

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

**SESSION LAW 2023-102
SENATE BILL 195**

AN ACT TO MAKE VARIOUS CHANGES TO THE LAWS CONCERNING THE
UNIVERSITY OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

PART I. INCLUDE NCSSM IN THE DISTINGUISHED PROFESSOR ENDOWMENT FUND

SECTION 1. Part 4A of Article 1 of Chapter 116 of the General Statutes reads as rewritten:

"Part 4A. Distinguished Professors Endowment Trust Fund.

"§ 116-41.13. Distinguished Professors Endowment Trust Fund; purpose.

The General Assembly of North Carolina recognizes that ~~the public university system~~ each constituent institution of The University of North Carolina would be greatly strengthened by the addition of distinguished scholars. It further recognizes that private as well as State support is preferred in helping to obtain distinguished scholars for ~~the State universities~~ constituent institutions and that private support will help strengthen the commitment of citizens and organizations in promoting excellence throughout ~~all State universities~~. The University of North Carolina. It is the intent of the General Assembly to establish a trust fund to provide the opportunity to each ~~State university~~ constituent institution to receive and match challenge grants to create endowments for selected distinguished professors to occupy chairs within the ~~university~~ institution. The associated foundations that serve the ~~universities~~ constituent institutions shall solicit and receive gifts from private sources to provide for matching funds to the trust fund challenge grants for the establishment of endowments for chairs within ~~universities~~ constituent institutions.

"§ 116-41.13A. Distinguished Professors Endowment Trust Fund; definitions.

The following definitions apply in this Part:

- (1) "Focused growth institution" means Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical University, North Carolina Central University, The University of North Carolina at Pembroke, Western Carolina University, and Winston-Salem State University.
- (2) "Special needs institution" means the North Carolina School of the Arts, redesignated effective August 1, 2008, as the "University of North Carolina School of the Arts," the North Carolina School of Science and Mathematics, and The University of North Carolina at Asheville.

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PART II. CREATE STAGGERED TERMS FOR MEMBERS OF THE NORTH CAROLINA TEACHING FELLOWS COMMISSION

SECTION 2.(a) G.S. 116-209.61 reads as rewritten:

"§ 116-209.61. North Carolina Teaching Fellows Commission established; membership.



(a) Commission Established. – There is established the North Carolina Teaching Fellows Commission. The Commission shall determine program and forgivable loan recipient selection criteria and selection procedures and shall select the recipients to receive forgivable loans under the North Carolina Teaching Fellows Program in accordance with the requirements of this Part. The Director of the North Carolina Teaching Fellows Program shall appoint staff to the Commission.

(b) Membership. – The Commission shall consist of 14 members who shall be appointed or serve as ex officio members as follows:

- (1) The Board of Governors of The University of North Carolina shall appoint seven members to the Commission in even-numbered years as follows:
 - a. Two deans of approved schools of education at postsecondary constituent institutions of The University of North Carolina.
 - b. The president of a North Carolina community college.
 - c. A teacher who graduated from an approved educator preparation program located in the State within three years of appointment to serve on the Commission.
 - d. A principal who graduated from an approved educator preparation program located in the State.
 - e. A local board of education member.
 - f. A member to represent business and industry in North Carolina.
- (2) The General Assembly shall appoint two members to the Commission in odd-numbered years in accordance with G.S. 120-121 as follows:
 - a. One dean of an approved school of education at a private postsecondary institution operating in the State upon the recommendation of the Speaker of the House of Representatives.
 - b. One dean of an approved school of education at a private postsecondary institution operating in the State upon the recommendation of the President Pro Tempore of the Senate.
- (3) The following five members shall serve as ex officio members to the Commission:
 - a. The North Carolina Teacher of the Year.
 - b. The North Carolina Principal of the Year.
 - c. The North Carolina Superintendent of the Year.
 - d. The chair of the Board of the State Education Assistance Authority, or the chair's designee.
 - e. The Director of the North Carolina Teaching Fellows Program.

(c) Terms of Office. – Appointments to the Commission shall be for two-year terms, ~~expiring on beginning July 1 in odd-numbered years, and expiring June 30.~~ Members serving ex officio, other than the chair of the Board of the State Education Assistance Authority and Director of the North Carolina Teaching Fellows Program, who have otherwise completed their term of service, shall continue to serve on the Commission until July 1, June 30, annually.

