

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 420
House Committee Substitute Favorable 6/12/18

Short Title: CC Governance/Amend Medical Bd.

(Public)

Sponsors:

Referred to:

March 29, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR CIRCUMSTANCES IN WHICH THE STATE BOARD OF
3 COMMUNITY COLLEGES MAY APPOINT AN INTERIM BOARD OF TRUSTEES TO
4 ASSUME THE POWERS AND DUTIES OF A BOARD OF TRUSTEES; TO CLARIFY
5 THE TIME FOR ELECTIONS OF OFFICERS FOR BOARDS OF TRUSTEES; TO
6 REQUIRE THAT A BOARD OF TRUSTEES MEET AT LEAST SIX TIMES A YEAR;
7 TO AUTHORIZE THE STATE BOARD OF COMMUNITY COLLEGES TO REQUIRE
8 FINANCIAL AUDITS IN CERTAIN CIRCUMSTANCES; AND TO AMEND THE
9 MEMBERSHIP OF THE NORTH CAROLINA MEDICAL BOARD.

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.(a)** Article 1 of Chapter 115D of the General Statutes is amended by
12 adding a new section to read:

13 **"§ 115D-6.5. Notice of noncompliance; appointment of an interim board of trustees.**

14 (a) Notice. – The State Board of Community Colleges is responsible for assuring that
15 boards of trustees of the community colleges comply with applicable State laws, rules, and sound
16 fiscal and management practices, as defined in State Board policy. In addition to any actions
17 taken by the State Board under G.S. 115D-6(3), if the State Board finds that a board of trustees
18 of a community college has willfully, or as a result of gross negligence, failed to or refused to
19 comply with applicable State laws, rules, and sound fiscal and management practices, the State
20 Board may issue a written notice to the board of trustees of its findings and direct the board of
21 trustees to take remedial action immediately to address those findings upon receipt of the notice.
22 If the State Board finds the college needs assistance with taking remedial action, the State Board
23 may also appoint an advisory committee to provide support and recommendations to the college.
24 At a minimum, the advisory committee shall consist of representatives of the State Board of
25 Community Colleges, the North Carolina Association of Community College Trustees, the North
26 Carolina Association of Community College Presidents, and the System Office, and each party
27 shall appoint its representative to the advisory committee.

28 (b) Resolution. – If, after receipt of the notice issued under subsection (a) of this section,
29 a board of trustees willfully, or as a result of gross negligence, persists in refusing or failing to
30 comply with the State laws, rules, or sound fiscal and management practices identified in the
31 notice, the State Board of Community Colleges may adopt a resolution, upon approval of at least
32 two-thirds of the members of the State Board attending the meeting in which the resolution is
33 considered, to vacate the terms of the leadership of the board of trustees to include, but not limited
34 to, chair and vice-chair. The respective appointing authorities shall appoint trustees to fulfill the
35 vacated terms and shall not appoint members whose terms were vacated pursuant to this section.
36 If, after the removal of the leadership of the board of trustees, a board of trustees willfully, or as



1 a result of gross negligence, persists in refusing or failing to comply with the State laws, rules,
 2 or sound fiscal and management practices identified in the notice, the State Board of Community
 3 Colleges may adopt a resolution, upon approval of at least two-thirds of the members of the State
 4 Board attending the meeting in which the resolution is considered to vacate the terms of the full
 5 board of trustees. Prior to adopting either resolution, the State Board shall consult with the
 6 appointing authorities of the board of trustees and representatives of the North Carolina
 7 Association of Community College Trustees and the North Carolina Association of Community
 8 College Presidents regarding the proposed resolution. The State Board shall only exercise this
 9 authority as an extraordinary remedy utilized in the most extreme circumstances and after all of
 10 the following remediation actions have been taken without correction of the identified problems:

- 11 (1) The State Board has clearly delineated the failures to comply with applicable
 12 State laws, rules, or sound fiscal and management practices.
- 13 (2) The advisory committee appointed consistent with subsection (a) of this
 14 section has met with the President of the college and the local board of trustees
 15 to discuss the problems in question and to assist the community college in
 16 question to resolve them.
- 17 (3) The State Board has vacated the terms of the leadership of the board of
 18 trustees, but the identified problems continue to persist.
- 19 (4) The State Board has issued a final warning providing the college with a
 20 deadline to resolve the identified problems.

