

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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D

HOUSE BILL 22  
PROPOSED SENATE COMMITTEE SUBSTITUTE H22-PCS50409-MH-19

Short Title: 2011 Budget Technical Corrections.

(Public)

Sponsors:

Referred to:

February 2, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO  
3 THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS  
4 APPROPRIATIONS ACT.  
5 The General Assembly of North Carolina enacts:

7 **AVAILABILITY/APPROPRIATIONS**

9 **SECTION 1.** Section 2.1 of Session Law 2011-145 reads as rewritten:

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

14 <b>Current Operations – General Fund</b>	<b>2011-2012</b>	<b>2012-2013</b>
16 <b>EDUCATION</b>		
18 Community Colleges System Office	\$ 985,000,000	\$ 985,000,000
20 Department of Public Instruction	7,464,492,057	7,450,000,000
22 University of North Carolina – Board of Governors		
23 Appalachian State University	145,563,319	145,680,676
24 East Carolina University		
25 Academic Affairs	247,397,807	247,397,807
26 Health Affairs	65,196,439	65,196,439
27 Elizabeth City State University	38,226,042	38,398,361
28 Fayetteville State University	56,925,951	56,925,951
29 NC A&T State University	105,355,805	105,794,754
30 NC Central University	94,342,683	94,342,683
31 NC State University		
32 Academic Affairs	434,563,241	434,677,423
33 Agricultural Research	59,239,461	59,239,461



1	Agricultural Extension	43,539,609	43,539,609
2	UNC-Asheville	42,004,444	42,004,444
3	UNC-Chapel Hill		
4	Academic Affairs	309,481,584	312,843,120
5	Health Affairs	219,507,009	222,570,732
6	AHEC	49,747,851	49,747,851
7	UNC-Charlotte	216,455,073	217,471,216
8	UNC-Greensboro	173,180,926	173,180,926
9	UNC-Pembroke	61,534,005	62,277,254
10	UNC-School of the Arts	27,796,473	27,796,473
11	UNC-Wilmington	105,943,181	107,138,757
12	Western Carolina University	90,591,556	91,070,460
13	Winston-Salem State University	76,496,951	76,496,950
14	General Administration	38,186,863	27,628,722
15	University Institution Programs	(375,153,400)	(383,808,914)
16	Related Educational Programs	85,679,060	115,272,420
17	UNC Financial Aid Private Colleges	91,635,664	<del>86,534,065</del>
18			<u>81,851,588</u>
19	NC School of Science & Math	18,937,535	18,937,535
20	UNC Hospitals	18,000,000	18,000,000
21	Total University of North Carolina –		
22	Board of Governors	\$ 2,540,375,132	\$ 2,551,672,698

**HEALTH AND HUMAN SERVICES**

26	Department of Health and Human Services		
27	Division of Central Management and Support	\$ 50,177,377	\$ 44,577,987
28	Division of Aging and Adult Services	37,019,667	37,019,667
29	Division of Services for Blind/Deaf/Hard of Hearing	8,389,110	8,372,886
30	Division of Child Development	266,102,933	266,102,933
31	Division of Health Service Regulation	16,133,031	16,133,031
32	Division of Medical Assistance	2,958,388,184	2,907,276,302
33	Division of Mental Health,		
34	Developmental Disabilities, and		
35	Substance Abuse Services	665,712,232	710,712,232
36	NC Health Choice	79,452,317	83,717,865
37	Division of Public Health	190,443,245	157,538,834
38	Division of Social Services	186,183,068	186,183,068
39	Division of Vocational Rehabilitation	37,125,788	37,528,128
40	Total Health and Human Services	\$ 4,495,126,952	\$ 4,455,162,933

**NATURAL AND ECONOMIC RESOURCES**

44	Department of Agriculture and Consumer Services	\$ 65,460,864	\$ 62,198,634
46	Department of Commerce		
47	Commerce	50,852,340	33,250,463
48	Commerce State-Aid	32,851,025	30,151,984
49	NC Biotechnology Center	17,551,710	17,551,710
50	Rural Economic Development Center	25,376,729	25,376,729

**General Assembly Of North Carolina****Session 2011**

1	Department of Environment and Natural Resources	165,784,887	148,148,105
2			
3	DENR Clean Water Management Trust Fund	11,250,000	11,250,000
4			
5	Department of Labor	15,836,887	15,836,887
6			
7	Wildlife Resources Commission	18,000,000	17,221,179
8			
9	<b>JUSTICE AND PUBLIC SAFETY</b>		
10			
11	Department of Correction	\$ 1,337,816,346	\$ 1,348,410,793
12			
13	Department of Crime Control and Public Safety	225,258,795	215,164,518
14			
15	Judicial Department	438,920,048	435,141,107
16	Judicial Department – Indigent Defense	110,091,526	112,748,733
17			
18	Department of Justice	80,704,013	80,864,138
19			
20	Department of Juvenile Justice and Delinquency Prevention	135,593,692	131,140,565
21			
22	<b>GENERAL GOVERNMENT</b>		
23	Department of Administration	\$ <del>63,607,330</del> <u>64,448,943</u>	\$ <del>65,511,460</del> <u>66,353,073</u>
24			
25	Department of State Auditor	11,857,574	10,676,035
26			
27	Office of State Controller	28,368,957	28,368,957
28			
29	Department of Cultural Resources		
30	Cultural Resources	<del>63,524,857</del> <u>64,024,857</u>	61,697,001
31	Roanoke Island Commission	1,805,236	1,203,491
32			
33	State Board of Elections	5,186,603	5,126,603
34			
35	General Assembly	<del>53,259,495</del> <u>53,172,176</u>	50,104,208
36			
37	Office of the Governor		
38	Office of the Governor	4,741,157	4,741,157
39	Office of State Budget and Management	5,848,663	5,848,663
40	OSBM – Reserve for Special Appropriations	1,940,612	440,612
41	Housing Finance Agency	9,673,051	9,673,051
42			
43	Department of Insurance		
44	Insurance	36,393,921	36,393,921
45	Insurance – Volunteer Safety Workers' Compensation	2,294,000	2,623,654
46			
47	Office of Lieutenant Governor	<del>695,324</del> <u>782,643</u>	695,324
48			
49	Office of Administrative Hearings	<del>4,983,871</del> <u>4,142,258</u>	<del>4,983,871</del> <u>4,142,258</u>
50			
51	Department of Revenue	78,199,538	78,199,538

1			
2	Department of Secretary of State	10,654,563	10,654,563
3			
4	Department of State Treasurer		
5	State Treasurer	6,657,031	6,621,750
6	State Treasurer –		
7	Retirement for Fire and Rescue Squad Workers	17,812,114	17,812,114
8			
9	<b>RESERVES, ADJUSTMENTS, AND DEBT SERVICE</b>		
10			
11	Contingency and Emergency Fund	\$ 5,000,000	\$ 5,000,000
12			
13	State Retirement System Contribution	248,100,000	336,000,000
14			
15	Judicial Retirement System Contribution	6,800,000	7,800,000
16			
17	Firemen's & Rescue Squad Workers' Pension Fund	4,318,042	5,366,928
18			
19	State Health Plan	7,119,541	102,151,104
20			
21	Information Technology Fund	4,458,142	6,158,142
22			
23	Reserve for Job Development Investment Grants (JDIG)	15,400,000	27,400,000
24			
25	Continuation Review Reserve	0	35,576,758
26			
27	Comprehensive Review of Compensation Plans	2,000,000	0
28			
29	Compensation Adjustment and Performance Pay Reserve	0	121,105,840
30			
31	Severance Expenditure Reserve	69,000,000	0
32			
33	Automated Fraud Detection Development	1,000,000	7,000,000
34			
35	Controller – Fraud Detection Development	500,000	500,000
36			
37	Debt Service		
38	General Debt Service	688,957,188	759,984,974
39	Federal Reimbursement	1,616,380	1,616,380
40			
41	<b>TOTAL CURRENT OPERATIONS –</b>		
42	<b>GENERAL FUND</b>	<b>\$ 19,678,116,193</b>	<b>\$ 19,943,327,275"</b>
43			

SECTION 2.(a) Section 2.2(a) of Session Law 2011-145 reads as rewritten:

**"GENERAL FUND AVAILABILITY STATEMENT**

**"SECTION 2.2.(a)** The General Fund availability used in developing the 2011-2013 biennial budget is shown below.

		<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
48			
49	Unappropriated Balance Remaining	\$ 0	\$ 13,980,015
50	Ending Unreserved Fund Balance for FY 2009-2010	236,902,394	0
51	Anticipated Reversions for FY 2010-2011	537,740,799	0

1	Anticipated Over-collections from FY 2010-2011	180,800,000	0
2	Repayment of Medicaid Receipts in FY 2010-2011	(125,000,000)	0
3			
4	<b>Statutory Earmarks:</b>		
5	Savings Reserve Account	(185,000,000)	0
6	Repairs and Renovations Reserve Account	<del>(125,000,000)</del>	0
7		<u>(124,500,000)</u>	
8			
9	<b>Beginning Unreserved Fund Balance</b>	<del>\$ 520,443,193</del>	\$ 13,980,015
10		<u>\$ 520,943,193</u>	
11			
12	<b>Revenues Based on Existing Tax Structure</b>	<b>\$ 18,129,800,000</b>	<b>\$ 19,181,900,000</b>
13			
14	<b>Nontax Revenues</b>		
15	Investment Income	\$ 59,400,000	\$ 76,700,000
16	Judicial Fees	217,800,000	217,800,000
17	Disproportionate Share	100,000,000	100,000,000
18	Insurance	71,400,000	73,500,000
19	Other Nontax Revenues	182,500,000	182,500,000
20	Highway Trust Fund/Use Tax Reimbursement Transfer	41,500,000	27,600,000
21	Highway Fund Transfer	20,230,000	24,080,000
22	<b>Subtotal Nontax Revenues</b>	<b>\$ 692,830,000</b>	<b>\$ 702,180,000</b>
23			
24	<b>Total General Fund Availability</b>	<b><u>\$ 19,343,073,193</u></b>	<b>\$ 19,898,060,015</b>
25		<b><u>\$ 19,343,573,193</u></b>	
26			
27	<b>Adjustments to Availability: 2011 Session</b>		
28	Loss of Estate Tax	\$ (57,100,000)	\$ (72,200,000)
29	Small Business Tax Relief Package	(131,600,000)	(335,600,000)
30	Repeal Wildlife Resources Commission Sales Tax		
31	Earmark	22,970,000	23,920,000
32	Suspend Corporate Income Tax Earmark (Public School		
33	Construction)	72,110,000	74,750,000
34	Increase in Judicial Fees	61,765,715	61,765,715
35	Increase Investment Company Notice Filing Fee	1,600,000	1,600,000
36	Increase Parking Fees for Visitors	550,000	550,000
37	Loss of Revenue from the Town of Butner	(1,213,235)	(1,213,235)
38	Transfer from E-Commerce Reserve Fund	4,483,526	0
39	Divert Funds from Parks & Recreation Trust Fund	8,435,000	0
40	Divert Funds from Recreational/Natural Heritage		
41	Trust Fund	8,000,000	0
42	Transfer from Highway Fund for State Highway		
43	Patrol	196,849,542	188,209,049
44	Transfer Additional Funds from Highway Trust Fund	35,223,642	0
45	Transfer from Mercury Prevention Pollution Fund	250,000	0
46	Transfer from Commerce – Enterprise Fund	500,000	0
47	Divert Funds from Scrap Tire Disposal Account	2,268,989	0
48	Divert Funds from White Goods Management Account	1,951,465	0
49	Diversion of Golden LEAF Funds	17,563,760	17,563,760
50	Master Settlement Agreement Funds	24,668,720	25,580,772
51	Transfer Health and Wellness Trust Funds to Public Health	32,904,411	0