(d) Vacancies. – Except as otherwise provided, if a vacancy occurs in the membership of the Commission, the appointing authority shall appoint another person meeting the same qualifications to serve for the balance of the unexpired term.

(e) Chair; Meetings. – The Director of the Program shall call the first meeting of the Commission. The Commission members shall elect a chair and a vice-chair from the membership of the Commission to serve one-year terms. The Commission shall meet regularly at times and places deemed necessary by the chair or, in the absence of the chair, by the vice-chair.

(f) Conflict of Interest. – A member of the Commission shall abstain from voting on the selection of an educator preparation program of a postsecondary constituent institution of The University of North Carolina or a private postsecondary institution operating in the State under

G.S. 116-209.62(f) if the member is an officer or employee of the institution or sits as a member of the institution's board of directors.

(g) Expenses. – Commission members shall receive per diem, subsistence, and travel allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate."

SECTION 2.(b) Notwithstanding G.S. 116-209.61, as amended by this section, appointments made by the Board of Governors to terms expiring July 1, 2023, shall instead expire June 30, 2024.

SECTION 2.(c) This section is effective when it becomes law and applies to terms beginning July 1, 2023.

PART III. MAKE CHANGES TO TUITION GRANTS FOR NCSSM AND UNCSA

SECTION 3.(a) G.S. 116-209.90 reads as rewritten:

"§ 116-209.90. Tuition grants for graduates to attend a constituent institution.

(a) Within the funds available, a high school graduate from the North Carolina School of Science and Mathematics (NCSSM) or the University of North Carolina School of the Arts (UNCSA) in each school year who meets the following conditions shall be eligible for a tuition grant awarded under this Part:

- (1) Is a resident for tuition purposes under the criteria set forth in G.S. 116-143.1 and in accordance with the coordinated and centralized residency determination process administered by the Authority.
- (2) Enrolls as a full-time student in a constituent institution of The University of North Carolina in the next academic year after graduation. The Authority shall have the discretion to postpone this requirement for up to one academic year after graduation if the student is able to demonstrate that any of the following have substantially disrupted or interrupted the student's ability to enroll as a full-time student:
 - a. A military service obligation.
 - b. Serious medical debilitation.
 - c. A short-term or long-term disability.
 - d. Other extraordinary hardship.

(b) Students who receive initial tuition grants as a cohort of a high school graduating class of NCSSM or UNCSA shall also be eligible to apply for tuition grants for subsequent academic years for up to a total of four academic years, provided that tuition grants are only used for undergraduate tuition.

(b1) A student must be continuously enrolled in an undergraduate program at a constituent institution of The University of North Carolina after the award of the initial tuition grant to be eligible for tuition grants in subsequent academic years. The Authority shall have the discretion to waive this requirement if the student is able to demonstrate that any of the following have substantially disrupted or interrupted the student's pursuit of a degree: ~~(i) a military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term disability, or (iv) other extraordinary hardship.~~

- (1) A military service obligation.
- (2) Serious medical debilitation.
- (3) A short-term or long-term disability.
- (4) Other extraordinary hardship.

(c) The amount of the tuition grant to each graduate shall be determined and distributed as provided in G.S. 116-209.91."

SECTION 3.(b) This section is effective May 1, 2022.

PART IV. REQUIRE INSTITUTIONAL NEUTRALITY

SECTION 4.(a) G.S. 116-300(3) reads as rewritten:

- "(3) The constituent institution ~~may not take action, as an institution, on the public policy controversies of the day in such a way as to~~ shall not require students, faculty, or administrators to publicly express a given view of social policy."

SECTION 4.(b) G.S. 116-300 is amended by adding a new subdivision to read:

- "(3a) The constituent institution shall remain neutral, as an institution, on the political controversies of the day."

PART V. PROVIDE EFFICIENCY AND FLEXIBILITY TO THE UNIVERSITY OF NORTH CAROLINA BY EXEMPTING CERTAIN FLSA-EXEMPT EMPLOYEES OF THE UNIVERSITY FROM THE STATE HUMAN RESOURCES ACT AND MAKING THOSE EMPLOYEES SUBJECT TO THE DIRECT AUTHORITY OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA

SECTION 5.(a) G.S. 126-1.1 reads as rewritten:

"§ 126-1.1. Career State employee defined.

