

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H.B. 775
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH50089-LH-116C (03/23)

Short Title: UNC Capital Efficiencies.

(Public)

Sponsors: Representatives Arp and Strickland (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT RELATED TO THE UNIVERSITY OF NORTH CAROLINA SYSTEM BUDGET
3 REQUESTS AND CAPITAL PROJECTS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 116-11 reads as rewritten:

6 "§ 116-11. Powers and duties generally.

7 The powers and duties of the Board of Governors shall include the following:

8 ...

9 (9) ...

10 b. Funds for the continuing operation of each constituent institution
11 shall be appropriated directly to the institution. Funds for salary
12 increases for employees exempt from the North Carolina Human
13 Resources Act shall be appropriated to the Board in a lump sum for
14 allocation to the institutions. Funds for the third category in
15 paragraph a of this subdivision shall be appropriated to the Board in a
16 lump sum for allocation to the institutions. The Board shall make
17 allocations among the institutions in accordance with the Board's
18 schedule of priorities and any specifications in the Current
19 Operations Appropriations Act. When both the Board and the
20 Director of the Budget deem it to be in the best interest of the
21 State, funds in the third category may be allocated, in whole or in
22 part, for other items within the list of priorities or for items not
23 included in the list. Provided, nothing herein shall be construed to
24 allow the General Assembly, except as to capital improvements, to
25 refer to particular constituent institutions in any specifications as to
26 priorities in the third category.

27 c. ~~The Director of the Budget may, on recommendation of the Board,~~
28 Unless otherwise provided in Article 1 of Chapter 116 of the General
29 Statutes, the Board may authorize transfer of appropriated funds from
30 one institution to another to provide adjustments for over or under
31 enrollment or may make any other adjustments among institutions
32 that would provide for the orderly and efficient operation of the
33 institutions.

34"

35 SECTION 2. G.S. 116-14 reads as rewritten:

36 "§ 116-14. President and staff.



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1 ...
2 (b1) The President shall receive General Fund appropriations made by the General
3 Assembly for continuing operations of The University of North Carolina that are administered
4 by the President and the President's staff complement established pursuant to G.S. 116-14(b) in
5 the form of a single sum to Budget Code 16010 of The University of North Carolina in the
6 manner and under the conditions prescribed by G.S. 116-30.2. The President, with respect to
7 the foregoing appropriations, shall have the same duties and responsibilities that are prescribed
8 by G.S. 116-30.2 for the Chancellor of a special responsibility constituent institution. The
9 President may establish procedures for transferring funds to and from Budget Code 16010
10 Budget Code 16010, including, but not limited to, transfers to the constituent institutions for
11 nonrecurring expenditures. The President may identify funds for capital improvement projects
12 and transfer funds for capital improvement projects to and from Budget Code 16010, and the
13 capital improvement projects may be established following the procedures set out in
14 G.S. 143C-8-8 and G.S. 143C-8-9.

15"

16 **SECTION 3.** G.S. 116-30.2 reads as rewritten:

17 **"§ 116-30.2. Appropriations to special responsibility constituent institutions.**

18 (a) All General Fund appropriations made by the General Assembly for continuing
19 operations of a special responsibility constituent institution of The University of North Carolina
20 shall be made in the form of a single sum to each budget code of the institution for each year of
21 the fiscal period for which the appropriations are being made. Notwithstanding G.S. 143C-6-4
22 and G.S.120-76(8), each special responsibility constituent institution may expend monies from
23 the overhead receipts special fund budget code and the General Fund monies so appropriated to
24 it in the manner deemed by the Chancellor to be calculated to maintain and advance the
25 programs and services of the institutions, consistent with the directives and policies of the
26 Board of Governors. ~~Special~~ The President of the University of North Carolina and special
27 responsibility constituent institutions may transfer appropriations between budget codes. These
28 transfers shall be considered certified even if as a result of agreements between special
29 responsibility constituent institutions. The preparation, presentation, and review of General
30 Fund budget requests of special responsibility constituent institutions shall be conducted in the
31 same manner as are requests of other constituent institutions. The quarterly allotment procedure
32 established pursuant to G.S. 143C-6-3 shall apply to the General Fund appropriations made for
33 the current operations of each special responsibility constituent institution, and each
34 special responsibility constituent institution shall submit to the Director of the Budget its
35 requests for allotments quarterly. All General Fund monies so appropriated to each special
36 responsibility constituent institution shall be recorded, reported, and audited in the same
37 manner as are General Fund appropriations to other constituent institutions.

