

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 602  
Committee Substitute Favorable 4/22/21

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~~



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."

**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.