

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE BILL 409  
Program Evaluation Committee Substitute Adopted 6/7/11  
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PROPOSED HOUSE COMMITTEE SUBSTITUTE S409-PCS35280-SV-39

Short Title: Global TransPark Gov. Reform & Loan Repayment.

(Public)

Sponsors:

Referred to:

March 24, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO REFORM THE GOVERNANCE OF THE NORTH CAROLINA GLOBAL  
3 TRANSPARK AND TO REPAY THE LOAN FROM THE ESCHEAT FUND TO THE  
4 GLOBAL TRANSPARK.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** G.S. 63A-3(a) reads as rewritten:

7 "(a) Creation. The North Carolina Global TransPark Authority is created as a body  
8 corporate and politic having the powers and jurisdiction as provided under this Chapter or any  
9 other law. The Authority is a State agency created to perform essential governmental and  
10 public functions. The Authority shall be located within the Department of ~~Transportation~~, but  
11 shall exercise all of its powers, including the power to employ, direct, and supervise all  
12 personnel, independently of the Secretary of Transportation and, notwithstanding any other  
13 provision of law, Transportation and shall be subject to the direction and supervision of the  
14 Secretary only with respect to the management functions of coordinating and reporting-  
15 Secretary."

16 **SECTION 1.(b)** G.S. 63A-3(b) reads as rewritten:

17 "(b) Board of Directors. The Authority shall be governed by a Board of Directors. The  
18 Board shall consist of at least the following 20 members:

- 19 (1) ~~Seven~~ Six members appointed by the Governor. One member shall be  
20 representative of the economic development industry, two members shall be  
21 representative of commercial real estate development industry, two members  
22 shall be representative of the banking and finance industry, and one member  
23 shall be representative of environmental interests. Of the Governor's six  
24 appointments, at least one member shall come from each of the State's three  
25 regions: Western, Piedmont, and Eastern.
- 26 (2) Three members appointed by the General Assembly upon the  
27 recommendation of the Speaker of the House of Representatives in  
28 accordance with G.S. 120-121. One member shall be representative of the  
29 aerospace and aviation industry, one member shall be representative of  
30 advanced manufacturing industries, and one member shall be representative  
31 of the logistics and supply chain management industry.



- 1 (3) Three members appointed by the General Assembly upon the  
2 recommendation of the President Pro Tempore of the Senate in accordance  
3 with G.S. 120-121. One member shall be representative of the aerospace and  
4 aviation industry, one member shall be representative of the emergency  
5 response and disaster relief industries, and one member shall be  
6 representative of the defense and security industry.
- 7 (4) The State Treasurer, who shall serve as an ex officio nonvoting member.
- 8 (5) The President of the North Carolina System of Community Colleges,  
9 provided that the President of the North Carolina Community Colleges may  
10 instead appoint to the Board of Directors one member of the board of  
11 trustees of a community college or one president of a community college. If  
12 such an appointment is made, the appointee shall serve at the pleasure of the  
13 President.
- 14 (6) The President of The University of North Carolina, provided that the  
15 President of the University of North Carolina may instead appoint to the  
16 Board of Directors one member of the board of trustees of a constituent  
17 institution of The University of North Carolina, or one chancellor of a  
18 constituent institution of The University of North Carolina. If such an  
19 appointment is made, the appointee shall serve at the pleasure of the  
20 President.
- 21 (7) The Chairman of the State Ports Authority.
- 22 (8) One member appointed by the board of county commissioners of any county  
23 in which the cargo airport complex site is located.
- 24 (9) One member appointed by the city council of the city which is a county seat  
25 of any county in which the cargo airport complex site is located.
- 26 (10) The Commissioner of Agriculture.
- 27 (11) The Secretary of the Department of Commerce.

28 Within 90 days after the Authority acquires land, either by purchase or condemnation, for  
29 development as part of a cargo airport complex site, the board of county commissioners in any  
30 county in which a portion of the land is located and the city council of the city which is the  
31 county seat of the county shall, by resolution, each appoint a person to serve as a member of the  
32 Board. If the board of commissioners or the city council appoints one of its own members to  
33 the Board, the county commissioner or the member of the city council who is appointed is  
34 considered to be serving on the Board as an ex officio voting member as part of the duties of  
35 the office of county commissioner or the office of city council member, in accordance with  
36 G.S. 128-1.2, and is not considered to be serving in a separate office. Notwithstanding  
37 G.S. 116-31(h), a member of the board of trustees of a constituent institution of The University  
38 of North Carolina appointed to the Board of Directors under subdivision (6) of this subsection  
39 may concurrently serve on the board of trustees and the Board of Directors. Notwithstanding  
40 any other provision of law, the Governor may serve on the Board of Directors by his own  
41 appointment on or after July 16, 1991, under subdivision (1) of this subsection.