1	Department of Revenue – Accounts Receivable Program	25,000,000	25,000,000
2	Medicaid Disproportionate Share Receipts	15,000,000	15,000,000
3	Adjust Transfer from Insurance Regulatory Fund	(742,348)	(742,348)
4	Adjust Transfer from Treasurer's Office	(3,881,172)	(3,916,453)
5	Transfer from NC Flex FICA Funds	1,000,000	0
6	Proceeds from the Sale of State Assets	15,000,000	25,000,000
7	<b>Subtotal Adjustments to Availability:</b>		
8	<b>2011 Session</b>	<b>\$ 353,558,015</b>	<b>\$ 45,267,260</b>
9			
10	<b>Revised General Fund Availability</b>	<del><b>\$ 19,696,631,208</b></del>	<b>\$ 19,943,327,275</b>
11		<b><u>\$ 19,697,131,208</u></b>	
12			
13	<b>Less General Fund Appropriations</b>	<del><b>\$ (19,682,651,193)</b></del>	<b>\$ (19,943,327,275)</b>
14		<b><u>\$ (19,683,151,193)</u></b>	
15			
16	<b>Unappropriated Balance Remaining</b>	<b>\$ 13,980,015</b>	<b>\$ 0"</b>
17	<b>SECTION 2.(b)</b> Section 2.2(k) of Session Law 2011-145 reads as rewritten:		
18	" <b>SECTION 2.2.(k)</b> Notwithstanding the provisions of G.S. 143C-4-3, the State Controller		
19	shall transfer only <del>one hundred twenty five million dollars (\$125,000,000)</del> <u>one hundred</u>		
20	<u>twenty-four million five hundred thousand dollars (124,500,000)</u> from the unreserved fund		
21	balance to the Repairs and Renovations Reserve Account on June 30, 2011. This subsection		
22	becomes effective June 30, 2011."		
23	<b>SECTION 3.</b> Section 3.1 of Session Law 2011-145 reads as rewritten:		
24	" <b>SECTION 3.1.</b> Appropriations from the State Highway Fund for the maintenance and		
25	operation of the Department of Transportation and for other purposes as enumerated are made		
26	for the fiscal biennium ending June 30, 2013, according to the following schedule:		
27			
28	<b>Current Operations – Highway Fund</b>	<b>2011-2012</b>	<b>2012-2013</b>
29			
30	Department of Transportation		
31	Administration	\$ 85,412,594	\$ 85,412,594
32			
33	Division of Highways		
34	Administration	34,836,793	34,836,793
35	Construction	87,232,806	86,339,067
36	Maintenance	1,185,080,215	<del>1,244,588,354</del>
37			<u>1,249,514,751</u>
38	Planning and Research	4,055,402	4,055,402
39	OSHA Program	372,792	372,792
40			
41	Ferry Operations	34,189,589	43,538,132
42			
43	State Aid		
44	Municipalities	89,373,921	90,187,224
45	Public Transportation	90,551,575	90,551,575
46	Airports	18,401,413	22,311,031
47	Railroads	21,701,153	21,701,153
48			
49	Governor's Highway Safety	273,093	273,093
50	Division of Motor Vehicles	90,142,238	43,004,042
51	Other State Agencies, Reserves, Transfers	292,326,416	351,988,748

1			<u>347,062,351</u>
2	Capital Improvements	15,250,000	15,000,000
3			
4	<b>Total</b>	<b>\$ 2,049,200,000</b>	<b>\$ 2,134,160,000"</b>

5  
6       **SECTION 4.** Section 5.4 of Session Law 2011-145 is amended by adding a new  
7 subsection to read:

8       **"SECTION 5.4.(h)** G.S. 115C-546.2(d)(4) reads as rewritten:

9           "(4) A county may use monies in this Fund to pay for school construction  
10 projects in local school administrative units and to retire indebtedness  
11 incurred for school construction ~~projects incurred on or after January 1,~~  
12 ~~2003-projects.~~"

### 13 14 **GENERAL PROVISIONS**

15  
16       **SECTION 5.** Section 6.1(b) of Session Law 2011-145 reads as rewritten:

17       **"SECTION 6.1.(b)** For the 2011-2013 fiscal biennium, and notwithstanding the provisions  
18 of Chapter 143C of the General Statutes or any other provision of law, the certified budget for  
19 each State agency shall reflect only the total of all appropriations enacted for each State agency  
20 by the General Assembly in this act as modified by this act; therefore, the Director of the  
21 Budget shall modify the certified budget only to reflect the following actions and only to the  
22 extent that they are authorized by this act:

23           (1) The allocation of funds set out in reserves.

24           (2) Government reorganizations.

25           (3) Funds authorized by G.S. 116-30A and G.S. 116-40.22(c).

26 The Director of the Budget shall set out all other budget modifications in the authorized  
27 budget."

28       **SECTION 6.** Section 6.2 of Session Law 2011-145 reads as rewritten:

29       **"SECTION 6.2.** For the 2011-2013 fiscal biennium, and notwithstanding the provisions of  
30 G.S. 143C-4-4(b), funds appropriated to the Contingency and Emergency Fund may be used  
31 only for expenditures required (i) by a court or Industrial Commission ~~order or order~~, (ii) to  
32 respond to events as authorized under G.S. 166A-5(1)a.9. of the North Carolina Emergency  
33 Management Act of ~~1977-1977~~, (iii) by the State Treasurer to pay death benefits for law  
34 enforcement officers killed in line of duty, (iv) by the Office of the Governor for crime rewards  
35 in accordance with G.S. 15-53 and G.S. 15-53.1, (v) by the Industrial Commission for  
36 supplemental awards of compensation, or (vi) by the Department of Justice for legal fees.  
37 These funds shall not be used for other statutorily authorized purposes or for any other  
38 contingencies and emergencies."

39       **SECTION 7.(a)** Section 6.11(b) of Session Law 2011-145 reads as rewritten:

40       **"SECTION 6.11.(b)** Funds remaining in the Health and Wellness Trust Fund on June 30,  
41 2011, shall be transferred to the State Controller to be deposited in Nontax Budget code 19878  
42 (Intrastate Transfers) for fiscal year 2011-2012 to be used by the Department of Health and  
43 Human Services for the following purposes:

44           (1) Up to the sum of twenty-two million dollars (\$22,000,000) shall be used to  
45 administer grants associated with the following programs and initiatives:

46           a. Teen Tobacco Prevention.

47           b. ChecKmeds.

48           c. Medication Assistance Programs.

49           d. Obesity Prevention.

50           e. Roanoke Chowan CHC Telehealth Network.

1 (2) The sum of ten million dollars (\$10,000,000) shall be used to reduce the  
2 total savings required to be achieved for the Medicaid program by  
3 Community Care of North Carolina.

4 (3) The remainder shall be used to reduce the Medicaid Provider Rate cut."

5 **SECTION 7.(b)** Section 6 of S.L. 1999-2, as amended by Section 6.11(d) of  
6 Session Law 2011-145, reads as rewritten:

7 "**SECTION 6.(a)** Except as provided in subsection (b) of this section, it is the intent of the  
8 General Assembly that the funds under the Master Settlement Agreement, which is  
9 incorporated into the Consent Decree, be allocated as follows:

10 (1) Fifty percent (50%) to the nonprofit corporation as provided by the Consent  
11 Decree.

12 (2) Fifty percent (50%) shall be allocated as follows:

13 a. Debt service as authorized by the State Capital Facilities Act of 2004,  
14 Part 1 of S.L. 2004-179 and S.L. 2004-124. As soon as practicable  
15 after the beginning of each fiscal year, the State Treasurer shall  
16 estimate and transfer to Budget Code 69430 the amount of debt  
17 service anticipated to be paid during the fiscal year for special  
18 indebtedness authorized by the State Capital Facilities Act of 2004.

19 b. The sum of eight million dollars (\$8,000,000) is credited to Budget  
20 Code 69430 and shall be transferred to the University Cancer  
21 Research Fund in accordance with G.S. 116-29.1.

22 c. The balance remaining to be credited to the State General Fund to be  
23 used for the following purposes:

24 1. The benefit of tobacco producers, tobacco allotment holders,  
25 and persons engaged in tobacco-related businesses. To carry  
26 out this purpose, funds may provide direct and indirect  
27 financial assistance, to the extent allowed by law, to (i)  
28 indemnify tobacco producers, allotment holders, and persons  
29 engaged in tobacco-related businesses from the adverse  
30 economic effects of the Master Settlement Agreement, (ii)  
31 compensate tobacco producers and allotment holders for the  
32 economic loss resulting from lost quota, and (iii) revitalize  
33 tobacco dependent communities.

34 2. The benefit of health to fund programs and initiatives that  
35 include research, education, prevention, and treatment of  
36 health problems in North Carolina and to increase the  
37 capacity of communities to respond to the public's health  
38 needs through programs such as Health Choice and the State's  
39 Medicaid program.

40 (b) Any monies paid into the North Carolina State Specific Account from the Disputed  
41 Payments Account on account of the Non-Participating Manufacturers that would have been  
42 transferred to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., or  
43 to the trust funds established in accordance with subdivision (a)(2) of this section shall be  
44 deposited in the ~~General Fund Account of the Settlement Reserve Fund~~ Settlement Reserve  
45 Fund and transferred to nontax Budget Code 19878."

46 **SECTION 7.(c)** Subsections (e) and (g) of Section 6.11 of Session Law 2011-145  
47 are repealed.

48 **SECTION 8.** Session Law 2011-145 is amended by adding the following new  
49 section to read:

50 "**MASTER SETTLEMENT FUNDS-HEALTH TRUST ACCOUNT**



1 "SECTION 6.11A. Notwithstanding any other provision of this act, funds shall not be  
2 transferred from the Master Settlement Account (MSA) to the Health and Wellness Trust Fund.  
3 The June 30, 2011, cash balance from MSA payments in the amount of thirty-two million nine  
4 hundred four thousand four hundred eleven dollars (\$32,904,411) shall be deposited into the  
5 State's General Fund to support health-related activities pursuant to Section 6.11 of this act."

6 "SECTION 9. Section 6.14 of Session Law 2011-145 reads as rewritten:

7 "SECTION 6.14. The General Assembly finds that on April 16, 2011, heavy thunderstorms  
8 and powerful tornadoes swept through this State, with ~~18~~<sup>19</sup> counties sustaining the most  
9 extensive damage. Those counties are Bertie, Bladen, Craven, Cumberland, Currituck, Greene,  
10 Halifax, Harnett, Hertford, Hoke, Johnston, Lee, Onslow, Pitt, Robeson, Sampson, Tyrrell,  
11 Wake, and Wilson Counties. It is the intent of the General Assembly to provide State matching  
12 funds to help mitigate losses, rebuild infrastructure, and aid affected citizens and businesses."

13 "SECTION 10. Session Law 2011-145 is amended by adding the following new  
14 section to read:

#### 15 "LOTTERY COMMISSIONERS

16 "SECTION 6.18. G.S. 18C-112 is amended by adding a new subsection to read:

17 '(e) If any member takes any of the following actions, the member vacates office as a  
18 member of the Commission and the vacancy shall be filled as provided by G.S. 18C-111(c):

- 19 (1) Files a notice of candidacy under G.S. 163-106 or G.S. 163-323 or a petition  
20 under G.S. 163-107.1 or G.S. 163-325.
- 21 (2) Is nominated to fill a vacancy among party nominees under G.S. 163-114 or  
22 G.S. 163-115.
- 23 (3) Files a petition as an unaffiliated candidate under G.S. 163-122.
- 24 (4) Files a declaration of intent as a write-in candidate under G.S. 163-123.
- 25 (5) Is nominated by party convention under G.S. 163-98."

#### 26 INFORMATION TECHNOLOGY

27 "SECTION 11.(a) Section 6A.1(d) reads as rewritten:

28 "SECTION 6A.1.(d) The Office of the State Controller shall coordinate with the Office of  
29 the State Chief Information Officer to identify up to four positions in the Office of the State  
30 Chief Information Officer that shall be used, effective August 1, 2011, to support planning and  
31 implementation of an automated fraud detection capability and an e-forms/digital signature  
32 project."  
33

34 "SECTION 11.(b) Section 6A.2(d) of Session Law 2011-145 reads as rewritten:

35 "SECTION 6A.2.(d) Agency Projects. – Prior to initiation, any information technology  
36 project, or any segment of a multipart project, costing more than two hundred fifty thousand  
37 dollars (\$250,000) shall be included in the agency's most recent information technology plan  
38 and funding shall be ~~approved~~appropriated by the General Assembly."  
39

40 "SECTION 11.(c) Section 6A.2(f) of Session Law 2011-145 reads as rewritten:

41 "SECTION 6A.2.(f) Information Technology Hosting. – State agencies developing and  
42 implementing information technology projects/applications shall use the State infrastructure to  
43 host their projects. An exception to this requirement may be granted only if approved by  
44 ~~both~~either the State Chief Information Officer on the basis of technology requirements ~~and~~  
45 by the Office of State Budget and Management based on cost savings, subject to consultation  
46 with the Joint Legislative Commission on Governmental Operations and a report to the Joint  
47 Legislative Oversight Committee on Information Technology.

48 Projects/applications currently hosted outside the State infrastructure shall be returned to  
49 State infrastructure not later than the end of any current contract.

1 By October 1, 2011, the State Chief Information Officer shall report to the Joint Legislative  
2 Oversight Committee on Information Technology regarding projects currently hosted outside  
3 State infrastructure and a schedule to return those projects to State infrastructure."

4 **SECTION 11.(d)** Section 6A.7(a) of Session Law 2011-145 reads as rewritten:

5 "**SECTION 6A.7.(a)** By ~~November 1, 2011~~, February 1, 2012, the State Chief Information  
6 Officer (State CIO), in conjunction with the Office of State Budget and Management (OSBM),  
7 shall develop a detailed plan for consolidating the information technology infrastructure and  
8 applications of all State agencies, departments, and institutions in the executive branch.  
9 Information technology infrastructure includes personal computers, hosting and network  
10 environments, the help desk, call centers, and information technology security. Applications  
11 include enterprise software, on-demand software, and customized software. At a minimum, the  
12 consolidation plan shall include the following:

- 13 (1) Defined targets and priorities with a detailed time line for the  
14 implementation of consolidation.
- 15 (2) The costs of consolidation by fiscal year and by agency.
- 16 (3) The anticipated savings to result from consolidation and a time line for  
17 actual achievement of those savings.
- 18 (4) Technical, policy, or other issues associated with achieving a timely and  
19 effective consolidation.
- 20 (5) A process to transfer all information technology hardware and software  
21 funding to the Office of the State CIO.
- 22 (6) Creation of a project management organization to manage all information  
23 technology projects.
- 24 (7) Review of agency, Office of Information Technology Services, and Office of  
25 the State CIO to identify redundant personnel positions.

