

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 602
Committee Substitute Favorable 4/22/21
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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, TO
6 CODIFY CAPITAL PROJECT REPORTING REQUIREMENTS, AND TO PROVIDE
7 SECURITY FOR THE MORGANTON CAMPUS OF THE NORTH CAROLINA
8 SCHOOL OF SCIENCE AND MATHEMATICS.

9 The General Assembly of North Carolina enacts:

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

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

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

17 ...

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

22"

23
24 **PART II. UNC REPORT MODIFICATIONS/ELIMINATIONS**

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

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

30 **"§ 143-613. Medical education; primary care physicians and other providers.**

31 (a) In recognition of North Carolina's need for primary care physicians, Bowman Gray
32 School of Medicine and Duke University School of Medicine shall each prepare a plan with the
33 goal of encouraging North Carolina residents to enter the primary care disciplines of general
34 internal medicine, general pediatrics, family medicine, obstetrics/gynecology, and combined
35 medicine/pediatrics and to strive to have at least fifty percent (50%) of North Carolina residents



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1 graduating from each school entering these disciplines. ~~These schools of medicine shall present~~
2 ~~their plans to the Board of Governors of The University of North Carolina by April 15, 1996, and~~
3 ~~shall update and present their plans every two years thereafter. The Board of Governors shall~~
4 ~~report to the Joint Legislative Education Oversight Committee by May 15, 1996, and every two~~
5 ~~years thereafter on the status of these efforts to strengthen primary health care in North Carolina.~~

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

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

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

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

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

47 (e) The information provided in subsection (d) of this section shall be made available to
48 the Appropriations Committees of the General Assembly for their use in future funding decisions
49 on medical and health professional education."
50

51 EXEMPT UNC FROM REPORT ON GOVERNMENT FEES

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

2 "**§ 143C-9-4. Biennial fee report.**

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

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

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

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

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

24 ...

25 k. The total amount of mandatory student fee revenue collected by
26 institution and fee type.

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

30 m. Any source of sales revenue that represents greater than ten percent
31 (10%) of the overall sales revenue by institution and sales revenue
32 type."

33
34 **MODIFY REPORT ON RESEARCH COLLABORATIONS ON MILITARY**
35 **BEHAVIORAL HEALTH**

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

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

42
43 **EDUCATOR PREPARATION/RECRUITMENT/EFFECTIVENESS REPORT**
44 **CONSOLIDATION**

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

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

49 **SECTION 2.4.(c)** UNC-NCCCS 2+2 E-Learning Initiative. – Section 9.7(c) of S.L.
50 2008-107, as amended by Section 9.3(c) of S.L. 2010-31, reads as rewritten:

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

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

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

21 "(12d) The Board of Governors shall provide a comprehensive annual report on
22 ~~teacher education~~ educator preparation efforts at The University of North
23 Carolina. The report shall include information about ~~teacher education~~
24 educator preparation and recruitment, ~~2+2 initiatives, distance education~~
25 ~~programs focused on teacher education, and professional development~~
26 ~~programs for teachers and school administrators. initiatives to improve~~
27 educator quality, student success measures, and strategic research and related
28 efforts. ~~The teacher education~~ educator preparation report shall be due on
29 ~~April~~ October 15 of each year to the Joint Legislative Education Oversight
30 ~~Committee and~~ Committee. The Board shall provide a copy of the report to
31 the State Board of Education."
32

33 **ELIMINATE CONSULTATION WITH GOV OPS ON DEBT FOR GOLF**
34 **COURSES/TRANSIENT ACCOMMODATIONS FACILITIES**

35 **SECTION 2.5.** G.S. 66-58(h) is repealed.
36

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

39 **SECTION 2.6.** The University of North Carolina System Office shall not be required
40 to submit an annual report to the Joint Legislative Education Oversight Committee on the use of
41 funds from The University of North Carolina President's Strategic Initiative Reserve but shall
42 make this information available upon request to the Fiscal Research Division of the General
43 Assembly.
44

45 **ELIMINATE UNC ENROLLMENT GROWTH PROJECTION REPORT**

46 **SECTION 2.7.** G.S. 116-30.7 is repealed.
47

48 **ELIMINATE REPORT ON DEFAULTS ON PROJECTS WITHOUT PERFORMANCE**
49 **BONDS**

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

1 "SECTION 1.2. The Department of Transportation ("DOT"), ~~The University of North~~
2 ~~Carolina and its constituent institutions ("UNC"); ("DOT")~~ and the Department of Administration
3 ("DOA") shall monitor all projects in those agencies ~~and institutions~~ that are let without a
4 performance or payment bond to determine the number of defaults on those projects, the cost to
5 complete each defaulted project, and each project's contract price. Beginning March 1, 2011, and
6 annually thereafter, ~~DOT, UNC, DOT~~ and DOA shall report this information to the Joint
7 Legislative Committee on Governmental Operations."
8

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

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

12 "**§ 143-133.1. Reporting.**

13 ...

