

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

1

HOUSE BILL 775

Short Title: UNC Capital Efficiencies. (Public)

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

Referred to: Appropriations

April 13, 2017

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~~deems 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:



1 **"§ 116-14. President and staff.**

2 ...

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

16"

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

18 **"§ 116-30.2. Appropriations to special responsibility constituent institutions.**

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

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

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

41 **"§ 143C-3-3. Budget requests from State agencies in the executive branch.**

42 ...

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

47 (1) Repairs and renovations requests, capital fund requests, and information
48 technology requests shall comply with subsections (c), (d), and (e) of this
49 section.

50 (2) The University of North Carolina shall not make a capital funds request
51 proposing to construct a new facility, expand the building area (square feet)

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

8"

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

10 **"§ 143C-6-3. Allotments.**

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

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

19 **"§ 143C-6-4. Budget Adjustments Authorized.**

20 ...

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

25"

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

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

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

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

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

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

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

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