26 When setting consolidation targets, the State CIO shall give high priority to  
27 infrastructure issues that pose significant risk to agency operations or data, that provide  
28 opportunities for immediate cost savings, and where a statewide approach would minimize  
29 disruption of services. In carrying out the consolidation, the Office of Information Technology  
30 Services shall utilize the authority set out in G.S. 147-33.83."

31 **SECTION 11.(e)** Section 6A.8(b) of Session Law 2011-145 reads as rewritten:

32 "**SECTION 6A.8.(b)** ~~Rates Beginning with State fiscal year 2012-2013, rates~~ shall be set  
33 to support a specific service for which an agency is being charged. Overhead charges to  
34 agencies must be consistently applied and must not exceed industry standards. Rate increases  
35 shall require approval of the OSBM. Rate reductions shall be immediately implemented  
36 following notification of the OSBM."

37 **SECTION 11.(f)** Section 6A.14(a) of Session Law 2011-145 reads as rewritten:

38 "**SECTION 6A.14.(a)** Every executive branch agency within State government shall  
39 develop a policy to limit the issuance and use of mobile electronic devices to the minimum  
40 required to carry out the agency's mission. As used herein, mobile communication device  
41 includes goods provided by commercial mobile radio service providers and services for mobile  
42 telecommunications governed by Title 47 of the Code of Federal Regulations. By September 1,  
43 2011, each agency shall provide a copy of its policy to the Chairs of the Appropriations  
44 Committee and the Appropriations Subcommittee on General Government of the House of  
45 Representatives, the Chairs of the Appropriations/Base Budget Committee and the  
46 Appropriations Committee on General Government and Information Technology of the Senate,  
47 the Chairs of the Joint Legislative Oversight Committee on Information Technology, the Fiscal  
48 Research Division, and the Office of State Budget and Management.

49 State-issued mobile electronic devices shall be used only for State business.  
50 Agencies shall limit the issuance of cell phones, smart phones, and any other mobile electronic  
51 devices to employees for whom access to a mobile electronic device is a critical requirement

1 for job performance. The device issued and the plan selected shall be the minimum required to  
2 support the employees' work requirements. This shall include considering the use of pagers in  
3 lieu of a more sophisticated device. The requirement for each mobile electronic device issued  
4 shall be documented in a written justification that shall be maintained by the agency and  
5 reviewed annually. All State agency heads, in consultation with the Office of Information  
6 Technology Services and the Office of State Budget and Management, shall document and  
7 review all authorized cell phone, smart phone, and other mobile electronic communications  
8 device procurement, and related phone, data, Internet, and other usage plans for and by their  
9 employees. Agencies shall conduct periodic audits of mobile device usage to ensure that State  
10 employees and contractors are complying with agency policies and State requirements for their  
11 use.

12 Beginning October 1, 2011, each agency shall report quarterly to the Chairs of the  
13 House of Representatives Committee on Appropriations and the House of Representatives  
14 Subcommittee on General Government, the Chairs of the Senate Committee on Appropriations  
15 and the Senate Appropriations Committee on General Government and Information  
16 Technology, the Joint Legislative Oversight Committee on Information Technology, the Fiscal  
17 Research Division, and the Office of State Budget and Management on the following:

- 18 (1) Any changes to agency policies on the use of mobile devices.
- 19 (2) The number and types of new devices issued since the last report.
- 20 (3) The total number of mobile devices issued by the agency.
- 21 (4) The total cost of mobile devices issued by the agency.
- 22 (5) The number of each type of mobile device issued, with the total cost for each  
23 type."

24 **SECTION 12.(a)** Section 6A.4(e) of Session Law 2011-145 reads as rewritten:

25 "**SECTION 6A.4.(e)** Agencies shall use existing resources and shall not charge the Office  
26 of the State Controller to provide required support for CJLEADS."

27 **SECTION 12.(b)** Section 6A.10(b) of Session Law 2011-145 reads as rewritten:

28 "**SECTION 6A.10.(b)** Prior to any development or implementation of a State portal, the  
29 Department of Administration shall provide all of the following to the General Assembly:

- 30 (1) A detailed plan for development and implementation of the portal, to include  
31 a list of applications being considered for implementation during the  
32 2011-2013 and 2013-2015 biennia, including:
  - 33 a. A description of how the portal is to be implemented, to include the  
34 use of outside vendors, with detailed information on their  
35 participation and the potential cost to the State, businesses, and  
36 anyone doing business with the State.
  - 37 b. A list of potential services and a time line for implementing each  
38 service.
  - 39 c. Detailed information on the anticipated cost of ownership of the  
40 portal and any services proposed for implementation during the  
41 period, to include the amount of any payments received by vendors  
42 supporting the project.
- 43 (2) A funding model for the implementation that does not increase the cost of  
44 services for anyone doing business with the State or reduce the receipts or  
45 other funding currently available to State agencies or included in  
46 appropriations for the 2011-2013 biennium.
- 47 (3) If the portal is outsourced, a detailed, fully executable plan to return portal  
48 operations to the State, with associated costs.
- 49 (4) Identification of internal resources that could potentially be used to develop  
50 and implement a State portal.

1 By May 1, 2012, the Department of Administration shall provide both plans, the funding  
2 model, and a detailed list of State internal resources that could be used for the development and  
3 implementation of a State portal to the Joint Legislative Committee on Information  
4 Technology."

5 **SECTION 12.(c)** Section 6A.20(c) of Session Law 2011-145 reads as rewritten:

6 **"SECTION 6A.20.(c)** As part of the State's continuing effort to develop a comprehensive  
7 enterprise-level data integration capability, the Office of the State Controller shall develop an  
8 enterprise process to detect fraud, waste, and improper payments across State agencies. State  
9 agencies shall fully support and participate in OSC's efforts to develop an automated fraud  
10 detection ~~system.~~ system and shall upon request provide in a timely and responsive manner  
11 accurate, complete, and timely data, business rules and policies, and support for project  
12 requirements. The agency head shall verify, in writing, the accuracy, completeness, and  
13 timeliness of the data. If any support or data is not provided as needed for the automated fraud  
14 detection effort, the OSC shall report that failure to the General Assembly for further review  
15 and action.

16 In support of the automated fraud detection effort, the OSC shall:

- 17 (1) Develop a detailed long-range plan to implement an automated fraud  
18 detection system within State agencies.
- 19 (2) Determine costs, to include vendor costs, for the effort for five years,  
20 beginning July 1, 2011.
- 21 (3) Coordinate with State agencies to determine interest in participating in the  
22 project and to identify potential applications that can be included in an initial  
23 request for proposal.
- 24 (4) Establish priorities for developing and implementing potential applications.
- 25 (5) Evaluate savings resulting from each effort.
- 26 (6) Coordinate efforts with the State's data integration vendor to begin the  
27 implementation process.
- 28 (7) Establish a pilot to begin the implementation process and to identify and  
29 resolve issues associated with expansion of the initiative.
- 30 (8) Coordinate with participating agencies to ensure that each has the resources  
31 and processes necessary to follow up on incidents of fraud identified by the  
32 vendor.
- 33 (9) Provide recommendations to the Joint Legislative Commission on  
34 Governmental Operations, the Joint Legislative Oversight Committee on  
35 Information Technology, and the Fiscal Research Division of the General  
36 Assembly on potential future initiatives and the cost and savings associated  
37 with each."

## 38 39 PUBLIC SCHOOLS

40  
41 **SECTION 13.(a)** Section 7.1A of Session Law 2011-145 is amended by adding a  
42 new subsection to read:

43 **"SECTION 7.1A.(d1)** Community colleges shall generate budget FTE for instruction  
44 provided through Career and College Promise."

45 **SECTION 13.(b)** Subsection (e) of Section 7.1A of Session Law 2011-145 reads  
46 as rewritten:

47 **"SECTION 7.1A.(e)** ~~Community colleges shall generate budget FTE for instruction~~  
48 ~~provided through Career and College Promise.~~ The Community Colleges System Office shall  
49 report to the Joint Education Oversight Committee or, if the General Assembly is in session, to  
50 the House and Senate Education Committees no later than February 1 regarding the number

1 and cost of high school FTE served as a result of the Career and College Promise program  
2 created by this section."

3 **SECTION 13.(c)** G.S. 115D-20(4), as amended by Section 7.1A(h) of Session Law  
4 2011-145, reads as rewritten:

5 "**§ 115D-20. Powers and duties of trustees.**

6 The trustees of each institution shall constitute the local administrative board of such  
7 institution, with such powers and duties as are provided in this Chapter and as are delegated to  
8 it by the State Board of Community Colleges. The powers and duties of trustees shall include  
9 the following:

10 ...

11 (4) To apply the standards and requirements for admission and graduation of  
12 students and other standards established by the State Board of Community  
13 Colleges. Notwithstanding any law or administrative rule to the contrary,  
14 local community colleges are permitted to offer the following programs:

15 a. Subject to the approval of the State Board of Community Colleges,  
16 local community colleges may collaborate with local school  
17 administrative units to offer courses through the following programs:

18 1. Cooperative innovative high school programs as provided by  
19 Part 9 of Article 16 of Chapter 115C of the General Statutes.

20 2. Academic transition pathways for qualified junior and senior  
21 high school students that lead to a career technical education  
22 certificate or diploma.

23 3. College transfer certificates requiring the successful  
24 completion of thirty semester credit hours of transfer courses,  
25 including English and mathematics, for qualified junior and  
26 senior high school students.

27 b. During the summer quarter, persons less than 16 years old may be  
28 permitted to take noncredit courses on a self-supporting basis, subject  
29 to rules of the State Board of Community Colleges.

30 c. High school students may be permitted to take noncredit courses in  
31 safe driving on a self-supporting basis during the academic year or  
32 the summer.

33 ...."

34 **SECTION 14.(a)** Subsection (ee) of Section 7.13 of Session Law 2011-145 is  
35 repealed.

36 **SECTION 14.(b)** Subsections (a) through (u) of Section 7.13 of Session Law  
37 2011-145 are repealed.

38 **SECTION 15.** Section 7.15 of Session Law 2011-145 is rewritten to read:

39 "**TRANSFER OF FEDERAL AGRICULTURAL EDUCATION FUNDS**

40 "**SECTION 7.15.** Of the funds provided to the Department of Public Instruction, the sum of  
41 ninety thousand five hundred dollars (\$90,500) shall be transferred to the Agricultural  
42 Education and FFA Program housed in the Department of Agricultural and Extension  
43 Education at North Carolina State University. These funds shall be used to support the  
44 secondary Agricultural Education Program State-level administration, leadership, curriculum  
45 and professional development, operations, innovations and expansions, and the FFA and the  
46 Supervised Agricultural Education learning program."

47  
48 **SECTION 16.** Section 7.23(a) of Session Law 2011-145 reads as rewritten:

49 "**SECTION 7.23.(a)** Local school administrative units shall adopt a Reduction in Force  
50 policy for certified school employees that includes the following criteria:

- 1 (1) In determining which positions shall be subject to a reduction in force, a  
2 local school administrative unit shall consider the following:  
3 a. Structural considerations, such as identifying positions, departments,  
4 courses, programs, operations, and other areas where there are (i) less  
5 essential, duplicative, or excess personnel; (ii) job responsibility  
6 and/or position inefficiencies; (iii) opportunities for combined work  
7 functions; and/or (iv) decreased student or other demands for  
8 curriculum, programs, operations, or other services.  
9 b. Organizational considerations, such as anticipated organizational  
10 needs of the school system and program/school enrollment.  
11 (2) In determining which employees in similar positions shall be subject to a  
12 reduction in force, a local school administrative unit shall consider work  
13 performance.

14 Each local school administrative unit shall have this policy in place on or before July 15, 2011."

15 **SECTION 17.** Session Law 2011-145 is amended by adding the following new  
16 sections to read:

17 **"TEACHER ACADEMY STATUTES REPEALED**

18 "SECTION 7.31.(a) G.S. 115C-296.4 is repealed.

19 "SECTION 7.31.(b) G.S. 120-123(63) is repealed.

20 "SECTION 7.31.(c) G.S. 126-5(c1)(26) is repealed.

21 **"PROFESSIONAL TEACHING STANDARDS COMMISSION STATUTES**  
22 **REPEALED**

23 "SECTION 7.32. G.S. 115C-295.1 and G.S. 115C-295.2 are repealed."  
24

25 **COMMUNITY COLLEGES**

26  
27 **SECTION 18.(a)** G.S. 115D-5(b)(2)e., as amended by Section 8.12(a) of Session  
28 Law 2011-145, reads as rewritten:

29 "e. Radio Emergency Associated ~~Citizens~~Communications Teams  
30 (REACT) under contract to a county as an emergency response  
31 agency."

32 **SECTION 18.(b)** G.S. 115D-5(b)(12), as rewritten by Section 8.12(a) of Session  
33 Law 2011-145, reads as rewritten:

34 "(12) All curriculum courses taken by high school students at community colleges,  
35 ~~including students in early college and middle college high school programs,~~  
36 in accordance with G.S. 115D-20(4) and this section."

