



HOUSE BILL 1096: UNC Omnibus Changes.

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2019-2020 General Assembly

Committee:	Senate Appropriations/Base Budget.	If Date:	June 19, 2020
	favorable, re-refer to Rules and Operations of the Senate		
Introduced by:	Reps. Fraley, Clemmons, Horn	Prepared by:	Brian Gwyn*
Analysis of:	PCS to Third Edition H1096-CSBEa-43		Staff Attorney

OVERVIEW: *The 3rd edition of HB 1096 would make various changes to statutes related to the programs and operation of The University of North Carolina and would appropriate \$500,000 for the UNC Teacher and Principal Preparation Laboratory School Program. Additionally, it would direct the Board of Governors of The University of North Carolina to study the feasibility of offering accelerated undergraduate degree programs at constituent institutions. The PCS would make the following changes:*

- Modify provisions related to laboratory schools.
- Transfer \$200,000 from existing funds to the laboratory school program.
- Modify the implementation date for Teaching Fellows expansion.
- Remove parts from 3rd edition addressing UNC capital projects, debt service fees, an NC Arboretum specialty license plate, and an accelerated degree completion study.

PART I: REPEAL BOG MANDATORY REVIEW OF CERTAIN UNC HUMAN RESOURCES ACTIONS

CURRENT LAW: G.S. 116-17.3 requires the Board of Governors of The University of North Carolina (UNC BOG) to monitor nonlegislative annual employee salary increases in the amount of 5% or more granted at constituent institutions or within the UNC System Office (i) to employees having annual salaries of \$100,000 or greater or (ii) that would result in an annual employee salary of \$100,000 or greater. The UNC BOG must also monitor new personnel positions created at constituent institutions or within the UNC System Office that have annual salaries of \$70,000 or greater. Such a salary increase or new position cannot become effective unless or until it is reported to the UNC BOG by a consultation that includes the justification for the increase or new position, or otherwise complies with consultation requirements adopted by the UNC BOG.

BILL ANALYSIS: Section 1 would repeal the statutory requirement that the Board of Governors monitor all employee salary increases and certain new personnel positions at constituent institutions and within the UNC System Office above a certain threshold. This provision is identical to a special provision from House Bill 966.

PART II: UNC LABORATORY SCHOOL MODIFICATIONS/FUNDS

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CURRENT LAW: Article 29A of Chapter 116 of the General Statutes provides for The University of North Carolina laboratory schools (laboratory schools). The schools are established by constituent institutions in local school administrative units (LEAs) with low-performing students to provide an enhanced education program and training for future teachers and principals in high-needs school settings. At least nine constituent institutions must establish laboratory schools.

Laboratory schools must be located in an LEA that has 25% of the schools identified as low-performing or has received a waiver to meet other conditions to serve low-performing students and are established for a term of 5 years. A lab school can be renewed for an additional 5-year term if those criteria for the LEA still apply. The LEA in which the laboratory school is located must provide food services and transportation to students attending the school. Laboratory schools do not receive transportation allotments. Students are eligible to attend the laboratory school if the student meets certain criteria, such as attending a low-performing school, or not meeting expected growth in the prior school year.

Under Chapter 115C of the General Statutes, local boards of education have governmental immunity which can be waived by purchase of insurance.

BILL ANALYSIS: Section 2 would make the following changes to laboratory schools:

- Require nine laboratory schools be established, but would allow a constituent institution to operate more than one laboratory school. This section would change requirements on when schools must open by, requiring 6 to be opened by the 2020-2021 school year, and an additional 3 by the 2022-2023 school year.
- Provide laboratory schools, in addition to other granted immunities, the same immunities granted under Chapter 115C to local boards of education.
- Authorize a laboratory school to be renewed for additional 5 year terms even if the LEA criteria are not met, if the governing Subcommittee finds the school is successfully meeting its mission. This section would also authorize the governing Subcommittee to terminate the operation of a laboratory school at any time for failing to meet expected progress.
- Require the Board of Governors and State Board of Education to jointly develop maximum cost standards for facilities and services an LEA may provide a laboratory school. Laboratory schools would have the ability to request any of the following to be provided by an LEA, who would be required to provide the services based on those cost standards: facilities, transportation, food services, student services.
- Make a conforming change to provide transportation funding to laboratory schools.

These changes would apply beginning with the 2021-2022 school year, and would apply to leases and agreements entered on or after the effective date. The changes would not apply to existing leases, contracts, or agreements, unless mutually modified by the parties.

Section 2 would also make the following changes regarding laboratory admissions and student assignment:

- Allows a child of a laboratory school employee to be eligible to attend the school.
- Allow a laboratory school to enroll students not meeting any of the statutory criteria after March 1 annually if the school does not reach enrollment capacity by that date. The number of students admitted under this provision would be capped at 20% of total capacity.
- Require reasonable efforts be made by the laboratory school to reflect the demographics of the general population of the LEA within one year of opening.

These changes would become effective with the 2020-2021 school year.

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Section 2 would transfer \$200,000 from funds provided for the Future Teachers of North Carolina program to the Laboratory School Program for support services for the 2020-2021 school year. Except as otherwise provided, this section would become effective when it becomes law.