42 As the holder of an office, each member of the Board shall take the oath required by Article  
43 VI, § 7 of the North Carolina Constitution before assuming the duties of a Board member."

44 **SECTION 1.(c)** G.S. 63A-3(c) is repealed.

45 **SECTION 1.(d)** G.S. 63A-3 is amended by adding a new subsection to read as  
46 follows:

47 "(d1) Notwithstanding the terms of board members appointed by the General Assembly as  
48 specified in subsection (d) of this section, terms of board members appointed by the General  
49 Assembly shall end June 30, 2011. After June 30, 2011, the six members appointed by the  
50 General Assembly shall be divided into two classes. The first class shall consist of three  
51 persons, two of whom shall be appointed upon recommendation of the Speaker of the House of

1 Representatives and one of whom shall be appointed upon recommendation of the President  
2 Pro Tempore of the Senate, to serve an initial term expiring June 30, 2013, with subsequent  
3 terms expiring each fourth June 30th thereafter. The second class shall consist of three persons,  
4 two of whom shall be appointed upon recommendation of the President Pro Tempore of the  
5 Senate and one of whom shall be appointed upon recommendation of the Speaker of the House  
6 of Representatives, to serve an initial term expiring June 30, 2015, with subsequent terms  
7 expiring each fourth June 30th thereafter."

8 **SECTION 1.(e)** G.S. 63A-23 reads as rewritten:

9 "**§ 63A-23. Annual and quarterly reports.**

10 The Authority shall, promptly following the close of each fiscal year, submit an annual  
11 written report of its activities for the preceding year to the Governor, the General Assembly,  
12 and the Local Government Commission. Each report shall be accompanied by an audit of its  
13 books and ~~accounts~~ accounts, as well as quarterly and annual financial statements. The audit  
14 shall be conducted by the State Auditor. The costs of all audits shall be paid from funds of the  
15 Authority.

16 As part of the report, the Authority shall include the following performance measures of the  
17 private sector jobs within the Global TransPark:

18 (1) The number, type, and wage level of jobs created or retained.

19 (2) The actual full-time equivalent jobs employed, as well as the median and  
20 average salaries for those jobs.

21 The Authority shall submit ~~quarterly reports~~ its annual report to the General Assembly to  
22 both the Joint Legislative Commission on Governmental Operations. Operations and the  
23 Program Evaluation Division. The ~~reports shall summarize the Authority's activities during the~~  
24 ~~quarter and contain~~ Authority shall also submit any information about the Authority's activities  
25 that is requested by the Commission.

26 The Authority shall also provide a copy of its annual report on its public Web site."

27 **SECTION 1.(f)** G.S. 63A-24(3) reads as rewritten:

28 "(3) Except for G.S. 146-29.1, 146-79, and 146-80, Chapter 146 of the General  
29 Statutes does not apply to the Authority. Notwithstanding this exemption  
30 from Chapter 146 of the General Statutes, the Secretary of Transportation  
31 may designate employees of the Authority as subject to Chapter 146 of the  
32 General Statutes."

33 **SECTION 2.(a)** There is appropriated to Statewide Reserves the sum of seventeen  
34 million five hundred thousand dollars (\$17,500,000) for payment to the Escheat Fund. The  
35 Office of State Budget and Management shall remit to the Escheat Fund the sum of seventeen  
36 million five hundred thousand dollars (\$17,500,000) as payment on the outstanding loan from  
37 the Escheat Fund to the Global TransPark Authority authorized under G.S. 63A-4(a)(22) and  
38 G.S. 147-69.2(b)(11).

39 **SECTION 2.(b)** If House Bill 200 of the 2011 Regular Session becomes law, then  
40 Section 9.8(a) of that act reads as rewritten:

41 "**SECTION 9.8.(a)** There is appropriated from the Escheat Fund income to the Board of  
42 Governors of The University of North Carolina the sum of ~~thirty-two million one hundred~~  
43 ~~twenty-two thousand two hundred forty-two dollars (\$32,122,242)~~ forty-nine million six  
44 hundred twenty-two thousand two hundred forty-two dollars (\$49,622,242) for the 2011-2012  
45 fiscal year and the sum of thirty-two million one hundred twenty-two thousand two hundred  
46 forty-two dollars (\$32,122,242) for the 2012-2013 fiscal year to be used for The University of  
47 North Carolina Need-Based Financial Aid Program."