37 **SECTION 19.** Section 8.18(c) of Session Law 2011-145 reads as rewritten:

38 "SECTION 8.18.(c) This ~~act~~section is effective when it becomes law."

39 **SECTION 20.** If any legislation allowing the board of trustees of any community  
40 college to adopt a resolution declining to participate in the William D. Ford Federal Direct  
41 Loan Program becomes law, then Part VIII of Session Law 2011-145 is amended by adding a  
42 new section to read:

43 **"COMMUNITY COLLEGE BUDGET FLEXIBILITY**

44 "SECTION 8.21. Notwithstanding G.S. 115D-31(b1), a college whose board of trustees  
45 adopts a resolution declining to participate in the William D. Ford Federal Direct Loan  
46 Program, as provided in G.S. 115D-40.1(d), shall not transfer from faculty salaries an amount  
47 that exceeds two percent (2%) of the State funds allocated to it for faculty salaries to support  
48 other instructional costs or other purposes."  
49

50 **UNIVERSITIES**  
51

1           **SECTION 21.** Section 9.6(c) of Session Law 2011-145 reads as rewritten:

2           **"SECTION 9.6.(c)** In allocating the management flexibility reduction, no reduction in  
3 State funds shall be allocated in either fiscal year of the 2011-2013 biennium to any of the  
4 following:

- 5           (1) Hickory Metro Higher Education Center.  
6           (2) Joint Graduate School of Nanoscience and Nanoengineering at North  
7 Carolina Agricultural and Technical State University and the University of  
8 North Carolina at Greensboro.  
9           (3) The North Carolina Research Campus.  
10          (4) Center for Turfgrass Environmental Research and Education at North  
11 Carolina State University.  
12          (5) Need-Based Financial Aid.  
13          (6) Aid to Private Colleges.  
14          (7) ~~Any special responsibility constituent institution which has been granted a~~  
15 ~~basic type designation of "Special Focus Institution" under the Carnegie~~  
16 ~~Classification of Institutions of Higher Education.~~  
17          (8) ~~Any special responsibility constituent institution which has been granted a~~  
18 ~~basic type designation of "Baccalaureate Colleges Arts & Sciences" under~~  
19 ~~the Carnegie Classification of Institutions of Higher Education.~~  
20          (9) The Coastal Wave Energy Research Project led by the UNC Coastal Studies  
21 Institute."  
22

## 23 **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

24  
25           **SECTION 22.** Section 10.7(a) of Session Law 2011-145 reads as rewritten:

26           **"SECTION 10.7.(a)** The Department of Public Instruction, Office of Early Learning, and  
27 the Department of Health and Human Services are directed to consolidate the More At Four  
28 program into the Division of Child Development. The Division of Child Development is  
29 renamed the Division of Child Development and Early Education (DCDEE). The DCDEE is  
30 directed to maintain the More At Four program's high programmatic ~~standards~~standards and  
31 ensure services are provided statewide. The Department of Health and Human Services shall  
32 assume the functions of the regulation and monitoring system and payment and reimbursement  
33 system for the More At Four program.

34           All regulation and monitoring functions shall begin July 1, 2011. The More At Four  
35 program shall be designated as "prekindergarten" on the five-star rating scale. All references to  
36 "prekindergarten" in this section shall refer to the program previously titled the "More At Four"  
37 program. All references to "non-prekindergarten" shall refer to all four- and five-star rated  
38 facilities.

39           The Office of State Budget and Management shall transfer positions to the Department of  
40 Health and Human Services to assume the regulation, monitoring, and accounting functions  
41 within the Division of Child Development's Regulatory Services Section. This transfer shall  
42 have all the elements of a Type I transfer as defined in G.S. 143A-6. All funds transferred  
43 pursuant to this section shall be used for the funding of prekindergarten slots for four-year-olds  
44 and for the management of the program. The DCDEE shall use a portion of the funds to  
45 provide necessary services for recruitment, eligibility determination, and child placement  
46 within local communities. These services shall be conducted by local partnerships that choose  
47 to offer the services. The Department of Health and Human Services shall incorporate eight  
48 consultant positions into the regulation and accounting sections of DCDEE, eliminate the  
49 remaining positions, and use position elimination savings for the purpose of funding  
50 prekindergarten students. DCDEE may use funds from the transfer of the More At Four

1 program for continuing the teacher mentoring program and contracting for the environmental  
2 rating scale assessments."

3 **SECTION 23.** Section 10.14 of Session Law 2011-145 is repealed.

4 **SECTION 24.** Section 10.31A of Session Law 2011-145 reads as rewritten:

5 **"SECTION 10.31A.** The Secretary of Health and Human Services may implement a  
6 Medicaid assessment program for any willing provider category allowed under federal  
7 ~~regulations, except for hospital providers subject to the assessments authorized in Session Law~~  
8 ~~2011-11, regulations~~ up to the maximum percentage allowed by federal regulation. The  
9 Department may retain up to sixty-five percent (65%) of the amount from an assessment  
10 program implemented after December 31, 2010, except for the hospital provider assessments  
11 authorized in S.L. 2011-11, that can be used by the Department to support Medicaid  
12 expenditures. Any assessment funds not retained by the Department shall be used to draw  
13 federal Medicaid matching funds for implementing increased rates or new reimbursement plans  
14 for each provider category being assessed.

15 Receipts from the assessment program are hereby appropriated for the 2011-2012 fiscal  
16 year and the 2012-2013 fiscal year for the purposes set out in this section."

17 **SECTION 24A.** Section 10.35(b) of Session Law 2011-145 reads as rewritten:

18 **"SECTION 10.35.(b)** For the 2011-2012 fiscal year, the Department of Health and Human  
19 Services shall deposit from its revenues one hundred fifteen million dollars (\$115,000,000)  
20 with the Department of State Treasurer to be accounted for as nontax revenue. For the  
21 2012-2013 fiscal year, the Department of Health and Human Services shall deposit from its  
22 revenues one hundred fifteen million dollars (\$115,000,000) with the Department of State  
23 Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of  
24 General Fund appropriations, nonfederal revenue, fund balances or other resources from State  
25 ~~owned and operated~~ hospitals which are used to provide indigent and non-indigent care  
26 services. The return from State ~~owned and operated~~ hospitals to DHHS will be made from  
27 nonfederal resources in an amount equal to the amount of the payments from the Division of  
28 Medical Assistance for uncompensated ~~care~~ care or based on an interagency agreement in  
29 effect at the date of the return. The treatment of any revenue derived from federal programs  
30 shall be in accordance with the requirements specified in the Code of Federal Regulations, Title  
31 2, Part 225."

32 **SECTION 25.** Section 10.37(a) of Session Law 2011-145 reads as rewritten:

33 **"SECTION 10.37.(a)** The Department of Health and Human Services, Division of  
34 Medical Assistance, may take the following actions, notwithstanding any other provision of this  
35 act or other State law or rule to the contrary:

36 ...

37 (11) Medicaid service modifications and eliminations. – Subject to the prior  
38 approval of the Centers for Medicare and Medicaid Services where required,  
39 the Division of Medical Assistance shall make the following eliminations of  
40 or modifications to Medicaid services:

41 a. Optical. –

42 1. Eliminate adult routine eye exams. Eye exams shall be  
43 restricted to cases in which a specific optical problem exists.

44 2. Eliminate optical services and supplies.

45 b. Durable medical equipment. – The Department may adjust the rate  
46 paid for incontinence supplies or reduce cost through a negotiated  
47 single source contract with a manufacturer for incontinence supply  
48 procurement, notwithstanding any other provision of law. The  
49 contract shall provide that suppliers may use the contract but are also  
50 free to take advantage of better prices available elsewhere. The  
51 Department may effectuate any combination of these options in order



1 to achieve the lowest available cost for incontinence supply  
2 procurement.

3 c. Specialized therapies. – For evaluations and reevaluations, as well as  
4 physical, occupational, speech, respiratory, and audiological services,  
5 reduce the maximum number of allowable services by one per year.

6 d. Home health. – Restrict usage of the miscellaneous T199 code. All  
7 billing must be for a specific service.

8 e. ~~Pregnancy Home Model Initiative.~~ Implement a collaborative effort  
9 between Community Care of North Carolina Networks and Local  
10 Health Departments to improve perinatal care and ensure care  
11 management of high risk pregnancies.

12 "...."

13 **SECTION 26.** Section 10.40 of S.L. 2011-145 reads as rewritten:

14 **"TRANSFER TO OFFICE OF ADMINISTRATIVE HEARINGS**

15 **"SECTION 10.40.** From funds available to the Department of Health and Human Services  
16 (Department) for the 2011-2012 fiscal year, the sum of ~~one million dollars (\$1,000,000); one~~  
17 million dollars (\$1,000,000) in General Fund appropriations, and for the 2012-2013 fiscal year  
18 the sum of one million dollars (\$1,000,000); one million dollars (\$1,000,000) in General Fund  
19 appropriations, shall be transferred by the Department of Health and Human Services to the  
20 Office of Administrative Hearings (OAH). These funds shall be allocated by the OAH for  
21 mediation services provided for Medicaid applicant and recipient appeals and to contract for  
22 other services necessary to conduct the appeals process. OAH shall continue the Memorandum  
23 of Agreement (MOA) with the Department for mediation services provided for Medicaid  
24 recipient appeals and contracted services necessary to conduct the appeals process. The MOA  
25 will facilitate the Department's ability to draw down federal Medicaid funds to support this  
26 administrative function. Upon receipt of invoices from OAH for covered services rendered in  
27 accordance with the MOA, the Department shall transfer the federal share of Medicaid funds  
28 drawn down for this purpose."  
29

30 **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

31  
32 **SECTION 27.(a)** Section 13.3(e) of Session Law 2011-145 reads as rewritten:

33 **"SECTION 13.3.(e)** All functions, powers, duties, and obligations previously vested in the  
34 Radiation Protection Section within the Division of Environmental Health of the Department of  
35 Environment and Natural Resources are transferred to and vested in the Division of Health  
36 ~~Safety Service~~ Regulation of the Department of Health and Human Services by a Type I  
37 transfer, as defined in G.S. 143A-6."  
38

39 **SECTION 27.(b)** G.S. 143-300.8, as amended by Section 13.3(k) of Session Law  
2011-145, reads as rewritten:

40 **"§ 143-300.8. Defense of local sanitarians.**

41 Any local health department sanitarian enforcing rules of the Commission for Public Health  
42 under the supervision of the Department of Health and Human Services pursuant to  
43 G.S. 130A-4 shall be defended by the Attorney General, subject to the provisions of  
44 G.S. 143-300.4, and shall be protected from liability in accordance with the provisions of this  
45 Article in any civil or criminal action or proceeding brought against the sanitarian in his official  
46 or individual capacity, or both, on account of an act done or omission made in the scope and  
47 course of enforcing the rules of the Commission for Public Health. The Department of  
48 ~~Environment and Natural Resources~~ Health and Human Services shall pay any judgment against  
49 the sanitarian, or any settlement made on his behalf, subject to the provisions of  
50 G.S. 143-300.6."

1           **SECTION 27.(c)** G.S. 104E-8(c), as amended by Section 13.3(ddd) of Session  
2 Law 2011-145, reads as rewritten:

3           "(c) The 10 ex officio members shall be appointed by the Governor, shall be members or  
4 employees of the following State agencies or their successors, and shall serve at the Governor's  
5 pleasure:

6           ...

7           (6) The Division of Health ~~Safety-Service~~ Regulation of the Department.

8           ...."

9           **SECTION 27.(d)** G.S. 104E-9(b), as amended by Section 13.3(eee) of Session  
10 Law 2011-145, reads as rewritten:

11           "(b) The Division of Health ~~Safety-Service~~ Regulation of the Department shall develop a  
12 training program for tanning equipment operators that meets the training rules adopted by the  
13 Commission. If the training program is provided by the Department, the Department may  
14 charge each person trained a reasonable fee to recover the actual cost of the training program."

15           **SECTION 27.(e)** G.S. 120-70.33(3), as amended by Section 13.3(fff) of Session  
16 Law 2011-145, reads as rewritten:

17           "**§ 120-70.33. Powers and duties.**

18           The Joint Select Committee shall have the following powers and duties:

19           ...

20           (3) To evaluate actions of the Radiation Protection Commission, the radiation  
21 protection programs administered by the Division of Health ~~Safety-Service~~  
22 Regulation of the Department of Health and Human Services, and of any  
23 other board, commission, department, or agency of the State or local  
24 government as such actions relate to low-level radioactive waste  
25 management;

26           ...."

27           **SECTION 28.** If Senate Bill 781, 2011 Regular Session, becomes law, then  
28 Section 13.11B of Session Law 2011-145 is repealed.

