

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 715

Short Title: Higher Ed. Modernization & Affordability Act. (Public)

Sponsors: Representatives Willis, D. Hall, Pickett, and Johnson (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

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

April 19, 2023

A BILL TO BE ENTITLED
AN ACT TO MODERNIZE, RESTRUCTURE, AND EVALUATE THE UNIVERSITY OF
NORTH CAROLINA SYSTEM AND THE COMMUNITY COLLEGE SYSTEM.

The General Assembly of North Carolina enacts:

**PART I. REQUIRE CONSTITUENT INSTITUTIONS AND COMMUNITY COLLEGES
TO ENSURE EFFICIENT USE OF INSTITUTIONAL RESOURCES AND REPORT ON
STEPS TAKEN**

SECTION 1.(a) G.S. 116-33 reads as rewritten:

"§ 116-33. Powers and duties of the boards of trustees.

Each board of trustees shall ~~promote~~ have the following powers and duties:

- (1) Promote the sound development of the institution within the functions prescribed for it, helping it to serve the State in a way that will complement the activities of the other institutions and aiding it to perform at a high level of excellence in every area of endeavor.
- (2) ~~Each board shall serve~~ Serve as advisor to the Board of Governors on matters pertaining to the ~~institution and shall also serve institution.~~
- (3) Serve as advisor to the chancellor concerning the management and development of the institution.
- (4) Ensure efficient use of institutional resources, including regularly evaluating and eliminating unnecessary or redundant expenses, personnel, and areas of study.
- (5) ~~The powers and duties of each board of trustees,~~ Any other power or duty, not inconsistent with other provisions of this Article, shall be as defined and delegated by the Board of Governors."

SECTION 1.(b) G.S. 115D-20 is amended by adding a new subdivision to read:

"(15) To ensure efficient use of institutional resources, including regularly evaluating and eliminating unnecessary or redundant expenses, personnel, and areas of study."

SECTION 1.(c) Each constituent institution and community college shall report to the Board of Governors of The University of North Carolina or the State Board of Community Colleges on steps taken to comply with G.S. 116-33(4) and G.S. 115D-20(15), as appropriate, as enacted by this section. No later than March 15, 2024, the Board of Governors and the State



Board of Community Colleges shall jointly report at least the following information to the Joint Legislative Education Oversight Committee:

- (1) The information submitted pursuant to this subsection by each constituent institution and community college.
- (2) Recommendations to further reduce expenses and streamline services at constituent institutions and community colleges.

PART II. MINIMUM CLASS SIZES

SECTION 2.(a) G.S. 116-11 is amended by adding a new subdivision to read:

"(13c) The Board shall adopt a policy setting minimum enrollment requirements for all undergraduate classes. The minimums may vary based on (i) the enrollment of the constituent institution, (ii) the percentage of students enrolled at the constituent institution in a particular subject area, and (iii) any other factor the Board of Governors deems relevant. A constituent institution shall not offer a course that does not receive enrollment prior to the first day of class of at least the minimum enrollment requirements established pursuant to this subdivision."

SECTION 2.(b) G.S. 115D-5 is amended by adding a new subsection to read:

"(z) The State Board shall adopt a policy setting minimum enrollment requirements for all classes. The minimums may vary based on (i) the enrollment of the community college, (ii) the percentage of students enrolled at the community college in a particular subject area, and (iii) any other factor the State Board deems relevant. A community college shall not offer a course that does not receive enrollment prior to the first day of class of at least the minimum enrollment requirements established pursuant to this subsection."

PART III. PROSPECTIVELY ELIMINATE ACADEMIC TENURE AND ESTABLISH UNIFORM CONTRACTING PROCEDURE FOR FACULTY AT CONSTITUENT INSTITUTIONS AND COMMUNITY COLLEGES

SECTION 3.(a) G.S. 116-11 is amended by adding a new subdivision to read:

"(2b) The Board of Governors shall adopt a policy on faculty contracts consistent with G.S. 116-11.4."

SECTION 3.(b) Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-11.4. Faculty contracts.

(a) A faculty member of a constituent institution of The University of North Carolina shall be employed at will or pursuant to a contract for a term of years. A contract for a term of years shall be for a period of one, two, three, or four years.

(b) A faculty member shall not be discharged from employment, suspended without pay, or demoted in rank during the term of the contract except as provided in subsection (d) of this section.

(c) If a constituent institution decides not to renew the contract of a faculty member, the constituent institution shall provide timely notice.

(d) No faculty member shall be discharged from employment, suspended without pay, or demoted in rank during the term of the contract except for one or more of the following:

- (1) Incompetence.
- (2) Neglect of duty.
- (3) Serious misconduct.
- (4) Unsatisfactory performance.
- (5) Institutional financial exigency.
- (6) Major curtailment or elimination of a teaching, research, or public-service program.