48 **SECTION 2.(c)** If House Bill 200 of the 2011 Regular Session becomes law, then  
49 Section 2.1 of that act reads as rewritten:

"SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for the fiscal biennium ending June 30, 2013, according to the following schedule:

<b>Current Operations – General Fund</b>	<b>2011-2012</b>	<b>2012-2013</b>
<b>EDUCATION</b>		
Community Colleges System Office	\$ 985,000,000	\$ 985,000,000
Department of Public Instruction	7,464,492,057	7,450,000,000
University of North Carolina – Board of Governors		
Appalachian State University	145,563,319	145,680,676
East Carolina University		
Academic Affairs	247,397,807	247,397,807
Health Affairs	65,196,439	65,196,439
Elizabeth City State University	38,226,042	38,398,361
Fayetteville State University	56,925,951	56,925,951
NC A&T State University	105,355,805	105,794,754
NC Central University	94,342,683	94,342,683
NC State University		
Academic Affairs	434,563,241	434,677,423
Agricultural Research	59,239,461	59,239,461
Agricultural Extension	43,539,609	43,539,609
UNC-Asheville	42,004,444	42,004,444
UNC-Chapel Hill		
Academic Affairs	309,481,584	312,843,120
Health Affairs	219,507,009	222,570,732
AHEC	49,747,851	49,747,851
UNC-Charlotte	216,455,073	217,471,216
UNC-Greensboro	173,180,926	173,180,926
UNC-Pembroke	61,534,005	62,277,254
UNC-School of the Arts	27,796,473	27,796,473
UNC-Wilmington	105,943,181	107,138,757
Western Carolina University	90,591,556	91,070,460
Winston-Salem State University	76,496,951	76,496,950
General Administration	38,186,863	27,628,722
University Institution Programs	(375,153,400)	(383,808,914)
Related Educational Programs	<del>85,679,060</del> 68,179,060	115,272,420
UNC Financial Aid Private Colleges	91,635,664	86,534,065
NC School of Science & Math	18,937,535	18,937,535
UNC Hospitals	18,000,000	18,000,000
Total University of North Carolina – Board of Governors	\$ <del>2,540,375,132</del> <u>2,522,875,132</u>	\$ 2,551,672,698
<b>HEALTH AND HUMAN SERVICES</b>		
Department of Health and Human Services		
Division of Central Management and Support	\$ 50,177,377	\$ 44,577,987
Division of Aging and Adult Services	37,019,667	37,019,667

1	Division of Services for Blind/Deaf/Hard of Hearing	8,389,110	8,372,886
2	Division of Child Development	266,102,933	266,102,933
3	Division of Health Service Regulation	16,133,031	16,133,031
4	Division of Medical Assistance	2,958,388,184	2,907,276,302
5	Division of Mental Health,		
6	Developmental Disabilities, and		
7	Substance Abuse Services	665,712,232	710,712,232
8	NC Health Choice	79,452,317	83,717,865
9	Division of Public Health	190,443,245	157,538,834
10	Division of Social Services	186,183,068	186,183,068
11	Division of Vocational Rehabilitation	37,125,788	37,528,128
12	Total Health and Human Services	\$ 4,495,126,952	\$ 4,455,162,933
13			
14	<b>NATURAL AND ECONOMIC RESOURCES</b>		
15			
16	Department of Agriculture and Consumer Services	\$ 65,460,864	\$ 62,198,634
17			
18	Department of Commerce		
19	Commerce	50,852,340	33,250,463
20	Commerce State-Aid	32,851,025	30,151,984
21	NC Biotechnology Center	17,551,710	17,551,710
22	Rural Economic Development Center	25,376,729	25,376,729
23			
24	Department of Environment and Natural Resources	165,784,887	148,148,105
25			
26	DENR Clean Water Management Trust Fund	11,250,000	11,250,000
27			
28	Department of Labor	15,836,887	15,836,887
29			
30	Wildlife Resources Commission	18,000,000	17,221,179
31			
32	<b>JUSTICE AND PUBLIC SAFETY</b>		
33			
34	Department of Correction	\$ 1,337,816,346	\$ 1,348,410,793
35			
36	Department of Crime Control and Public Safety	225,258,795	215,164,518
37			
38	Judicial Department	438,920,048	435,141,107
39	Judicial Department – Indigent Defense	110,091,526	112,748,733
40			
41	Department of Justice	80,704,013	80,864,138
42			
43	Department of Juvenile Justice and Delinquency Prevention	135,593,692	131,140,565
44			
45	<b>GENERAL GOVERNMENT</b>		
46			
47	Department of Administration	\$ 63,607,330	\$ 65,511,460
48			
49	Department of State Auditor	11,857,574	10,676,035
50			
51	Office of State Controller	28,368,957	28,368,957