(a) For the purposes of this Chapter, unless the context clearly indicates otherwise, "career State employee" means a State employee or an employee of a local entity who is covered by this Chapter pursuant to G.S. 126-5(a)(2) who:

- (1) Is in a permanent position with a permanent appointment, and
- (2) Has been continuously employed by the State of North Carolina or a local entity as provided in G.S. 126-5(a)(2) in a position subject to the North Carolina Human Resources Act for the immediate 12 preceding months.

(b) As used in this Chapter, "probationary State employee" means a State employee who is in a probationary appointment and is exempt from the provisions of the North Carolina Human Resources Act only because the employee has not been continuously employed by the State for the time period required by subsection (a) or (c) of this section.

(c) Notwithstanding the provisions of subsection (a) ~~above, employees above:~~

- (1) Employees who are hired by a State agency, department or university in a sworn law enforcement position or forensic scientist position and who are required to complete a formal training program prior to assuming law enforcement or forensic scientist duties with the hiring agency, department or university shall become career State employees only after being employed by the agency, department or university for 24 continuous months.
- (2) Employees of The University of North Carolina who are exempt from the minimum wage and overtime compensation provisions of the Fair Labor Standards Act and who attained career status before September 1, 2023, have the option of either (i) continuing employment with career State employee status if the employee remains in the position the employee occupied on August 31, 2023, or (ii) waiving career State employee status and continuing employment as an exempt employee under G.S. 126-5(c1)(8). The University shall provide each affected employee with a written explanation of the impact of an election to waive career State employee status. An employee's election to waive career State employee status must be acknowledged either through the employee's written or electronic signature within 60 days of receiving the written explanation.
- (3) Probationary State employees of The University of North Carolina who are exempt from the minimum wage and overtime compensation provisions of the Fair Labor Standards Act and were hired before September 1, 2023, have the option of either (i) continuing employment for the time period required by subsection (a) of this section or subdivision (1) of this subsection and earning career State employee status or (ii) continuing employment as an exempt employee under G.S. 126-5(c1)(8). The University shall provide each affected

employee with a written explanation of the impact of an election to continue employment as an exempt employee. An employee's election to continue employment as an exempt employee must be acknowledged either through the employee's written or electronic signature within 60 days of receiving the written explanation."

SECTION 5.(b) G.S. 126-5(c1) reads as rewritten:

"(c1) Except as to Articles 6 and 7 of this Chapter, this Chapter does not apply to any of the following:

...

(8) ~~Instructional Employees of The University of North Carolina who are exempt from the minimum wage and overtime compensation provisions of the Fair Labor Standards Act, including 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, dentists, pilots, and the faculty of the North Carolina School of Science and Mathematics. The Board of Governors of The University of North Carolina shall have the authority to establish positions under this subdivision to be exempt from this Chapter without further review or approval by any other State agency.~~

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PART VI. EXEMPT FROM THE STATE HUMAN RESOURCES ACT CERTAIN EMPLOYEES OF NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY DESIGNATED AS COUNTY OPERATIONS SUPPORT STAFF

SECTION 6.(a) G.S. 126-5(c1)(9a) reads as rewritten:

"(9a) Employees of the North Carolina Cooperative Extension Service of North Carolina State University and North Carolina Agricultural and Technical State University who are employed in county operations and who are not exempt pursuant to subdivision (8) or (9) of this subsection."

SECTION 6.(b) G.S. 153A-439(b) reads as rewritten:

"(b) The policies adopted by the Board of Trustees of North Carolina State University and North Carolina Agricultural and Technical State University, respectively, for the employees of the North Carolina Cooperative Extension Service shall govern the employment of employees exempted from certain provisions of Chapter 126 of the General Statutes pursuant to G.S. 126-5(c1)(9a). The policies adopted by the University of North Carolina Board of Governors and the employing constituent institution shall govern the employment of employees of the North Carolina Cooperative Extension Service exempted from certain provisions of Chapter 126 of the General Statutes pursuant to G.S. 126-5(c1)(8)."

PART VII. EFFECTIVE DATE

SECTION 7. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of July, 2023.

s/ Carl Ford
Presiding Officer of the Senate

s/ Erin Paré
Presiding Officer of the House of Representatives

This bill having been presented to the Governor for signature on the 3rd day of July, 2023 and the Governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become a law.

This 14th day of July, 2023,

s/ Olwen Blessing
Enrolling Clerk