29           **SECTION 29.** Section 13.21 of Session Law 2011-145 is rewritten to read:

30           "**SECTION 13.21.**Section 15.4(a) of S.L. 1997-443, as amended by Section 3.1 of S.L.  
31 1999-329, Section 5 of S.L. 2001-254, Section 1.1 of S.L. 2002-176, Section 6.1 of S.L.  
32 2003-340, Section 12.7(a) of S.L. 2005-276, Section 2 of S.L. 2007-536, and Section 1 of S.L.  
33 2009-84, reads as rewritten:

34           '(a) The Department of Environment and Natural Resources shall develop and  
35 implement a pilot program to begin no later than 1 November 1997, and to terminate ~~4~~  
36 ~~September 2011, June 30, 2013,~~ regarding the annual inspections of animal operations that are  
37 subject to a permit under Article 21 of Chapter 143 of the General Statutes. The Department  
38 shall select two counties located in a part of the State that has a high concentration of swine  
39 farms to participate in this pilot program. In addition, Brunswick County and Pender County  
40 shall be added to the program. Notwithstanding G.S. 143-215.10F, the Division of Soil and  
41 Water Conservation of the Department of Environment and Natural Resources shall conduct  
42 inspections of all animal operations that are subject to a permit under Article 21 of Chapter 143  
43 of the General Statutes in these four counties at least once a year to determine whether any  
44 animal waste management system is causing a violation of water quality standards and whether  
45 the system is in compliance with its animal waste management plan or any other condition of  
46 the permit. The personnel of the Division of Soil and Water Conservation who are to conduct  
47 these inspections in each of these four counties shall be located in an office in the county in  
48 which that person will be conducting inspections. As part of this pilot program, the Department  
49 of Environment and Natural Resources shall establish procedures whereby resources within the  
50 local Soil and Water Conservation Districts serving the four counties are used for the quick

1 response to complaints and reported problems previously referred only to the Division of Water  
2 Quality of the Department of Environment and Natural Resources."

3 **SECTION 30.** Section 13.22(b) of Session Law 2011-145 reads as rewritten:

4 "**SECTION 13.22.(b)** G.S. 143-215.10D(b), as amended by Section 13.22(r) of this act,  
5 reads as rewritten:

6 '(b) ~~As part of its animal waste management plan, each animal operation shall have an~~  
7 ~~operations review at least once a year.~~An animal operation may request an operations review.  
8 The operations review shall be conducted by a technical specialist employed by the Division of  
9 Soil and Water Conservation of the Department of Agriculture and Consumer Services, a local  
10 Soil and Water Conservation District, or the federal Natural Resources Conservation Services  
11 working under the direction of the Division of Soil and Water Conservation."

12 **SECTION 31.** Section 13.23(h) of Session Law 2011-145 reads as rewritten:

13 "**SECTION 13.23.(h)** Of the funds available to the Department of Environment and  
14 Natural Resources for Water Resource Projects, the sum of one million dollars (\$1,000,000)  
15 shall be transferred to the Department of ~~Environment and Natural Resources,~~Agriculture and  
16 Consumer Services, Division of Soil and Water Conservation, for the 2011-2012 fiscal year to  
17 implement the Agricultural Water Resources Assistance Program established in Article 5 of  
18 Chapter 139 of the General Statutes, as enacted by subsection (a) of this section. The Soil and  
19 Water Conservation Commission may use up to fifteen percent (15%) of these funds for the  
20 costs of the Division of Soil and Water Conservation and the costs of the Soil and Water  
21 Conservation Districts to provide engineering assistance, to provide technical assistance, and to  
22 administer the Agricultural Water Resources Assistance Program. Any of these funds that are  
23 not expended or encumbered as of June 30, 2012, shall not revert and shall remain available for  
24 purposes set forth in this subsection until expended."

25 **SECTION 32.** Session Law 2011-145 is amended by adding a new section to read:

26 "**REQUIREMENTS TO RECEIVE NC AGRICULTURE COST SHARE PROGRAM**  
27 **FUNDS OR AGRICULTURE WATER RESOURCES ASSISTANCE PROGRAM**  
28 **FUNDS**

29 "**SECTION 13.23A.(a)** G.S. 106-850(b), as recodified by Section 13.22A(t) of this act, is  
30 amended by adding a new subdivision to read:

31 '(10) To be eligible for cost share funds under this program, each applicant must  
32 establish that he or she is engaged in farming by providing to the Soil and  
33 Water Conservation Commission with his or her application a copy of the  
34 applicant's federal tax Schedule F (Form 1040) for the most recent tax year  
35 showing the applicant's profit or loss from farming.'

36 "**SECTION 13.23A.(b)** G.S. 139-60, as enacted by Section 13.23 of this act, is amended  
37 by adding a subsection to read:

38 '(c1) To be eligible for assistance under this program, each applicant must establish that  
39 he or she is engaged in farming by providing to the Soil and Water Conservation Commission  
40 with his or her application a copy of the applicant's federal tax Schedule F (Form 1040) for the  
41 most recent tax year showing the applicant's profit or loss from farming.'"

42 **SECTION 33.(a)** Section 13.25(i) of Session Law 2011-145 is repealed.

43 **SECTION 33.(b)** G.S. 106-848(c) and (d), as enacted by Section 13.25(o) of  
44 Session Law 2011-145, reads as rewritten:

45 "**§ 106-848. Applications of proceeds from sale of products.**

46 ...

47 (c) Forest Seedling Nursery Program Fund. – The Forest Seedling Nursery Program  
48 Fund is created within the Department of ~~Environment and Natural Resources,~~Agriculture and  
49 Consumer Services, Division of Forest Resources, as a special revenue fund. Except as  
50 provided in subsection (b) of this section, this Fund shall consist of receipts from the sale of  
51 seed and seedlings as authorized in G.S. 106-847 and any gifts, bequests, or grants for the

1 benefit of this Fund. No General Fund appropriations shall be credited to this Fund. Any  
2 balance remaining in this Fund at the end of any fiscal year shall not revert. The Department  
3 may use this Fund only to develop, improve, repair, maintain, operate, or otherwise invest in  
4 the Forest Seedling Nursery Program.

5 (d) Bladen Lakes State Forest Fund. – The Bladen Lakes State Forest Fund is created  
6 within the Department of ~~Environment and Natural Resources, Agriculture and Consumer~~  
7 Services, Division of Forest Resources, as a special revenue fund. This Fund shall consist of  
8 receipts from the sale of forest products from Bladen Lakes State Forest as authorized in  
9 G.S. 106-847 and any gifts, bequests, or grants for the benefit of this Fund. No General Fund  
10 appropriations shall be credited to this Fund. Any balance remaining in this Fund at the end of  
11 any fiscal year shall not revert. The Department may use this Fund only to develop, improve,  
12 repair, maintain, operate, or otherwise invest in the Bladen Lakes State Forest."

13 **SECTION 34.** Section 13.26(c) of Session Law 2011-145 reads as rewritten:

14 "SECTION 13.26.(c) The funds appropriated in this act to the Clean Water Management  
15 Trust Fund shall be allocated as follows:

- 16 (1) Notwithstanding the provisions of G.S. 113A-253(d), the sum of three  
17 million dollars (\$3,000,000) shall be used for the 2011-2012 fiscal year and  
18 for the 2012-2013 fiscal year for the costs of administering the Clean Water  
19 Management Trust Fund, including costs to support the Board of Trustees of  
20 the Clean Water Management Trust Fund and its staff, the operating costs of  
21 the Board of Trustees of the Clean Water Management Trust Fund and its  
22 staff, and the costs of making debt payments to retire debt as provided under  
23 G.S. 113A-253(c);
- 24 (2) Notwithstanding the provisions of G.S. 113A-253(c) and G.S. 113A-254, the  
25 sum of one million five hundred thousand dollars (\$1,500,000) shall be used  
26 for the 2011-2012 fiscal year and for the 2012-2013 fiscal year for State  
27 matching funds for the Readiness and Environmental Protection Initiative  
28 and any other United States Department of Defense program that provides  
29 for military buffers and protects the overall military training mission; and
- 30 (3) The sum of ~~six million two hundred thousand dollars (\$6,250,000)~~six  
31 million seven hundred fifty thousand dollars (\$6,750,000) shall be used for  
32 the 2011-2012 fiscal year and for the 2012-2013 fiscal year for the costs for  
33 wastewater projects, water quality restoration projects, minigrants,  
34 conservation easements, and stormwater projects consistent with the  
35 provisions of Article 18 of Chapter 113A of the General Statutes. As used in  
36 this subdivision, 'minigrant' means grant funds to provide the transaction  
37 costs to facilitate the donation of conservation easements."

## 38 39 DEPARTMENT OF COMMERCE

40  
41 **SECTION 35.** Section 14.3A(a) of Session Law 2011-145 reads as rewritten:

42 "SECTION 14.3A.(a) There is established an operating committee for the Vinifera Group  
43 and an operating committee for the Muscadines Group. The purpose of the operating  
44 committees is to promote North Carolina wineries and tourism related to the wineries. Each  
45 operating committee shall consist of five members, who shall be appointed by the  
46 ~~Commissioner of Agriculture~~Secretary of Commerce to serve two-year terms, which shall be  
47 staggered. The members appointed shall be chosen from among individuals who have  
48 education or experience in the wine industry or in the field of tourism. No member of an  
49 operating committee may serve for more than two consecutive terms. Initial terms shall  
50 commence September 1, 2011."

51 **SECTION 36.** Section 14.5B of Session Law 2011-145 is repealed.

1           **SECTION 37.** Section 14.13 of Session Law 2011-145 reads as rewritten:  
2 **"REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS ALLOCATIONS**

3           ...  
4           **"SECTION 14.13.(c)** No more than ~~one hundred thousand dollars (\$100,000)~~one hundred  
5 twenty thousand dollars (\$120,000) in State funds shall be used for the annual salary of any one  
6 employee of a regional economic development commission.

7           ...."  
8           **SECTION 38.** Section 14.20(e) of Session Law 2011-145 reads as rewritten:  
9           **"SECTION 14.20.(e)** Criteria for Grants. – All requests for Rural Jobs Infrastructure  
10 Grants shall do all of the following:

- 11           (1) Document the infrastructure needs that the project will address.
- 12           (2) Specify the number of jobs that will be created as a result of the  
13 infrastructure improvements proposed for funding assistance.
- 14           (3) Document the availability of all matching funds.
- 15           (4) Identify the private enterprises that will be creating the jobs and provide  
16 documentation that the enterprises will agree to contract to produce the  
17 number of jobs promised.
- 18           (5) Provide any additional documentation requested by the Rural Center to  
19 complete its review.

20           ~~As part of its review of grant applications, the Rural Center shall determine that the private~~  
21 ~~sector jobs to be created through the investment of the Rural Jobs Infrastructure Grant Fund~~  
22 ~~will not compete unfairly with existing businesses. In awarding grants under this section, the~~  
23 Rural Center shall give preference to a resident company. For purposes of this section, the term  
24 "resident company" means a company that has paid unemployment taxes or income taxes in  
25 this State and whose principal place of business is located in this State. An application for a  
26 project that serves an economically distressed area shall have priority over a project that does  
27 not. A Rural Jobs Infrastructure Grant to assist with water infrastructure needs is not subject to  
28 the provisions of G.S. 143-355.4. The Board of Directors of the Rural Center may establish  
29 additional criteria to effectively allocate the funds appropriated in this section."

## 30 31 **JUDICIAL DEPARTMENT**

32           **SECTION 39.** Section 15.16(c) of Session Law 2011-145 reads as rewritten:  
33           **"SECTION 15.16.(c)** The Office of Indigent Defense Services shall issue a request for  
34 proposals from private law firms or not-for-profit legal representation organizations for the  
35 provision of all legal services for indigent clients in all judicial districts. The Office of Indigent  
36 Defense Services shall report on the issuance of this request for proposals to the Joint  
37 Legislative Commission on Governmental Operations by October 1, 2011. In cases where the  
38 proposed contract can provide representation services more efficiently than current ~~costs,~~ costs  
39 and ensure that the quality of representation is sufficient to meet applicable constitutional and  
40 statutory standards, the Office of Indigent Defense Services shall use private assigned counsel  
41 funds to enter into contracts for this purpose. In selecting contracts, the Office of Indigent  
42 Defense Services shall consider both the cost-effectiveness of the proposed contract and the  
43 ability of the potential contractor to provide effective representation for the clients served by  
44 the contract."

45           **SECTION 40.** Session Law 2011-145 is amended by adding a new section to read:  
46 **"INDIGENT DEFENSE SERVICES/STATE MATCH FOR GRANTS**

47           **"SECTION 15.22.** The Office of Indigent Defense Services may use up to the sum of fifty  
48 thousand dollars (\$50,000) from funds available for the 2011-2012 fiscal year to provide the  
49 State matching funds needed to receive grant funds. Prior to using funds for this purpose, the  
50 Office shall report to the Chairs of the Senate and House of Representatives Appropriations  
51

1 Subcommittees on Justice and Public Safety and the Joint Legislative Commission on  
2 Governmental Operations on the grants to be matched using these funds."  
3

#### 4 **DEPARTMENT OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION**

5  
6 **SECTION 41.** Section 17.3 of Session Law 2011-145 is rewritten to read:

7 **"SECTION 17.3.(a)** Funds appropriated in this act to the Department of Juvenile Justice  
8 and Delinquency Prevention for the 2011-2013 fiscal biennium for wilderness camp contracts  
9 that are not required for or used for wilderness camp contracts shall only be used for the  
10 following:

- 11 (1) Other statewide residential programs that provide Level 2 intermediate  
12 dispositional alternatives for juveniles.
- 13 (2) Statewide community programs that provide Level 2 intermediate  
14 dispositional alternatives for juveniles.
- 15 (3) Regional programs that are collaboratives of two or more Juvenile Crime  
16 Prevention Councils which provide Level 2 intermediate dispositional  
17 alternatives for juveniles.
- 18 (4) The Juvenile Crime Prevention Council grants fund to be used for the Level  
19 2 intermediate dispositional alternatives for juveniles listed in  
20 G.S. 7B-2506(13) through (23).

