



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



Photo by Sam Kittner

State Relations Update
UNC Chapel Hill Employee Forum
April 3, 2013

State Government Relations

- **Advocates** for the University with elected officials, legislative staff and government agencies
- **Promotes** UNC System funding and policy priorities
- **Advises** campus leadership on key issues
- **Manages** relationships with legislators, Governor, Lt. Governor, Cabinet agencies, Council of State and associated staff
- **Primary** contact for legislative requests and inquiries
- **Serves** as the internal campus resource for legislative issues



2013-2015 NC General Assembly

- 170 Legislators (120 House and 50 Senate)
- 40% faced no competition in the general election
- 60% of members will be in either their first or second term
- Republicans retained majority in both House and Senate, expanding margin in House to a veto-proof supermajority (77R-43D)
- 33 UNC Alums: 24 in House and 9 in Senate; Down from 44 in prior session



Kinds of Advocacy

Grasstops (Chancellor, BOT, BOV, Deans)

- Legislative visits to Carolina
- One-on-one meetings/contact with legislators
- Participation in interim legislative committees

Grassroots (GAA Tar Heel Network, Alumni, Students, Parents, Faculty, Staff, Business and Community Partners)

- Emails/Letters/Calls
 - Messaging – Short and sweet
 - Volume – when to turn it on and when to shut it down



Four Keys to Advocacy

- Personal Relationships
- Responsiveness: Every legislator is equally important
- Succinct and consistent messages
 - Talking Points on Key Issues
 - UNC System Legislative Priorities
- Understanding Timing
 - Using Grassroots and Grasstops appropriately



University of North Carolina 2013-15 Policy and Budget Issues



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UNC Bill Tracking

- As of 4/2/13, staff is tracking over 75 introduced bills, with more to come.
- Examples of tracked bills:
 - *HB 156 - Honest Lottery Act*
 - *HB 328 - Revise Auditor's Responsibilities*
 - *HB 208 - Ban the Box*
 - *SB 125 - Public Meeting/Records Law Violations*
 - *SB 187 - PM2.5 Studies on Humans Unlawful*
 - *SB 190 - Gun on Educational Property/Stored in Locked Car*
 - *SB 398 - Governor's Budget*



Governor's Recommended 2013–15 Budget

- Budget is structured around three main priorities
 - *Economy, Education and Efficiency/Transformation in State Government*
- General Fund budget recommendation totals \$20.6 billion
 - *\$11.4 billion (56%) supporting education –related spending*
- Authorizes no new debt, no tax increases
- Maintains and enhances reserves in excess of \$900 million
- Leaves \$130.8 million in FY 2013-14 and \$332.3 million in FY 2014-15 “on the table”
- Consensus revenue forecast assumes modest growth for FY 2013-15 biennium



Governor's Budget – UNC System

- Budget recommendation represents a 5.4 % decrease or \$138.5 million reduction in FY 2013-14
- Major FY 2013-14 reductions include:
 - \$110.7 “management flex” for UNC campuses and GA
 - Strategic directions efficiency reductions of \$25.8 million
 - Additional tuition increases for non-resident students (over BOG-approved rates) that reduce state appropriations
 - Repeal resident tuition for nonresident scholarship students
- Major FY 2013-14 expansion investments support UNC strategic directions recommendations at \$19.6 million



Governor's Budget – UNC System and Other

- Recommendation funds enrollment growth and building reserves for both years of the biennium
- Replenishes statewide reserves for repairs and renovations (\$150 million) and rainy day fund (\$200 million)
- 1% recurring compensation increase for all state employees



Areas of University Concern

- Magnitude of recurring management flexibility reduction
- Size of additional nonresident tuition increases and ability of campuses to actually collect those receipts
- Change in how Repair & Renovation (R&R) funds are split
 - UNC System would receive only 33% of statewide R&R monies, rather than customary 50%
- No recurring funds identified for need-based financial aid, resulting in a \$25 million reduction for program, coupled with increases in tuition and fees
- Repeal of out-of-state tuition scholarship provision



Next Steps in Budget Process

- Senate and House Full Appropriations Committee received briefing from State Budget Director on March 21, 2013
- Senate and House subcommittees will review recommendations in more detail
- Senate budget process anticipated to run through April/first of May; House budget process would run from middle to end of May
- Conference process early June
- Conference report approved/budget adopted by June 30, 2013





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