21 (c) Interim Board Assumption of Powers and Duties. – The adoption of the resolution to
 22 remove the full board under this section shall have the effect of vacating the terms of all of the
 23 members serving on the board of trustees. Notwithstanding G.S. 115D-12, the State Board of
 24 Community Colleges shall appoint an interim five-member board of trustees for a period not to
 25 exceed 12 months with input from the advisory committee listed in subsection (a) of this section.
 26 To preserve local autonomy, the appointing authorities of the local administrative area of the
 27 community college under G.S. 115D-12 shall make recommendations to the State Board on the
 28 appointment of the members to the interim board of trustees. All appointees to the interim board
 29 of trustees shall be residents of the administrative area of the institution for which they are
 30 selected or of counties contiguous thereto with the exception of members provided for in
 31 subsection (a) of G.S. 115D-12, Group Four. At the end of the period of service of the interim
 32 board of trustees, a board of trustees for the community college shall be appointed in accordance
 33 with G.S. 115D-12. Initial terms of members of the new board of trustees shall be staggered to
 34 align with the remainder of the vacated terms of the members of the board of trustees.

35 (d) Notice to the General Assembly. – Within 60 days of the adoption of the resolution
 36 to remove the full board under this section, the State Board shall report to the General Assembly
 37 in accordance with G.S. 120-29.5 on the adoption of the resolution, the interim board of trustees
 38 appointed by the State Board, and any legislative recommendations necessary in regard to the
 39 future governance of the community college.

40 (e) State Board Policy. – The State Board of Community Colleges shall adopt any
 41 policies necessary to implement the provisions of this section."

42 **SECTION 1.(b)** G.S. 115D-18 reads as rewritten:

43 **"§ 115D-18. Organization of boards; meetings.**

44 At the first meeting ~~after its selection,~~ held on or after July 1, each board of trustees shall elect
 45 from its membership a ~~chairman,~~ chair, who shall preside at all board meetings, and a
 46 ~~vice chairman,~~ vice-chair, who shall preside in the absence of the ~~chairman,~~ chair. The trustees
 47 shall also elect a secretary, who may be a trustee, to keep the minutes of all board meetings. All
 48 three officers of the board shall be elected for a period of one year but shall be eligible for
 49 reelection by the board.

50 Each board of trustees shall meet as often as may be necessary for the conduct of the business
 51 of the institution but shall meet at least ~~once every three months,~~ six times a year. Meetings may

1 be called by the ~~chairman~~chair of the board, a majority of the trustees, or the chief administrative
2 officer of the institution."

3 **SECTION 1.(c)** G.S. 115D-58.16(a) reads as rewritten:

4 "(a) Each community college shall be subject to a financial audit a minimum of once every
5 two years. Community colleges may use State funds to contract with the State Auditor or with a
6 certified public accountant to perform the audits. The colleges shall submit the results of the
7 audits to the State Board of Community Colleges. The State Board of Community Colleges may
8 require a community college to be audited annually after the community college has two
9 consecutive financial audits with findings.

10 The State Board of Community Colleges shall ensure that all colleges are audited in
11 accordance with this section."

12 **SECTION 2.(a)** G.S. 90-2(a) reads as rewritten:

13 "(a) There is established the North Carolina Medical Board to regulate the practice of
14 medicine and surgery for the benefit and protection of the people of North Carolina. The Board
15 shall consist of 13 members:

16 (1) ~~Seven~~Six of the members shall be duly licensed physicians recommended by
17 the Review Panel and appointed by the Governor as set forth in G.S. 90-3.

18 (2) ~~Four~~Five members shall all be appointed by the Governor as follows:

19 a. ~~One shall be a duly licensed physician who is a doctor of osteopathy~~
20 ~~or a full-time faculty member of one of the medical schools in North~~
21 ~~Carolina who utilizes integrative medicine in that person's clinical~~
22 ~~practice or a member of The Old North State Medical Society. This~~
23 Board position shall not be subject to recommendations of the Review
24 Panel pursuant to G.S. 90-3.

25 b. One shall be a public member, and this Board position shall not be
26 subject to recommendation of the Review Panel pursuant to G.S. 90-3.

27 c. One shall be a physician assistant as defined in G.S. 90-18.1 as
28 recommended by the Review Panel pursuant to G.S. 90-3.

29 d. One shall be a nurse practitioner as defined in G.S. 90-18.2 as
30 recommended by the Review Panel pursuant to G.S. 90-3.

31 e. One shall be a duly licensed physician who is a doctor of osteopathy
32 or a full-time faculty member of one of the medical schools in North
33 Carolina who utilizes integrative medicine in that person's clinical
34 practice, as recommended by the Review Panel pursuant to G.S. 90-3.

35 (3) Two public members appointed by the General Assembly in accordance with
36 G.S. 120-121, one upon recommendation of the Speaker of the House of
37 Representatives and one upon the recommendation of the President Pro
38 Tempore of the Senate."

39 **SECTION 2.(b)** This section becomes effective October 31, 2019, and applies to
40 vacancies on the North Carolina Medical Board occurring on or after that date.

41 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
42 law.