21 **"SECTION 17.3(b)** Under no circumstances shall funds appropriated by this act to the  
22 Department of Juvenile Justice and Delinquency Prevention for the 2011-2013 fiscal biennium  
23 for wilderness camps be used for staffing, operations, maintenance, or any other expenses of  
24 youth development centers.

25 **"SECTION 17.3.(c)** The Department of Juvenile Justice and Delinquency Prevention shall  
26 submit an electronic report by October 1, 2011, on all expenditures made from the  
27 miscellaneous contract line in Fund Code 1310 to the House of Representatives and Senate  
28 Appropriations Subcommittees on Justice and Public Safety and the Fiscal Research Division  
29 of the General Assembly. The report shall include all of the following: an itemized list of the  
30 contracts that have been executed, the amount of each contract, the date the contract was  
31 executed, the purpose of the contract, the number of juveniles that will be served and the  
32 manner in which they will be served, the amount of money transferred to the Juvenile Crime  
33 Prevention Council fund, and an itemized list of grants allocated from the funds transferred to  
34 the Juvenile Crime Prevention Council fund."  
35

#### 36 **DEPARTMENT OF CORRECTION**

37  
38 **SECTION 42.** Session Law 2011-145 is amended by adding a new section to read:

39 **"PROHIBIT CLOSURE OF BLADEN CORRECTIONAL CENTER**

40 **"SECTION 18.17.** The Department of Correction shall not close the Bladen Correctional  
41 Center during the 2011-2013 biennium."  
42

#### 43 **DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

44  
45 **SECTION 43.(a)** G.S. 143B-259(a), as enacted by Section 19.1(b) of Session Law  
46 2011-145, reads as rewritten:

47 **"§ 143B-259. Organization.**

48 (a) There is established the Department of Public Safety. The head of the Department of  
49 Public Safety is the Secretary of Public Safety, who shall be known as the Secretary. The  
50 Department shall consist of ~~seven~~ six divisions and an Office of External Affairs as follows:  
51

...

(3) The Division of Law Enforcement, which shall consist of the following former divisions of the Department of Crime Control and Public Safety and ~~the Department of Justice:~~ Safety: the State Highway Patrol, the Alcohol Law Enforcement Division, the Butner Public Safety Division, and the State Capitol Police Division. The head of the Division of Law Enforcement shall be a chief deputy secretary.

(4) The Division of Emergency Management, which shall consist of the former Division of Emergency Management of the Department of Crime Control and Public Safety and the Civil Air Patrol.

...."

**SECTION 43.(b)** G.S. 143B-259.1, as enacted by Section 19.1(b) of Session Law 2011-145, reads as rewritten:

**"§ 143B-259.1. Powers and duties of the Department of Public Safety.**

It shall be the duty of the Department of Public Safety to do all of the following:

...

(3) To prepare ~~annually~~ annually, in consultation with the Judicial Department and the Department of Justice, a State plan for the State's criminal justice system.

...."

**SECTION 43.(c)** Section 19.1(g) of Session Law 2011-145 is amended by deleting "164-37,".

**SECTION 43.(d)** Section 19.1(i) of Session Law 2011-145 is amended by deleting "164-37,".

**SECTION 43.(e)** G.S. 164-37, as amended by Section 19.1(l) of Session Law 2011-145, reads as rewritten:

**"§ 164-37. Membership; chairman; meetings; quorum.**

The Commission shall consist of ~~30~~ 28 members as follows:

...

(3) The Secretary of ~~Correction~~ Public Safety or his designee;

~~(4) The Secretary of Crime Control and Public Safety or his designee;~~

...

~~(26) A representative of the Division of Juvenile Justice of the Department of Public Safety.~~

The Commission shall have its initial meeting no later than September 1, 1990, at the call of the Chairman. The Commission shall meet a minimum of four regular meetings each year. The Commission may also hold special meetings at the call of the Chairman, or by any four members of the Commission, upon such notice and in such manner as may be fixed by the rules of the Commission. A majority of the members of the Commission shall constitute a quorum."

**SECTION 43.(f)** Section 19.1(h) of Session Law 2011-145 is amended by deleting "164-40" and "164-42".

**SECTION 43.(g)** Section 19.1(q1) of Session Law 2011-145 is amended by deleting that subsection.

**SECTION 43.(h)** Section 19.1(bb) of Session Law 2011-145 is amended by deleting that subsection, and Section 19.1(u) of Session Law 2011-145 reads as rewritten:

**"SECTION 19.1.(u)** Division of Law Enforcement. – Parts 1 and 7 of Article 11 of Chapter 143B of the General Statutes are ~~repealed.~~ repealed, and the Law Enforcement Support Services Division of the Department of Crime Control and Public Safety is abolished. Part 9 of Article 11 of Chapter 143B of the General Statutes is recodified as Subpart A of Part 4 of Article 5A of Chapter 143B of the General Statutes, G.S. 143B-272.45."

**SECTION 43.(i)** Section 19.1(x1) of Session Law 2011-145 reads as rewritten:

1 "SECTION 19.1.(x1) Office of External Affairs. – Part 3A of Article 11 of Chapter 143B  
2 of the General Statutes is recodified as Subpart A of Part 7 of Article 5A of Chapter 143B of  
3 the General Statutes, "Victims' Services Section", G.S. 143B-272.103 through  
4 G.S. 143B-272.104."

5 SECTION 43.(j) G.S. 18B-500, as rewritten by Section 19.1(z) of Session Law  
6 2011-145, reads as rewritten:

7 "**§ 18B-500. Alcohol law-enforcement agents.**

8 (a) Appointment. – The Secretary of ~~the Department~~ of Public Safety shall appoint  
9 alcohol law-enforcement agents and other enforcement personnel. The Secretary of ~~the~~  
10 ~~Department~~ of Public Safety may also appoint regular employees of the Commission as alcohol  
11 law-enforcement agents. Alcohol law-enforcement agents shall be designated as "alcohol  
12 law-enforcement agents". Persons serving as reserve alcohol law-enforcement agents are  
13 considered employees of the Alcohol Law Enforcement Section for workers' compensation  
14 purposes while performing duties assigned or approved by the Director of Alcohol Law  
15 Enforcement Section or the Director's designee.

16 (b) Subject Matter Jurisdiction. – After taking the oath prescribed for a peace officer, an  
17 alcohol law-enforcement agent shall have authority to arrest and take other investigatory and  
18 enforcement actions for any criminal offense. The primary responsibility of an agent shall be  
19 enforcement of the ABC laws, lottery laws, and Article 5 of Chapter 90 (The Controlled  
20 Substances Act); however, an agent may perform any law-enforcement duty assigned by the  
21 Secretary of ~~the Department~~ of Public Safety or the Governor.

22 "...."

23 SECTION 43.(k) Section 19.1(bb1) of Session Law 2011-145 is deleted, and the  
24 introductory language to Section 19.1(bb2) and the catch line to G.S. 143B-490, as rewritten by  
25 that act, read as rewritten:

26 "SECTION 19.1.(bb2) G.S. 143B-490, as rewritten by subsection (g) of this section and  
27 recodified by subsection (w) of this section, reads as rewritten:

28 "**§ 143B-272.73A. Civil Air Patrol ~~Division~~ Section – powers and duties.**"

29 SECTION 43.(l) Section 19.1(dd1) of Session Law 2011-145 is deleted.

30 SECTION 43.(m) Section 19.1(jj) of Session Law 2011-145 reads as rewritten:

31 "SECTION 19.1.(jj) G.S. 122C-408, as rewritten by subsection (g) of this section and  
32 Section 19.3(b), reads as rewritten:

33 "**§ 122C-408. Butner Public Safety ~~Division~~ Section of the Department of Public Safety;  
34 jurisdiction; fire and police district.**

35 (a) The Secretary of Public Safety may employ special police officers for the territory  
36 of the Butner Reservation. The Secretary of Public Safety shall contract with the Town of  
37 Butner to provide fire and police protection to those areas within the incorporated limits of the  
38 Town of Butner. The territorial jurisdiction of these officers shall consist of the property shown  
39 on a map produced May 20, 2003, by the Information Systems Division of the North Carolina  
40 General Assembly and kept on file in the office of the Butner Town Manager and in the office  
41 of Director of the Butner Public Safety ~~Division~~ Section of the Department of Public Safety  
42 and such additional areas which are within the incorporated limits of the Town of Butner as  
43 shown on a map to be kept in the office of the Butner Town Manager and in the office of  
44 Director of the Butner Public Safety ~~Division~~ Section of the Department of Public Safety. The  
45 Secretary of Public Safety may organize these special police officers into a public safety  
46 department for that territory and may establish it as a division within that principal department  
47 as permitted by Chapter 143B of the General Statutes.

48 (b) After taking the oath of office required for law-enforcement officers, the special  
49 police officers authorized by this section shall have the authority of deputy sheriffs of Durham  
50 and Granville Counties in those counties respectively. Within the territorial jurisdiction stated  
51 in subsection (a) of this section, the special police officers have the primary responsibility to



1 enforce the laws of North Carolina, the ordinances of the Town of Butner, and any rule  
2 applicable to the Butner Reservation adopted under authority of this Part or under  
3 G.S. 143-116.6 or G.S. 143-116.7 or under the authority granted any other agency of the State  
4 and also have the powers set forth for firemen in Articles 80, 82 and 83 of Chapter 58 of the  
5 General Statutes. Any civil or criminal process to be served on any individual confined at any  
6 State facility within the territorial jurisdiction described in subsection (a) of this section shall be  
7 forwarded by the sheriff of the county in which the process originated to the Director of the  
8 Butner Public Safety ~~Division~~Section. Special police officers authorized by this section shall  
9 be assigned to transport any individual transferred to or from any State facility within the  
10 territorial jurisdiction described in subsection (a) of this section to or from the psychiatric  
11 service of the University of North Carolina Hospitals at Chapel Hill.

12 (c) The contract between the Town of Butner and the Department of Public Safety shall  
13 provide for each of the following:

- 14 (1) The Butner Public Safety ~~Division~~Section of the Department of Public  
15 Safety shall provide the same level of service to the incorporated area known  
16 as the Town of Butner as provided to those areas of the Town of Butner  
17 served by Butner Public Safety on January 1, 2007.

18 ...."

19 **SECTION 44.** Session Law 2011-145 is amended by adding a new section to read:

20 **"AVOIDANCE OF UNNECESSARY EXPENSES ASSOCIATED WITH**  
21 **REDESIGNATION OF SUBUNITS OF STATE AGENCIES**

22 **"SECTION 19.1.(hhh3)** Notwithstanding any other provision of law, in order to avoid the  
23 expense of issuing new identification badges and other materials, the Alcohol Law  
24 Enforcement Division may continue to be recognized by that name for all legal purposes,  
25 though functioning as a section of the Law Enforcement Division of the Department of Public  
26 Safety. All former departments which become divisions under the provisions of this act and all  
27 former divisions which become sections under this act shall, to the extent feasible, continue  
28 using stationery and other items containing the former name of the division or section in order  
29 to avoid unnecessary expense."

30  
31 **DEPARTMENT OF ADMINISTRATION**

32  
33 **SECTION 45.(a)** Section 20.1A of Session Law 2011-145 is repealed.

34 **SECTION 45.(b)** Section 20.2(b) of Session Law 2011-145 reads as rewritten:

35 **"SECTION 20.2.(b)** The Legislative Research Commission may make an interim report ~~to~~  
36 ~~the 2011 General Assembly when it reconvenes in 2012 and shall make its final report to the~~  
37 ~~2013 General Assembly by May 1, 2012, to the Chairs of the House Appropriations~~  
38 Subcommittee on General Government and the Chairs of the Senate Appropriations Committee  
39 on General Government and Information Technology."

40  
41 **DEPARTMENT OF CULTURAL RESOURCES**

42  
43 **SECTION 46.** Section 21.2(a) of Session Law 2011-145 reads as rewritten:

44 **"SECTION 21.2.(a)** ~~The Roanoke Island Commission shall receive State funds through~~  
45 ~~the 2011-2012 fiscal year. Beginning with the 2012-2013 fiscal year, the Roanoke Island~~  
46 ~~Commission shall be self-supporting. Beginning with the 2015-2016 fiscal year, the Roanoke~~  
47 Island Commission shall be self-supporting. The Roanoke Island Commission shall receive an  
48 appropriation of State funds for the 2011-2012 fiscal year and for the 2012-2013 fiscal year that  
49 are incrementally reduced each of those fiscal years pursuant to this act. It is the intent of the  
50 General Assembly that State funds continue to be appropriated to the Roanoke Island

1 Commission for the 2013-2014 fiscal year and for the 2014-2015 fiscal year but in amounts  
2 that continue the incremental reduction in those appropriations for each of those fiscal years."