(e) Prior to discharging, suspending, or demoting a faculty member pursuant to subsection (d) of this section, the constituent institution shall provide the faculty member with timely notice and an opportunity for a hearing before the chancellor of the constituent institution. The chancellor shall make a determination on discharge, suspension, demotion, or other appropriate action. The faculty member may appeal the decision of the chancellor to the board of trustees. If necessary, the full board of trustees shall make a final decision on the matter."

SECTION 3.(c) G.S. 115D-5 is amended by adding a new subsection to read:

"(aa) The State Board shall adopt a policy on faculty contracts consistent with G.S. 115D-82."

SECTION 3.(d) Article 7 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"§ 115D-82. Faculty contracts.

(a) A faculty member of a community college shall be employed at will or pursuant to a contract for a term of years. A contract for a term of years shall be for a period of one, two, three, or four years.

(b) A faculty member shall not be discharged from employment, suspended without pay, or demoted in rank during the term of the contract except as provided in subsection (d) of this section.

(c) If a community college decides not to renew the contract of a faculty member, the community college shall provide timely notice.

(d) No faculty member shall be discharged from employment, suspended without pay, or demoted in rank during the term of the contract except for one or more of the following:

(1) Incompetence.

(2) Neglect of duty.

(3) Serious misconduct.

(4) Unsatisfactory performance.

(5) Institutional financial exigency.

(6) Major curtailment or elimination of a teaching, research, or public-service program.

(e) Prior to discharging, suspending, or demoting a faculty member pursuant to subsection (d) of this section, the community college shall provide the faculty member with timely notice and an opportunity for a hearing before the president of the community college. The president shall make a determination on discharge, suspension, demotion, or other appropriate action. The faculty member may appeal the decision of the president to the board of trustees. If necessary, the full board of trustees shall make a final decision on the matter."

SECTION 3.(e) This section is effective when it becomes law and applies beginning with persons hired on or after July 1, 2024. No faculty member hired by a constituent institution of The University of North Carolina or a community college on or after that date shall receive academic tenure.

PART IV. PROHIBIT USE OF HIGHER EDUCATION FUNDS FOR CERTAIN EXTRACURRICULAR PURPOSES

SECTION 4.(a) G.S. 116-11 is amended by adding a new subdivision to read:

"(13d) The Board shall adopt a policy prohibiting the use of State and non-State funds held by constituent institutions for certain extracurricular activities, as follows:

a. This prohibition shall apply to all of the following:

1. Social fraternities and sororities.

2. Any activities related to political, social, or religious issues, including special interest clubs and other student organizations.

b. At a minimum, this prohibition shall not apply to the following:

1. Varsity, club, or intramural athletics.
2. Band.
3. Student Government.
4. Academic clubs.
5. Nonsocial fraternities and sororities."

SECTION 4.(b) G.S. 115D-5 is amended by adding a new subsection to read:

"(bb) The State Board of Community Colleges shall adopt a policy prohibiting the use of State and non-State funds held by community colleges for certain extracurricular activities, as follows:

(1) This prohibition shall apply to all of the following:

- a. Social fraternities and sororities.
- b. Any activities related to political, social, or religious issues, including special interest clubs and other student organizations.

(2) At a minimum, this prohibition shall not apply to the following:

- a. Varsity, club, or intramural athletics.
- b. Band.
- c. Student Government.
- d. Academic clubs.
- e. Nonsocial fraternities and sororities."

PART V. UNIFIED ADMISSIONS APPLICATION

SECTION 5.(a) G.S. 116-11 is amended by adding a new subdivision to read:

"(13e) The Board shall adopt a unified undergraduate admissions application for all postsecondary constituent institutions. The Board shall adopt a policy prohibiting postsecondary constituent institutions from adding to or otherwise modifying the unified undergraduate admissions application adopted by the Board pursuant to this subdivision."

SECTION 5.(b) G.S. 115D-5 is amended by adding a new subsection to read:

"(cc) The State Board of Community Colleges shall adopt a unified admissions application for all community colleges. The State Board shall adopt a policy prohibiting community colleges from adding to or otherwise modifying the unified admissions application adopted by the State Board pursuant to this subsection."

PART VI. ENCOURAGE AND ENHANCE CAREER AND COLLEGE PROMISE TRANSFER PATHWAY PROGRAM

SECTION 6.(a) G.S. 116-11 is amended by adding a new subdivision to read:

"(13f) The Board shall do the following to improve the Career and College Promise Transfer Pathway Program:

- a. Encourage all constituent institutions to admit students who were enrolled in a Career and College Promise Transfer Pathway Program.
- b. Coordinate with the State Board of Community Colleges and the Department of Public Instruction to maximize the number of course credits that students may transfer from the Career and College Promise Transfer Pathway Program. Notwithstanding any other provision of law, a constituent institution shall not limit the total number of credit hours earned under the Program that may be transferred to the constituent institution.
- c. Provide each constituent institution with information and administrative support to achieve these purposes."

