

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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HOUSE BILL 602

Short Title: UNC Legislative Priorities/HR/Reports. (Public)

Sponsors: Representatives Hardister, Pickett, Arp, and K. Smith (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Education - Universities, if favorable, Rules, Calendar, and Operations of the
House

April 20, 2021

A BILL TO BE ENTITLED
AN ACT TO EXEMPT FINANCE, BUSINESS OFFICE, AND AUDITOR PROFESSIONALS
FROM MOST PROVISIONS OF THE NORTH CAROLINA HUMAN RESOURCES ACT,
TO CONSOLIDATE AND ELIMINATE CERTAIN REPORTS, AND TO MAKE
CHANGES FOR IN-STATE TUITION FOR VETERANS TO COMPLY WITH FEDERAL
LAW.

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:

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

(a) In recognition of North Carolina's need for primary care physicians, Bowman Gray
School of Medicine and Duke University School of Medicine shall each prepare a plan with the
goal of encouraging North Carolina residents to enter the primary care disciplines of general
internal medicine, general pediatrics, family medicine, obstetrics/gynecology, and combined
medicine/pediatrics and to strive to have at least fifty percent (50%) of North Carolina residents
graduating from each school entering these disciplines. ~~These schools of medicine shall present~~



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

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

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

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

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

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

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

49
50 **EXEMPT UNC FROM REPORT ON GOVERNMENT FEES**

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

"§ 143C-9-4. Biennial fee report.

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

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

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

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

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

...

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

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

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

MODIFY REPORT ON RESEARCH COLLABORATIONS ON MILITARY BEHAVIORAL HEALTH

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

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

EDUCATOR PREPARATION/RECRUITMENT/EFFECTIVENESS REPORT CONSOLIDATION

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

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

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

~~"SECTION 9.7.(c) The University of North Carolina and Community Colleges System Office shall report by April 15, 2011, and annually thereafter, to the Joint Legislative Education~~

Oversight Committee, the State Board of Education, the Office of State Budget and Management, and the Fiscal Research Division of the General Assembly on the implementation of the UNC-NCCCS 2+2 E-Learning Initiative. This report shall include:

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

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

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

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

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

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

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

ELIMINATE UNC ENROLLMENT GROWTH PROJECTION REPORT

SECTION 2.7. G.S. 116-30.7 is repealed.

ELIMINATE REPORT ON DEFAULTS ON PROJECTS WITHOUT PERFORMANCE BONDS

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

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

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

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

SECTION 2.9. G.S. 143-133.1 is amended by adding a new subsection to read:

"(e) The University of North Carolina shall not be required to report to the Secretary of Administration pursuant to subsection (a) of this section, and the rules adopted by the Secretary of Administration to implement this section pursuant to subsection (b) of this section shall not apply to The University of North Carolina. The Board of Governors of The University of North Carolina shall adopt rules to implement the provisions of this section for The University of North Carolina, including the format and frequency of reporting. The rules shall include that constituent institutions of The University of North Carolina shall report the information required by subsection (a) of this section to (i) the Board of Governors on an annual basis and (ii) the Secretary of Administration no later than 12 months of the date of beneficial occupancy of the project in accordance with subsection (c) of this section."

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

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

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

...

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

...

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

...."

PART IV. EFFECTIVE DATE

SECTION 4. This act is effective when it becomes law.