3 **SECTION 47.** Section 21.3 of Session Law 2011-145 is repealed.  
4

## 5 GENERAL ASSEMBLY

6  
7 **SECTION 48.** The introductory language of Section 22.3 of Session Law  
8 2011-145 reads as rewritten:

9 "~~SECTION 22.3. G.S. 120-30.9B(b)~~ G.S. 120-30.9B reads as rewritten:".  
10

## 11 DEPARTMENT OF INSURANCE

12  
13 **SECTION 49.** Session Law 2011-145 is amended by adding the following new  
14 section to read:

### 15 "DEPARTMENT OF INSURANCE AND AFFORDABLE CARE ACT

16 "**SECTION 23.3.** It is the intent of the General Assembly to establish and operate a  
17 State-based health benefits Exchange that meets the requirements of the federal Patient  
18 Protection and Affordable Care Act, Public Law 111-148, as amended by the federal Health  
19 Care and Education Reconciliation Act of 2010, Public Law 111-152, collectively referred to as  
20 the Affordable Care Act (ACA). The Department of Insurance (DOI) and the Department of  
21 Health and Human Services (DHHS) may collaborate and plan in furtherance of the  
22 requirements of the ACA. DOI may contract with experts, using available funds or grants,  
23 necessary to facilitate preparation for an Information Technology system capable of performing  
24 requirements of the ACA.

25 The Commissioner of Insurance may also study the insurance-related provisions of the  
26 ACA and any other matters it deems necessary to successful compliance with the provisions of  
27 the ACA and related regulations. If the Commissioner of Insurance conducts such a study, the  
28 Commissioner shall submit a report to the 2012 Regular Session of the 2011 General Assembly  
29 containing recommendations resulting from the study."  
30

## 31 STATE CONTROLLER

32  
33 **SECTION 50.** Section 26A.1 of Session Law 2011-145 reads as rewritten:

34 "**SECTION 26A.1.(a)** During the 2011-2013 fiscal biennium, receipts generated by the  
35 collection of inadvertent overpayments by State agencies to vendors as a result of pricing  
36 errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds,  
37 erroneously paid excise taxes, and related errors as required by G.S. 147-86.22(c) are to be  
38 deposited in Special Reserve Account 24172.

39 "**SECTION 26A.1.(b)** For each year of the 2011-2013 fiscal biennium, five hundred  
40 thousand dollars (\$500,000) of the funds transferred from Special Reserve Account 24172 shall  
41 be used by the Office of the State Controller for data processing, debt collection, or  
42 e-commerce costs.

43 "**SECTION 26A.1.(c)** All funds available in Special Reserve Account 24172 on July 1 of  
44 each year of the 2011-2013 fiscal biennium are transferred to the General Fund on that date.  
45

46 ...."

## 47 DEPARTMENT OF TRANSPORTATION

48  
49 **SECTION 51.** Section 28.10(c) of S.L. 2011-145 reads as rewritten:

50 "**SECTION 28.10.(c)** ~~Unexpended and unencumbered funds previously allocated to~~  
51 ~~municipalities~~ Municipalities made ineligible to receive funds by subsection (b) of this section

1 shall have until June 30, 2012, to spend previously allocated funds, at which point the funds  
2 shall be reallocated to eligible municipalities in accordance with G.S. 136-41.1."

3 **SECTION 52.** Section 28.12A of Session Law 2011-145 reads as rewritten:

4 **"SECTION 28.12A.** The Program Evaluation Division of the General Assembly shall  
5 conduct a comprehensive evaluation of the North Carolina Railroad Company, a North  
6 Carolina corporation of which the State is the sole shareholder and which is a discretely  
7 reported component unit of the State as defined by the Governmental Accounting Standards  
8 Board. The evaluation shall address, at a minimum, the following issues:

- 9 (1) Whether the corporation is adhering to its stated corporate mission of  
10 maximizing the value of the corporation for the people of the State.
- 11 (2) What economic development benefits have been provided by the corporation  
12 and for what costs.
- 13 (3) An evaluation of the use of available cash by the corporation, including the  
14 purchase of real property used for investment purposes rather than paying  
15 dividends to the State.
- 16 (4) The approximate value of the corporation's assets, based on a market  
17 valuation rather than historic or book value of assets.
- 18 (5) The approximate value of the entire corporation as a going concern.
- 19 (6) The effectiveness of the provisions of Chapter 124 of the General Statutes to  
20 allow the State to exercise its shareholder rights and to provide effective  
21 shareholder oversight of the corporation.
- 22 (7) Whether the ownership of the corporation provides the State a reasonable  
23 return on its investment, attempting to consider both the tangible and  
24 intangible value provided by the corporation.
- 25 (8) Whether the corporation should be sold, transferred under the jurisdiction of  
26 the Department of Transportation or another State agency, or maintain its  
27 corporate structure.
- 28 (9) Whether the General Assembly should consider the possibility of repealing  
29 the corporate charter of the corporation by a special act, as allowed under  
30 Section 1 of Article VIII of the North Carolina Constitution.

31 For the purposes of this evaluation, the terms "State agency" or "agency" as used under  
32 Article 7C of Chapter 120 of the General Statutes shall include the North Carolina Railroad  
33 Company.

34 For the purposes of this evaluation, the Program Evaluation Division is hereby granted  
35 authority to exercise the State's shareholder right to inspect the corporate books and records of  
36 the North Carolina Railroad Company on behalf of the State.

37 ~~The~~ From funds available to the Joint Legislative Transportation Oversight Committee, the  
38 Program Evaluation Division may hire consultants to aid it in its evaluation, including experts  
39 in appraisal and valuation.

40 The Program Evaluation Division shall report the results of its study to the Joint Legislative  
41 Program Evaluation Oversight Committee and the Joint Legislative Transportation Oversight  
42 Committee no later than ~~May 1, 2012.~~ November 1, 2012."

43 **SECTION 53.(a)** Section 28.28 of Session Law 2011-145 is rewritten to read:

44 **"SECTION 28.28.(a)** The Administrative Services Section of the State Highway Patrol is  
45 hereby eliminated. The Secretary of the Department of Crime Control and Public Safety shall  
46 consolidate remaining Administrative Services Section positions and organizational units with  
47 other functions of the Department.

48 **"SECTION 28.28.(b)** The following State Highway Patrol positions are hereby  
49 eliminated:

Position ID	Position Title
60084611	Program Assistant V

1	60084615	Attorney
2	60085385	Sergeant
3	60084952	First Sergeant
4	60085315	W/A First Sergeant
5	60084628	Assessment Analyst
6	60084772	Office Assistant
7	60084779	Budget Analyst
8	60085953	Major
9	60084998	First Sergeant
10	60084947	Captain
11	60085945	W/A Captain
12	60085302	Lieutenant
13	60084755	Office Assistant
14	60084858	Office Assistant
15	60084686	Deputy Secretary

16       **"SECTION 28.28.(c)** In addition to the other budgetary reductions required by this act, the  
17 Department of Crime Control and Public Safety, State Highway Patrol, shall have management  
18 flexibility to achieve savings in the Patrol's operation of two million three hundred ~~twenty five~~  
19 ~~thousand four hundred eighty four dollars (\$2,325,484),~~ninety thousand two hundred two  
20 dollars (\$2,390,202) recurring, in fiscal year 2011-2012 and ten million ~~three hundred~~  
21 ~~seventy three thousand three hundred fifty dollars (\$10,373,350),~~four hundred eighty-two  
22 thousand twenty-six dollars (\$10,482,026) recurring, in fiscal year 2012-2013. The Department  
23 of Crime Control and Public Safety, State Highway Patrol, is authorized to eliminate positions  
24 to achieve this budgetary reduction but is encouraged to find efficiencies and savings elsewhere  
25 in the Patrol's administrative structure. Additionally, the Department of Crime Control and  
26 Public Safety, State Highway Patrol, may eliminate filled positions but shall not eliminate  
27 sworn law enforcement officer positions assigned to districts for the purposes of traffic and  
28 commercial motor vehicle enforcement, unless the State Highway Patrol has first achieved  
29 twenty-five percent (25%) of the requisite savings elsewhere in the operation of the Patrol,  
30 including through staffing reductions in its administrative structure and areas other than  
31 district-level enforcement operations. If the State Highway Patrol must eliminate district-level  
32 enforcement positions to meet the savings required by this section, then the Patrol shall  
33 maintain balanced law enforcement coverage among the troops and is authorized to move  
34 trooper positions from one troop to another to maintain balanced coverage.

35       **"SECTION 28.28.(d)** The Commander of the State Highway Patrol shall report on the  
36 number of positions eliminated for fiscal year 2011-2012. The report shall identify the position  
37 number and type; assignment area or organizational unit; whether the position was filled or  
38 vacant; personnel savings achieved; and any severance paid. The report shall also include  
39 alternatives considered to the implemented reductions in force. The Commander shall submit  
40 the report to the House of Representatives Appropriations Subcommittee on Justice and Public  
41 Safety, the Senate Appropriations Committee on Justice and Public Safety, and the Joint  
42 Legislative Crime Control and Public Safety Oversight Committee no later than March 1,  
43 2012."

44       **SECTION 53.(b)** Section 28.28 of Session Law 2011-145 is amended by adding a  
45 new subsection to read:

46       **"SECTION 28.28.(e)** Notwithstanding G.S. 20-192, to achieve the savings required by this  
47 section, the Commander of the State Highway Patrol may reassign personnel from the Patrol  
48 headquarters, except for those positions listed in subsection (b) of this section, to Troop  
49 Headquarters or district offices throughout the State."

50       **SECTION 54.** G.S. 20-85(a1)(2), as amended by Section 28.30(a) of Session Law  
51 2011-145, reads as rewritten:

"(2) Any additional funds collected shall be credited to the Highway Trust Fund and, notwithstanding G.S. 136-176(b), shall be allocated and used for urban loop projects."

**SECTION 55.** The introductory language of Section 28.32(c) of Session Law 2011-145 reads as rewritten:

"**SECTION 28.32.(c)** Effective for the 2011-2012 fiscal year only, G.S. 136-176(b2), as amended by Section 28.7(g) of S.L. 2010-31, reads as rewritten:"

**SECTION 56.** The introductory language of Section 28.32(e) of Session Law 2011-145 reads as rewritten:

"**SECTION 28.32.(e)** ~~G.S. 136-189.183(a)(2)~~ G.S. 136-89.183(a)(2) reads as rewritten:"

**SECTION 57.** Section 28.33(d) of Session Law 2011-145 is repealed.

**SECTION 58.** G.S. 136-180, as amended by Section 28.34(a) of Session Law 2011-145, reads as rewritten:

"**§ 136-180. Urban loops.**

Funds allocated from the Trust Fund for urban loops may be used only for urban loops as designated and prioritized by the Department of ~~Transportation~~ Transportation around the U.S. Census Bureau's defined urbanized areas."

## **SALARIES AND BENEFITS**

**SECTION 59.(a)** Section 29.21A of Session Law 2011-145 is repealed.

**SECTION 59.(b)** G.S. 126-7.1 is rewritten to read:

"**§ 126-7.1. Posting requirement; State employees receive priority consideration; reduction-in-force; Work First hiring.**

(a) All vacancies for which any State agency, department, or institution openly recruit shall be posted in a place readily accessible to employees within at least the following:

- (1) The personnel office of the agency, department, or institution having the vacancy; and
- (2) The particular work unit of the agency, department, or institution having the vacancy.

If the decision is made, initially or at any time while the vacancy remains open, to receive applicants from outside the recruiting agency, department, or institution, the vacancy shall also be listed on a website maintained by the Office of State Personnel for the purpose of informing current State employees and the public of such vacancy. The State agency, department, or institution may not receive approval from the Office of State Personnel to fill a job vacancy if the agency, department, or institution cannot prove to the satisfaction of the Office of State Personnel that it complied with these posting requirements. The agency, department, or institution which hires any person in violation of these posting requirements shall pay such person when employment is discontinued as a result of such violation for the work performed during the period of time between his initial employment and separation.

(a1) State employees to be affected by a reduction in force shall be notified of the reduction in force as soon as practicable, and in any event, no less than 30 days prior to the effective date of the reduction in force.

(a2) The State Personnel Commission shall adopt rules to provide that State employees separated from State employment as the result of reductions in force who accept a position in State government shall be paid a salary no higher than the maximum of the salary grade of the position accepted.

(b) Subsection (a) of this section does not apply to vacancies which must be filled immediately to prevent work stoppage or the protection of the public health, safety, or security.

(c) If a State employee subject to this section:

- 1 (1) Applies for another position of State employment that would constitute a  
2 promotion and;
- 3 (2) Has substantially equal qualifications as an applicant who is not a State  
4 employee

5 then the State employee shall receive priority consideration over the applicant who is not a  
6 State employee. This priority consideration shall not apply when the only applicants considered  
7 for the vacancy are current State employees.

8 (c1) If a State employee who has been separated due to reduction in force or who has  
9 been given notice of imminent separation due to reduction in force:

- 10 (1) Applies for another position of State employment equal to or lower in salary  
11 grade than the position held by the employee at the time of notification or  
12 separation; and
- 13 (2) Has substantially equal qualifications as any other applicant.