PART III: EXTEND REPORT DATE FOR UNC BOARD OF GOVERNORS PLANNING TASK FORCE

CURRENT LAW: Sec. 36.6 of S.L. 2018-5 created the UNC Board of Governors Planning Task Force (Task Force), to conduct a systemwide analysis of the capital needs of each constituent institution in relation to the Science, Technology, Engineering, and Mathematics (STEM) subject area to compile a UNC System Plan. The Task Force must take into account strengths, weaknesses, opportunities, and needs of each constituent institution, regional similarities and differences, and the impact of any relevant currently utilized programmatic planning elements that can be implemented as a best practice among other similar programmatic areas to encourage systemwide efficiencies. In particular, the Task Force must consider the capital needs relating to the Brody School of Medicine at East Carolina University, the UNC Applied Physical Sciences and Institute for Convergent Science in Chapel Hill, and other STEM projects to determine areas where capital funds may be used more efficiently and effectively.

By April 1, 2019, the Task Force must submit a report containing the UNC System Plan and any legislative recommendations to the Joint Legislative Capital Improvements Oversight Committee and the Fiscal Research Division.

BILL ANALYSIS: Section 3 would extend until July 30, 2020, the date by which the Task Force must submit its report containing the UNC System Plan and any legislative recommendations to the Joint Legislative Capital Improvements Oversight Committee and the Fiscal Research Division.

PART IV: MODIFY FUTURE TEACHERS OF NORTH CAROLINA

CURRENT LAW: Future Teachers of North Carolina (FTNC) is a course offering created in statute authorizing North Carolina high schools to encourage high-achieving students with strong academic, interpersonal, and leadership skills to consider teaching as a career. FTNC courses will include both content and field experiences related to the teaching profession. The UNC System Office must report annually on the status and effectiveness of FTNC.

BILL ANALYSIS: Section 4 would change FTNC to a symposium-based program introducing high school students to the teaching profession administered by the Future Teachers of North Carolina Advisory Council, rather than a high school-based course developed with a college partner. This provision is identical to a special provision from House Bill 966.

PART V: MODIFY NC TEACHING FELLOWS PROGRAM

CURRENT LAW: The North Carolina Teaching Fellows Program is a statutorily created loan forgiveness program that recruits, prepares, and supports recipients who attend one of five selected educator preparation programs (EPPs). Students seeking STEM or special education licensure are eligible. The State Education Assistance Authority must provide funding for recipients to participate in the New Teacher Support Program after completing their EPP (up to \$2,000 for each recipient teaching in a low-

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performing NC public school, and up to \$1,000 for each recipient teaching in an NC school that is not low-performing).

BILL ANALYSIS: Section 5 would (i) provide that up to eight institutions of higher education that represent a diverse selection of institutions be selected to participate in the NC Teaching Fellows Program, (ii) make a technical change, and (iii) raise the amount provided for all program participants to participate in the New Teacher Support Program to \$2,200, with a priority for teachers serving in low-performing schools. This provision is identical to a special provision from House Bill 966.

The increase in Teaching Fellows institutions would apply to the award of forgivable loans beginning with the 2022-2023 school year, and the increase in per-student Teaching Fellows funding for the New Teacher Support Program would become effective July 1, 2020.

PART VI: EXEMPT NORTH CAROLINA SCHOOL OF THE ARTS AND NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS FROM PUBLIC SCHOOL UNIT DEFINITION

CURRENT LAW: G.S. 115C-5(7a) defines a public school unit as any of the following:

- A local school administrative unit.
- A charter school.
- A regional school.
- The Innovative School District.
- The Governor Morehead School for the Blind.
- The North Carolina School for the Deaf.
- The Eastern North Carolina School for the Deaf.
- The North Carolina School for the Arts
- The North Carolina School of Science and Mathematics.
- A laboratory school.

BILL ANALYSIS: Section 6 would remove the North Carolina School for the Arts and the North Carolina School of Science and Mathematics from the definition of public school unit in Chapter 115C of the General Statutes.

PART VII: POLICE OFFICER POSITION EXEMPTION

CURRENT LAW: Chapter 126 of the North Carolina General Statutes is the North Carolina Human Resources Act (HRA), which covers personnel administration for State employees and certain local employees.

BILL ANALYSIS: Section 7 would exempt commissioned police officers of UNC from the HRA, except the Articles on Equal Employment and Compensation Opportunity; Assisting in Obtaining State Employment, Privacy of State Employee Personnel Records, and Employee Appeals of Grievances and Disciplinary Action.

PART VIII: MILLENNIAL CAMPUS DESIGNATION FOR UNC-AFFILIATED INSTITUTIONS

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CURRENT LAW: G.S. 116-198.33(4b) defines a Millennial Campus as "real property and appurtenant facilities designated by the Board of Governors as part of a Millennial Campus of a constituent institution of The University of North Carolina other than North Carolina State University or the University of North Carolina at Chapel Hill." Under Article 21B of Chapter 116 of the General Statutes, a Millennial Campus is authorized to issue revenue bonds to pay for projects on those properties.

BILL ANALYSIS: Section 8 would allow an affiliated institution of UNC to have real property designated as a "Millennial Campus" of the institution under Article 21B of Chapter 116 of the General Statutes.

PART IX: APPLICABILITY OF HOUSE BILL 966, 2019 REGULAR SESSION

BILL ANALYSIS: Section 9 would repeal identical sections in House Bill 966 that are also contained in this bill if it were to become law and clarify that the provisions of this bill control.

PART X: MISCELLANEOUS

BILL ANALYSIS: Section 10 would clarify that the provisions of the State Budget Act are reenacted and remain in full force and effect. Additionally, any legislation enacted during the 2019 Regular Session expressly appropriating funds to an agency, department, or institution covered under this act would still remain in effect, unless expressly repealed or amended by this act.

EFFECTIVE DATE: Except as otherwise provided, the PCS would be effective when it becomes law.

**Leslie Karkanawi, staff attorney in the Bill Drafting Division, and Kara McCraw, staff attorney in the Legislative Analysis Division, substantially contributed to this summary.*