SECTION 6.(b) G.S. 115D-5 is amended by adding a new subsection to read:

"(dd) The State Board of Community Colleges shall do the following to improve the Career and College Promise Transfer Pathway Program:

- (1) Encourage all community colleges to admit students who were enrolled in a Career and College Promise Transfer Pathway Program.
- (2) Coordinate with the Board of Governors of The University of North Carolina and the Department of Public Instruction to maximize the number of course credits that students may transfer from the Career and College Promise Transfer Pathway Program. Notwithstanding any other provision of law, a community college shall not limit the total number of credit hours earned under the Program that may be transferred to the community college.
- (3) Provide each community college with information and administrative support to achieve these purposes."

PART VII. ENCOURAGE INSTITUTIONS TO TAKE ADVANTAGE OF ROTC AND PELL GRANTS

SECTION 7.(a) G.S. 116-11 is amended by adding a new subdivision to read:

"(13g) The Board shall encourage all constituent institutions to take maximum advantage of federal scholarship funds, including the Pell Grant and scholarships related to the Reserve Officers' Training Corps (ROTC), including Army ROTC, Navy ROTC, and Air Force ROTC. The Board shall provide each constituent institution with information and administrative support in furthering this purpose."

SECTION 7.(b) G.S. 115D-5 is amended by adding a new subsection to read:

"(ee) The State Board of Community Colleges shall encourage all community colleges to take maximum advantage of federal scholarship funds, including the Pell Grant and scholarships related to the Reserve Officers' Training Corps (ROTC), including Army ROTC, Navy ROTC, and Air Force ROTC. The State Board shall provide each community college with information and administrative support in furthering this purpose."

PART VIII. EFFICIENCY STUDY

SECTION 8.(a) For purposes of this section, the following definitions shall apply:

- (1) Administrative office. – An office in an educational institution providing one or more administrative services.
- (2) Administrative services. – Support services provided by educational institutions to education administration, including human resources, accounting, finance, purchasing, healthcare, and information technology.
- (3) Educational institution. – A constituent institution of The University of North Carolina or a community college.

SECTION 8.(b) No later than March 15, 2024, The University of North Carolina System Office and the Community Colleges System Office shall study and jointly report to the Joint Legislative Education Oversight Committee on the administrative services provided by each educational institution, as appropriate. The report shall include at least the following information:

- (1) Any administrative offices, divisions of administrative offices, administrative services provided by administrative offices, or individual positions that could be utilized more efficiently or inexpensively as a result of consolidation into or management by The University of North Carolina System Office or the Community Colleges System Office, as appropriate.
- (2) A proposed plan to consolidate or manage the services or positions identified in subdivision (1) of this subsection within one academic year.

PART IX. NONINSTRUCTIONAL RESEARCH STUDY

SECTION 9.(a) For purposes of this section, the following definitions shall apply:

- (1) Higher education personnel. – Full-time or part-time students, staff, or faculty at a postsecondary educational institution.
- (2) Noninstructional research. – Research related to any subject area taught at a postsecondary educational institution that is not part of or directly related to classroom instruction.
- (3) Postsecondary educational institution. – A postsecondary constituent institution of The University of North Carolina or a community college.

SECTION 9.(b) Each postsecondary educational institution shall study all noninstructional research performed by higher education personnel at the institution and report this information to the Board of Governors of The University of North Carolina or the State Board of Community Colleges, as appropriate. No later than March 15, 2024, the Board of Governors and the State Board of Community colleges shall jointly report the results of the study to the Joint Legislative Education Oversight Committee. Each report shall include at least the following information, disaggregated by postsecondary educational institution, category of higher education personnel, and subject area of study, where possible:

- (1) Number of higher education personnel engaged in noninstructional research.
- (2) A description of each noninstructional resource project at a postsecondary educational institution funded in whole or in part with State funds, the use of those funds, and the costs and benefits of the project.
- (3) Average number of hours spent on noninstructional research.
- (4) Recommendations to increase instructional time for students and faculty at each postsecondary educational institution.

PART X. BUILDING USAGE AND CAPACITY STUDY

SECTION 10. For purposes of this section, the term "postsecondary educational institution" refers to a postsecondary constituent institution of The University of North Carolina or a community college. Each postsecondary educational institution shall study the daily usage and capacity of all buildings operated or maintained by the institution and report this information to the Board of Governors of The University of North Carolina or the State Board of Community Colleges, as appropriate. No later than March 15, 2024, the Board of Governors and the State Board of Community Colleges shall jointly report the results of the study to the Joint Legislative Education Oversight Committee. The report shall include at least the following information, disaggregated by postsecondary educational institution:

- (1) Number of buildings on each campus.
- (2) Capacity for each building on campus and average capacity of all buildings on campus.
- (3) The maximum daily usage for each building on campus, relative to capacity, and the average daily usage for each building on campus.

PART XI. EFFECTIVE DATE

SECTION 11. Except as otherwise provided, this act is effective when it becomes law.