

Higher Education

This was a quiet year for higher education in the North Carolina General Assembly. The legislature granted modest budget increases for the University of North Carolina and the state's community college system, mostly to cover costs related to enrollment growth. It gave the university the power to establish an airport authority, authorized community college trustees to ban smoking on their campuses, and changed the name of the School of the Arts.

Appropriations and Salaries

The University of North Carolina Current Operations

In even-year sessions, the General Assembly makes modifications to the appropriations made in the previous odd-year session for the second year of the biennium. The 2007 appropriations act appropriated a total of \$2.656 billion from the General Fund to UNC for fiscal year 2008–09. The 2008 appropriations act [S.L. 2008–107 (H 2436)] adjusts UNC's 2008–09 appropriations by increasing some items and decreasing others. The single largest funding increase, \$34,613,302, was to cover anticipated enrollment growth of 8,082 students. The net increase was \$26,810,515, bringing the 2008–09 budget to a total of \$2.683 billion.

Community Colleges' Current Operations

The appropriation for community colleges' current operations made in 2007 for 2008–09 totaled \$899,643,003. The 2008 appropriations act adds \$33,639,698 to that total, bringing the 2008–09 budget to a total of approximately \$933 million. As with the UNC changes, some appropriations were increased and some were decreased. Also as with UNC, the single largest funding increase was \$23,779,955 to cover anticipated enrollment growth. That growth is expected to amount to the equivalent of 6,119 full-time students.

Capital Improvements

The appropriations act's total statewide appropriation for capital improvements for all government—not just UNC and the community colleges—is \$129,082,062. Of that total, approximately \$99,612,000 is for UNC. The single largest amounts are \$35 million for a Biomedical Research Imaging Center at UNC Chapel Hill, \$14.4 million for engineering complex planning at North Carolina State University, and \$11.5 million for UNC Chapel Hill for Carolina North Phase I and replacement law school planning.

None of the \$129 million appropriated statewide for capital improvements is for the community college system. Capital improvements for community colleges are primarily a county, not a state, responsibility, and in many years the General Assembly appropriates no capital improvement funds for community colleges.

In addition, Section 27.8 of the appropriations act authorizes special indebtedness under the State Capital Facilities Finance Act for a number of UNC projects. The largest, with the indicated amounts, include

- \$109.1 million for the Centennial Campus Library at NCSU,
- \$69 million for dentistry school expansion at UNC Chapel Hill,
- \$69 million for a school of dentistry building at East Carolina University,
- \$57,218,000 for an Energy Production Infrastructure Center at UNC Charlotte,
- \$42.67 million for an academic classroom and office building at UNC Greensboro,
- \$36.8 million for a family medicine building at ECU,
- \$25 million for land acquisition throughout the UNC system,
- \$24.5 million for a nursing building at North Carolina Central University,

- \$20,490,000 for a classroom building at North Carolina Agricultural and Technical State University, and
- \$18 million for a School of Education building at Elizabeth City State University.

Finally, S.L. 2008-204 (S 1925) authorizes a number of construction projects at UNC institutions that will be funded from gifts, grants, receipts, liquidating indebtedness, or other funds but not from General Fund appropriations. The largest of these, with the indicated amounts, include

- \$50 million for expansion of Kenan Stadium at UNC Chapel Hill,
- \$35 million for expansion of the Student Recreation Center at UNC Wilmington,
- \$28.5 million for residence hall expansion at East Carolina University,
- \$26 million for a dental sciences building at UNC Chapel Hill, and
- \$24 million for improvements at Dowdy-Ficklen Stadium at East Carolina University.

Salaries

All community college faculty and professional staff paid from state funds receive, under the appropriations act, salary increases of 3 percent. Other community college employees paid from state funds receive increases of 2.75 percent or \$1,100, whichever is higher.

Similarly, for UNC employees who are subject to the State Personnel Act, the appropriations act provides for a salary increase of 2.75 percent or \$1,100, whichever is higher. UNC employees, including faculty, who are not subject to the State Personnel Act receive an average increase of 3 percent. Faculty in the School of Science and Mathematics receive an average increase of 3 percent, with a minimum increase of \$470.

The appropriations act also sets the following minimum salary schedule for nine-month, full-time, curriculum community college faculty for 2008–09:

- vocational diploma or less, \$34,314;
- associate degree, \$34,819;
- bachelors degree, \$37,009;
- master's degree or education specialist, \$38,952; and
- doctoral degree, \$41,753.

University and Community College Governance

UNC Airport Authority

UNC Chapel Hill and the UNC Health Care System have for many years used the Horace Williams Airport as a base for university-related flights. The airport is scheduled to close as part of the development of Carolina North, the expansion campus of UNC Chapel Hill. S.L. 2008-204 (S 1925) enacts new Article 33 (Airport Authorities) in G.S. Chapter 116 authorizing the UNC Board of Governors to create an airport authority in Orange County. The sole purpose of the authority would be “to resite Horace Williams Airport and operate the resited airport.” The authority may be established to support UNC Chapel Hill or the UNC Health Care System, or both.

The airport authority would have all the powers of a municipal airport authority and would have the capital expenditure financing powers and operational powers granted to UNC constituent institutions and the UNC Health Care System. In addition to other enumerated powers, the airport authority would have the power of eminent domain to acquire property for establishing, extending, enlarging, or improving the airport. The authority would enjoy governmental immunity, which it could waive through the purchase of insurance.

