the following information about every agency capital project:
- 18 (1) The current construction phase of the project.
- 19 (2) The anticipated time line from the current construction phase to project
20 completion.
- 21 (3) Information about expenditures that have been made in connection with the
22 project, regardless of source of the funds expended.
- 23 (4) Information about the adequacy of funding to complete the project, including
24 estimates of how final expenditures will relate to initial estimates of
25 expenditures, and whether or not scope reductions will be necessary in order
26 to complete the project within its budget.
- 27 (5) For capital projects authorized within the most recent fiscal year only, an
28 estimate of the operating costs for the project for the first five fiscal years of
29 its operation.
- 30 (d) Additional Requirements. – In addition to the other reports required by this section,
31 the State Construction Office shall submit a report on April 1 of each year to the Joint Legislative
32 Oversight Committee on Capital Improvements and the Fiscal Research Division that contains
33 the following:
- 34 (1) The status of the Facilities Condition Assessment Program (FCAP), including
35 (i) summary information about the average length of time that passes between
36 FCAP assessments for an average State building, (ii) detailed information
37 about when the last FCAP assessment was for each State building complex,
38 and (iii) detailed information about the condition and repairs and renovations
39 needs of each State building complex.
- 40 (2) The status of plan review, approval, and permitting for each State capital
41 improvement project and community college capital improvement project
42 over which the Office exercises plan review, approval, and permitting
43 authority, including (i) summary information about the workload of the Office
44 during the previous quarter, including information about the average length of
45 time spent by the State Construction Office on each major function it performs
46 that is related to capital project approval, and (ii) detailed information about
47 the amount of time spent engaged in those functions for each project that the
48 State Construction Office worked on during the previous quarter."

50 PART V. EFFECTIVE DATE

1 **SECTION 5.** This act is effective when it becomes law. Section 4 applies to capital
2 projects authorized before, on, or after that date.