1			
2	Department of Cultural Resources		
3	Cultural Resources	63,524,857	61,697,001
4	Roanoke Island Commission	1,805,236	1,203,491
5			
6	State Board of Elections	5,186,603	5,126,603
7			
8	General Assembly	53,259,495	50,104,208
9			
10	Office of the Governor		
11	Office of the Governor	4,741,157	4,741,157
12	Office of State Budget and Management	5,848,663	5,848,663
13	OSBM – Reserve for Special Appropriations	1,940,612	440,612
14	Housing Finance Agency	9,673,051	9,673,051
15			
16	Department of Insurance		
17	Insurance	36,393,921	36,393,921
18	Insurance – Volunteer Safety Workers' Compensation	2,294,000	2,623,654
19			
20	Office of Lieutenant Governor	695,324	695,324
21			
22	Office of Administrative Hearings	4,983,871	4,983,871
23			
24	Department of Revenue	78,199,538	78,199,538
25			
26	Department of Secretary of State	10,654,563	10,654,563
27			
28	Department of State Treasurer		
29	State Treasurer	6,657,031	6,621,750
30	State Treasurer –		
31	Retirement for Fire and Rescue Squad Workers	17,812,114	17,812,114
32			
33	<b>RESERVES, ADJUSTMENTS, AND DEBT SERVICE</b>		
34			
35	Contingency and Emergency Fund	\$ 5,000,000	\$ 5,000,000
36			
37	State Retirement System Contribution	248,100,000	336,000,000
38			
39	Judicial Retirement System Contribution	6,800,000	7,800,000
40			
41	Firemen's & Rescue Squad Workers' Pension Fund	4,318,042	5,366,928
42			
43	State Health Plan	7,119,541	102,151,104
44			
45	Information Technology Fund	4,458,142	6,158,142
46			
47	Reserve for Job Development Investment Grants (JDIG)	15,400,000	27,400,000
48			
49	Continuation Review Reserve	0	35,576,758
50			
51	Comprehensive Review of Compensation Plans	2,000,000	0

1			
2	Compensation Adjustment and Performance Pay Reserve	0	121,105,840
3			
4	Severance Expenditure Reserve	69,000,000	0
5			
6	Automated Fraud Detection Development	1,000,000	7,000,000
7			
8	Controller – Fraud Detection Development	500,000	500,000
9			
10	Debt Service		
11	General Debt Service	688,957,188	759,984,974
12	Federal Reimbursement	1,616,380	1,616,380
13			
14	<u>Payment to Escheat Fund</u>	<u>17,500,000</u>	
15			
16	<b>TOTAL CURRENT OPERATIONS –</b>		
17	<b>    GENERAL FUND</b>	<b>\$ 19,678,116,193</b>	<b>\$ 19,943,327,275."</b>
18			

19           **SECTION 3.** Any monies received from a grant made on or after July 1, 2011, by  
20 The Golden Leaf (Long-Term Economic Advancement Foundation), Inc., to the Global  
21 TransPark Authority shall be first applied to the payment of any outstanding loan from the  
22 Escheat Fund to the Global TransPark Authority authorized under G.S. 63A-4(a)(22) and  
23 G.S. 147-69.2(b)(11).

24           **SECTION 4.(a)** If House Bill 200 of the 2011 Regular Session becomes law, then  
25 Section 6.10 of that act is repealed.

26           **SECTION 4.(b)** G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144,  
27 Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, Section 27.7 of S.L. 2007-323,  
28 and Section 25.2 of S.L. 2009-451, reads as rewritten:

29           "(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated  
30 in subsection (a) of this section in excess of the amount required to meet the current needs and  
31 demands on such funds, selecting from among the following:

- 32           ...
- 33           (11) With respect to assets of the Escheat Fund, obligations of the North Carolina  
34 Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed  
35 twenty-five million dollars (\$25,000,000), that have a final maturity not later  
36 than October 1, ~~2011~~2012. The obligations shall bear interest at the rate set  
37 by the State Treasurer. No commitment to purchase obligations may be  
38 made pursuant to this subdivision after September 1, 1993, and no  
39 obligations may be purchased after September 1, 1994. In the event of a loss  
40 to the Escheat Fund by reason of an investment made pursuant to this  
41 subdivision, it is the intention of the General Assembly to hold the Escheat  
42 Fund harmless from the loss by appropriating to the Escheat Fund funds  
43 equivalent to the loss.

44           If any part of the property owned by the North Carolina Global  
45 TransPark Authority now or in the future is divested, proceeds of the  
46 divestment shall be used to fulfill any unmet obligations on an investment  
47 made pursuant to this subdivision."

48           **SECTION 5.** This act becomes effective July 1, 2011.