38 (b) Repealed by Session Laws 2006-66, s. 9.11(f), effective July 1, 2007."

39 **SECTION 4.** G.S. 143C-3-3 reads as rewritten:

40 **"§ 143C-3-3. Budget requests from State agencies in the executive branch.**

41 ...

42 (b) University of North Carolina System Request. – Notwithstanding the requirement in
43 G.S. 116-11 that the Board of Governors prepare a unified budget request for all of the
44 constituent institutions of The University of North Carolina, budget requests of the University
45 shall be subject to all of the following:

- 46 (1) Repairs and renovations requests, capital fund requests, and information
47 technology requests shall comply with subsections (c), (d), and (e) of this
48 section.
- 49 (2) The University of North Carolina shall not make a capital funds request
50 proposing to construct a new facility, expand the building area (square feet)
51 of an existing facility, or rehabilitate an existing facility to accommodate

1 new or expanded uses unless the University has completed ~~advanced~~
2 ~~planning through schematic design conceptual planning~~ of the project with
3 funds other than General Fund appropriations. For purposes of this
4 subdivision, "funds other than General Fund appropriations" includes funds
5 carried forward from one fiscal year to another pursuant to G.S. 116-30.3
6 and G.S. 116-30.3B.

7"

8 **SECTION 5.** G.S. 143C-6-3 reads as rewritten:

9 **"§ 143C-6-3. Allotments.**

10 To receive the operating funds appropriated to it, a State agency shall submit to the
11 Director, at intervals and in a format prescribed by the Director, a request for an allotment of
12 the amount estimated to be required for the agency's operating costs during the ensuing fiscal
13 period. The University of North Carolina shall submit to the Director requests for allotments at
14 intervals as prescribed in Article 1 of Chapter 116 of the General Statutes. The Director shall
15 approve or modify the allotment requests, and the State Controller shall implement the
16 allotments as approved or modified by the Director."

17 **SECTION 6.** G.S. 143C-6-4 reads as rewritten:

18 **"§ 143C-6-4. Budget Adjustments Authorized.**

19 ...

20 (g) Transfers in The University of North Carolina Budget. – ~~Transfers Notwithstanding~~
21 any provision to the contrary in this section, transfers or changes within the budget of The
22 University of North Carolina may be made as provided in Article 1 of Chapter 116 of the
23 General Statutes.

24"

25 **SECTION 7.** Section 31.14 of S.L. 2015-241 reads as rewritten:

26 **"AUTHORIZE STATE AGENCIES TO UNDERTAKE SMALL REPAIRS AND**
27 **RENOVATIONS PROJECTS WITH FUNDS AVAILABLE**

28 **"SECTION 31.14.(a)** Notwithstanding G.S. 143C-8-7, a State agency may undertake
29 repairs and renovations projects so long as each project satisfies the following requirements:

- 30 (1) Total project costs do not exceed ~~three hundred thousand dollars~~
31 ~~(\$300,000)~~ one million dollars (\$1,000,000).
- 32 (2) The project is one of the types set forth in G.S. 143C-4-3(b)(1) through (12),
33 regardless of whether the relevant State facilities and related infrastructure
34 are supported from the General Fund.
- 35 (3) The project is paid for with funds available to the agency.

36 **"SECTION 31.14.(b)** Projects undertaken pursuant to this section shall be reported to the
37 Fiscal Research Division on a quarterly basis. A report under this subsection shall include
38 information about all of the following for each project:

- 39 (1) The facility at which the project is being undertaken.
- 40 (2) The nature and scope of the project.
- 41 (3) The source of funds for the project.
- 42 (4) The category of projects set forth in G.S. 143C-4-3(b) that the project falls
43 within.

44 **"SECTION 31.14.(c)** General funds contractually obligated for a project shall not revert at
45 the end of the fiscal year but shall remain available to fund the completion of the project."

46 **SECTION 8.** This act is effective when it becomes law.