The act spells out membership on the board of directors of the airport authority, and the exact composition of the board will depend on whether the airport is created to support only UNC Chapel Hill, only the UNC Health Care System, or both. In either case, the board is to include members appointed by the House, the Senate, the Orange County commissioners, the city council of Chapel Hill, and (on a rotating basis) the city councils of Carrboro and Hillsborough. It will also include members appointed by the UNC Board of Governors upon recommendation by the UNC Chapel Hill trustees and members appointed by the Board of Directors of the UNC Health Care System, or both (as appropriate).

School of the Arts Name Change

S.L. 2008-192 (S 2015) amends numerous provisions within G.S. Chapter 116 and several other provisions of the General Statutes to redesignate the North Carolina School of the Arts as the University of North Carolina School of the Arts.

UNC Enrollment Growth Reporting

G.S. 116-11(9) directs the UNC Board of Governors to present annually to the governor and the General Assembly a unified recommended budget for the constituent institutions of the university. The appropriations act, in Section 9.8, adds a provision specifying that the board, in presenting the budget, is to provide full documentation and justification of any

enrollment growth funding request, including the most recent year's actual enrollment numbers, in the same format in which the growth increase request is made.

Additionally, Section 9.10 of the appropriations act directs the Joint Legislative Program Evaluation Oversight Committee to conduct a comprehensive review of the enrollment growth formulas used by UNC, comparing them to those used in other states and determining what modifications, if any, should be made.

Finally, the appropriations act, in Section 9.15, enacts new G.S. 116-30.7 specifying categories within which enrollment projections are to be made.

Community College Smoking Regulation

S.L. 2008-95 (S 1669) enacts G.S. 115D-20.1 authorizing community college boards of trustees to adopt and enforce policies prohibiting the use of tobacco at all times in college facilities, on college campuses, and in college vehicles.

Community College Personnel Records

S.L. 2008-194 (H 545) amends G.S. 115C-29 to provide that the Retirement Systems Division of the Department of State Treasurer may disclose the name and mailing address of former community college employees to North Carolina nonprofit organizations representing two thousand or more active or retired state government, local government, or public school employees.

Student Relationships and Financial Aid

Certain Student Loan Rates

The Nursing Scholars Program, the Graduate Nurse Scholarship Program for Faculty Production, and the North Carolina Principal Fellows Program all provide loans to students that are forgiven over time if the students, following graduation, meet employment criteria. The statutes governing the programs previously provided that the interest rate on the loans was 10 percent, payable if the student failed to meet the criteria. S.L. 2008-204 (S 1925) amends G.S. 90-171.62(a), G.S. 90-171-101(a), and G.S. 116-74.43 to provide that, beginning July 1, 2009, the interest rate is to be whatever rate is set by the State Education Assistance Authority, with a maximum of 10 percent.

Fee Waiver for Older Students

G.S. 115B-2 directs the constituent institutions of UNC and the state's community colleges to permit North Carolina residents who are sixty-five or older to attend classes without payment of tuition. S.L. 2008-135

(H 1076) enacts G.S. 115B-2.1 to provide that such residents may, in addition, attend noncredit courses or classes for up to six hours of credit per semester without payment of fees, except for costs of textbooks, the community colleges' computer use and technology fee, and community college course-specific fees.

Eligibility for Tuition Grants for Private College Students

G.S. 116-21.2 grants to each North Carolina undergraduate student attending a private college in North Carolina a sum of money, determined by the General Assembly for each academic year, to partially offset the student's tuition cost. Part-time students are eligible for a pro rata grant. The appropriations act, in Section 9.11, amends the statute to lower from nine to six the minimum number of credit hours a student must be undertaking in order to be eligible for a pro rata grant.

EARN Eligibility

The Education Access Rewards North Carolina Scholars Fund (EARN), established by G.S. 116-209.26, is funded by direct appropriations from the General Fund and by appropriations from the Escheat Fund. To be eligible for EARN grants, students previously have been required to be enrolled in UNC institutions or North Carolina community colleges. The appropriations act, in Section 9.2, expands eligibility to include students at private North Carolina colleges. For those students, grants may be funded by appropriations from the General Fund, but not from the Escheat Fund.

Coaching Scholarship Loan Fund

The appropriations act, in Section 9.1, repeals G.S. 116-209.36, ending the Coaching Scholarship Loan Fund.

Studies

The General Assembly in S.L. 2008-181 (H 2431) (the studies bill) authorizes or directs several studies involving higher education.

Campus Safety Immunity

The studies bill directs the UNC Board of Governors, in conjunction with the State Board of Community Colleges, the State Board of Education, and the North Carolina Independent Colleges and Universities, to study the issue of providing qualified immunity to mental health and health professionals for the disclosure of confidential information when the disclosure is for the purpose of preventing or mitigating harm to others. The Board of Governors is to seek the input of licensing bodies of the mental health and health professionals when developing its recommendations.

Severely Disabled Students' Access

The Board of Governors is to study the accessibility of its facilities to severely physically disabled individuals seeking basic access to higher education at UNC constituent institutions.

Civic Education

The Higher Education Civic Education Study Commission is created to advise the state on the role of higher education in helping to strengthen

and enhance the ability of colleges and universities to participate in civic engagement activities with K–12 educational institutions, faith-based programs, or other service programs affecting the social development and literacy of school-aged children.

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