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

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

22"

23
24 **PART III. IN-STATE TUITION/VETERANS/FEDERAL LAW COMPLIANCE**

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

26 "**§ 116-143.3A. Waiver of 12-month residency requirement for certain veterans and other**
27 **individuals.**

28 ...

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

36 ...

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

42"

43
44 **PART IV. CODIFY CAPITAL PROJECT REPORTING REQUIREMENTS**

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

47 "**§ 143C-8-14. Capital project reporting.**

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

49 (1) Capital project. – Any capital improvement, as that term is defined in
50 G.S. 143C-1-1, that is (i) funded in whole or in part with State funds, including
51 receipts, non-General Fund sources, or statutorily or constitutionally

- 1 authorized indebtedness of any kind, (ii) not complete, and (iii) authorized by
2 the General Assembly for a total project cost of at least ten million dollars
3 (\$10,000,000).
- 4 (2) Construction phase. – The status of a particular capital project as described
5 using the terms customarily employed in the design and construction
6 industries.
- 7 (b) Reporting. – The following reports on capital projects are required:
- 8 (1) By October 1 and April 1 of each year, the following reports shall be submitted
9 to the Joint Legislative Oversight Committee on Capital Improvements and
10 the Fiscal Research Division:
- 11 a. The Office of State Budget and Management shall report on the status
12 of capital projects funded from the State Capital and Infrastructure
13 Fund or other State funds.
- 14 b. Each State agency shall report on the status of agency capital projects
15 funded from non-State funds.
- 16 (2) Beginning January 1, and quarterly thereafter, each State agency shall report
17 on the status of agency capital projects to the Office of State Budget and
18 Management.
- 19 (c) Report Contents. – The reports required by subsection (b) of this section shall include
20 at least the following information about every agency capital project:
- 21 (1) The current construction phase of the project.
- 22 (2) The anticipated time line from the current construction phase to project
23 completion.
- 24 (3) Information about expenditures that have been made in connection with the
25 project, regardless of source of the funds expended.
- 26 (4) Information about the adequacy of funding to complete the project, including
27 estimates of how final expenditures will relate to initial estimates of
28 expenditures, and whether or not scope reductions will be necessary in order
29 to complete the project within its budget.
- 30 (5) For capital projects authorized within the most recent fiscal year only, an
31 estimate of the operating costs for the project for the first five fiscal years of
32 its operation.
- 33 (d) Additional Requirements. – In addition to the other reports required by this section,
34 the State Construction Office shall submit a report on April 1 of each year to the Joint Legislative
35 Oversight Committee on Capital Improvements and the Fiscal Research Division that contains
36 the following:
- 37 (1) The status of the Facilities Condition Assessment Program (FCAP), including
38 (i) summary information about the average length of time that passes between
39 FCAP assessments for an average State building, (ii) detailed information
40 about when the last FCAP assessment was for each State building complex,
41 and (iii) detailed information about the condition and repairs and renovations
42 needs of each State building complex.
- 43 (2) The status of plan review, approval, and permitting for each State capital
44 improvement project and community college capital improvement project
45 over which the Office exercises plan review, approval, and permitting
46 authority, including (i) summary information about the workload of the Office
47 during the previous quarter, including information about the average length of
48 time spent by the State Construction Office on each major function it performs
49 that is related to capital project approval, and (ii) detailed information about
50 the amount of time spent engaged in those functions for each project that the
51 State Construction Office worked on during the previous quarter."

1
2 **PART IVA. PROVIDE SECURITY FOR THE MORGANTON CAMPUS OF THE**
3 **NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS**

4 **SECTION 4A.** G.S. 122C-430 reads as rewritten:

5 **"§ 122C-430. Joint security force.**

6 (a) The Secretary may designate one or more special police officers who shall make up
7 a joint security force to enforce the law of North Carolina and any ordinance or regulation
8 adopted pursuant to G.S. 143-116.6 or G.S. 143-116.7 or pursuant to the authority granted the
9 Department by any other law on the territory of the Broughton Hospital, Western Regional
10 Vocational Rehabilitation Facility, J. Iverson Riddle Developmental Center, the Morganton
11 campus of the North Carolina School of Science and Mathematics, and the surrounding grounds
12 and land adjacent to Broughton Hospital allocated to the Department of Agriculture and
13 Consumer Services, all in Burke County. After taking the oath of office for law enforcement
14 officers as set out in G.S. 11-11, these special police officers have the same powers as peace
15 officers now vested in sheriffs within the territory embraced by the named facilities. These
16 special police officers may arrest persons outside the territory of the named institutions but within
17 the confines of Burke County when the person arrested has committed a criminal offense within
18 that territory for which the officers could have arrested the person within that territory, and the
19 arrest is made during the person's immediate and continuous flight from that territory.

20 (b) Upon assignment by the Secretary, or Secretary's designee, to any State-operated
21 facility pursuant to G.S. 122C-183, these special police officers may exercise the same power
22 enumerated in this Part within the territory of the named facility and within the county in which
23 the facility is located."
24

25 **PART V. EFFECTIVE DATE**

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