14 then within all State agencies, the State employee who has been notified of or separated due to  
15 a reduction in force shall receive priority consideration over all other applicants. This priority  
16 shall remain in effect for a period of 12 months from the date the employee receives  
17 notification of separation by reduction in force. State employees separated due to reduction in  
18 force shall receive higher priority than other applicants with employment or reemployment  
19 priorities, except that the reemployment priority created by G.S. 126-5(e)(1) shall be  
20 considered as equal.

21 (d) "Qualifications" within the meaning of subsection (c) of this section shall consist of:

- 22 (1) Training or education;
- 23 (2) Years of experience; and
- 24 (3) Other skills, knowledge, and abilities that bear a reasonable functional  
25 relationship to the abilities and skills required in the job vacancy applied for.

26 (e) Each State agency, department, and institution is encouraged to hire into State  
27 government employment qualified applicants who are current or former Work First Program  
28 participants.

29 (f) Each State agency, department, institution, university, community college, and local  
30 education agency shall verify, in accordance with the Basic Pilot Program administered by the  
31 United States Department of Homeland Security pursuant to 8 U.S.C. § 1101, et seq, each  
32 individual's legal status or authorization to work in the United States after hiring the individual  
33 as an employee to work in the United States."

34 **SECTION 59.(b)** Nothing in this section affects the extended period of priority  
35 reconsideration afforded to State employees by Section 26.14D of S.L. 2009-451, as amended  
36 by Section 9.3 of S.L. 2009-575.

37 **SECTION 59.(c)** This section applies to employees who have been given notice of  
38 imminent separation due to reduction in force on or after the date this act becomes law.

39 **SECTION 59A.** Section 29.8(a) of S.L. 2011-145 reads as rewritten:

40 **"SECTION 29.8.(a)** The annual pay of all State employees for the 2011-2013 fiscal  
41 biennium shall remain unchanged from that authorized on June 30, 2011, or the last date in pay  
42 status during the 2010-2011 fiscal year, if earlier, except that an increase may be allowed under  
43 the following special circumstances:

- 44 (1) For all State employees regardless of funding source, and for employees of  
45 the North Carolina Community College System and local school boards who  
46 are paid from State funds, salaries may be increased for reallocations or  
47 promotions, in-range adjustments for job change, career progression  
48 adjustments for demonstrated competencies, or any other adjustment related  
49 to an increase in job duties or responsibilities, none of which are subject to  
50 the salary freeze otherwise provided by this Part. All other salary increases  
51 are prohibited.

- 1           (1a) For employees of the North Carolina Community College System,  
2 notwithstanding subdivision (1) of this subsection, salaries may be increased  
3 if the increase is funded from local funding sources.
- 4           (2) For The University of North Carolina, (i) faculty using funds from the  
5 Faculty Recruiting and Retention Fund, the Distinguished Professors  
6 Endowment Fund, or the University Cancer Research Fund in the case of  
7 faculty involved in cancer research supported by that fund and (ii) faculty,  
8 nonfaculty, and other employee adjustments, including retention  
9 adjustments, funded from non-State funding sources.
- 10          (3) For employees of the judicial branch, for local supplementation as  
11 authorized by G.S. 7A-300.1.

12 The cumulative salary adjustment allowed under this subsection for the 2011-2012 fiscal year  
13 may exceed ten percent (10%) of annual salary only if the adjustment is approved in advance  
14 by the Office of State Budget and Management, The University of North Carolina Board of  
15 Governors, the Board of the North Carolina Community College System, the Legislative  
16 Services Commission, the local board of education, or other authorized body as appropriate."

17           **SECTION 60.** Section 30.5 of Session Law 2011-145 reads as rewritten:

18 **"REPAIRS AND RENOVATIONS RESERVE ALLOCATION**

19           **"SECTION 30.5.(a)** Of the funds in the Reserve for Repairs and Renovations for the  
20 2011-2012 fiscal year, fifty percent (50%) shall be allocated to the Board of Governors of The  
21 University of North Carolina for repairs and renovations pursuant to ~~G.S. 143C-4-3, in~~  
22 ~~accordance with guidelines developed in The University of North Carolina Funding Allocation~~  
23 ~~Model for Reserve for Repairs and Renovations, as approved by the Board of Governors of The~~  
24 ~~University of North Carolina,~~ G.S. 143C-4-3, and fifty percent (50%) shall be allocated to the  
25 Office of State Budget and Management for repairs and renovations pursuant to G.S. 143C-4-3.

26           ~~Notwithstanding G.S. 143C-4-3, the Board of Governors may allocate funds for the repair~~  
27 ~~and renovation of facilities not supported from the General Fund if the Board determines that~~  
28 ~~sufficient funds are not available from other sources and that conditions warrant General Fund~~  
29 ~~assistance. Any such finding shall be included in the Board's submission to the Joint Legislative~~  
30 ~~Commission on Governmental Operations on the proposed allocation of funds.~~

31           ~~The Board of Governors and the Office of State Budget and Management shall consult with~~  
32 ~~the Joint Legislative Commission on Governmental Operations prior to the allocation or~~  
33 ~~reallocation of these funds. The Board of Governors shall report to the Joint Legislative~~  
34 ~~Commission on Governmental Operations in accordance with G.S. 143C-4-3(d).~~

35           **"SECTION 30.5.(b)** ~~Of~~ Notwithstanding G.S. 143C-4-3(d), the funds allocated to the  
36 Board of Governors of The University of North Carolina in subsection (a) of this section, a  
37 portion shall be used by the Board of Governors for the installation of fire sprinklers in  
38 university residence halls. This portion shall be in addition to funds otherwise appropriated in  
39 this act for the same purpose. Such funds shall be allocated among The University of North  
40 Carolina's constituent institutions by the President of The University of North Carolina, who  
41 shall consider the following factors when allocating those funds:

- 42           (1) The safety and well-being of the residents of campus housing programs.
- 43           (2) The current level of housing rents charged to students and how that  
44 compares to an institution's public peers and other UNC institutions.
- 45           (3) The level of previous authorizations to constituent institutions for the  
46 construction or renovation of residence halls funded from the General Fund,  
47 or from bonds or certificates of participation supported by the General Fund,  
48 since 1996.
- 49           (4) The financial status of each constituent institution's housing system,  
50 including debt capacity, debt coverage ratios, credit rankings, required  
51 reserves, the planned use of cash balances for other housing system

1 improvements, and the constituent institution's ability to pay for the  
2 installation of fire sprinklers in all residence halls.

- 3 (5) The total cost of each proposed project, including the cost of installing fire  
4 sprinklers and the cost of other construction, such as asbestos removal and  
5 additional water supply needs.

6 The Board of Governors shall submit progress reports to the Joint Legislative Commission  
7 on Governmental Operations. Reports shall include the status of completed, current, and  
8 planned projects. Reports also shall include information on the financial status of each  
9 constituent institution's housing system, the constituent institution's ability to pay for fire  
10 protection in residence halls, and the timing of installation of fire sprinklers. Reports shall be  
11 submitted on January 1 and July 1 until all residence halls have fire sprinklers.

12 "**SECTION 30.5.(c)** ~~Of Notwithstanding G.S. 143C-4-3(d),~~ of the funds allocated to the  
13 Board of Governors of The University of North Carolina in subsection (a) of this section, a  
14 portion shall be used by the Board of Governors for campus public safety improvements  
15 allowable under G.S. 143C-4-3(b)."

16 **SECTION 61.** Section 30.6 of Session Law 2011-145 reads as rewritten:

17 **"PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS**

18 "**SECTION 30.6.** The appropriations made by the 2011 General Assembly for capital  
19 improvements shall be disbursed for the purposes provided by this act. Expenditure of funds  
20 shall not be made by any State department, institution, or agency until an allotment has been  
21 approved by the Governor as Director of the Budget. The allotment shall be approved only after  
22 full compliance with the State Budget Act, Chapter 143C of the General Statutes. Prior to the  
23 award of construction contracts for projects to be financed in whole or in part with  
24 self-liquidating appropriations, the Director of the Budget shall approve the elements of the  
25 method of financing of those projects, including the source of funds, interest rate, and  
26 liquidation period. Provided, however, that if the Director of the Budget approves the method  
27 of financing a project, the Director shall report that action to the Joint Legislative Commission  
28 on Governmental Operations at its next meeting. Provided further that this requirement shall  
29 not apply to projects of The University of North Carolina financed with funds available to the  
30 institutions from gifts, grants, receipts, self-liquidating indebtedness, Medicare reimbursements  
31 for education costs, hospital receipts from patient care, or other funds, or any combination of  
32 these funds, but not including funds received for tuition or appropriated from the General Fund  
33 of the State.

34 Where direct capital improvement appropriations include the purpose of furnishing fixed  
35 and movable equipment for any project, those funds for equipment shall not be subject to  
36 transfer into construction accounts except as authorized by the Director of the Budget. The  
37 expenditure of funds for fixed and movable equipment and furnishings shall be reviewed and  
38 approved by the Director of the Budget prior to commitment of funds.

39 Capital improvement projects authorized by the 2011 General Assembly shall be  
40 completed, including fixed and movable equipment and furnishings, within the limits of the  
41 amounts of the direct or self-liquidating appropriations provided, except as otherwise provided  
42 in this act. Capital improvement projects authorized by the 2011 General Assembly for the  
43 design phase only shall be designed within the scope of the project as defined by the approved  
44 cost estimate filed with the Director of the Budget, including costs associated with site  
45 preparation, demolition, and movable and fixed equipment."

46 **FEE PROVISIONS**

47  
48  
49 **SECTION 62.** G.S. 7A-307(a)(4), as amended by Section 31.23(d) of Session Law  
50 2011-145, reads as rewritten:

51 "**SECTION 31.23.(d)** G.S. 7A-307(a) reads as rewritten:



1 (a) In the administration of the estates of decedents, minors, incompetents, of missing  
2 persons, and of trusts under wills and under powers of attorney, in trust proceedings under  
3 G.S. 36C-2-203, and in collections of personal property by affidavit, the following costs shall  
4 be assessed:

- 5 ...  
6 (4) For the support of the General Court of Justice, the sum of twenty dollars  
7 (\$20.00) shall accompany any filing requiring a notice of hearing and  
8 containing one or more motions not listed in G.S. 7A-308 that is filed with  
9 the clerk. No costs shall be assessed to a motion containing as a sole claim  
10 for relief the taxing of costs, including attorneys' fees."

11 **SECTION 63.(a)** If House Bill 642, 2011 Regular Session, becomes law, then  
12 Section 7(o) of that act is repealed.

13 **SECTION 63.(b)** Session Law 2011-145 is amended by adding a new section to  
14 read:

15 **"CODIFY APPLICATION OF CHANGES TO COURT COSTS**

16 **"SECTION 31.23B.** G.S. 7A-304 is amended by adding a new subsection to read:

17 (g) Changes to the costs or fees in this section apply to costs or fees assessed or  
18 collected on or after the effective date of the change. However, in misdemeanor or infraction  
19 cases disposed of on or after the effective date by written appearance, waiver of trial or hearing,  
20 and plea of guilt or admission of responsibility pursuant to G.S. 7A-180(4) or G.S. 7A-273(2),  
21 and within the time limit imposed by G.S. 7A-304(a)(6), in which the citation or other criminal  
22 process was issued before the effective date, the costs or fees shall be the lesser of those  
23 specified in this section as amended, or those specified in the notice portion of the defendant's  
24 or respondent's copy of the citation or other criminal process, if any costs or fees are specified  
25 in that notice."

26 **SECTION 64.** Session Law 2011-145 is amended by adding a new section to read:

27 **"WITNESS FEE AMENDMENT**

28 **"SECTION 31.23C.(a)** G.S. 7A-314 reads as rewritten:

29 **'§ 7A-314. Uniform fees for witnesses; experts; limit on number.**

30 (a) A witness under subpoena, bound over, or recognized, other than a salaried State,  
31 county, or municipal law-enforcement officer, or an out-of-state witness in a criminal case,  
32 whether to testify before the court, Judicial Standards Commission, jury of view, magistrate,  
33 clerk, referee, commissioner, appraiser, or arbitrator shall be entitled to receive five dollars  
34 (\$5.00) per day, or fraction thereof, during his attendance, which, except as to witnesses before  
35 the Judicial Standards Commission, must be certified to the clerk of superior court.  
36 Compensation of witnesses acting on behalf of the court or prosecutorial offices shall be paid in  
37 accordance with the rules established by the Administrative Office of the Courts.  
38 Compensation of witnesses provided under G.S. 7A-454 shall be in accordance with rules  
39 established by the Office of Indigent Defense Services.

40 (b) A witness entitled to the fee set forth in subsection (a) of this section, and a  
41 law-enforcement officer who qualifies as a witness, shall be entitled to receive reimbursement  
42 for travel expenses as follows:

- 43 (1) A witness whose residence is outside the county of appearance but within 75  
44 miles of the place of appearance shall be entitled to receive mileage  
45 reimbursement at the rate currently authorized for State employees, for each  
46 mile necessarily traveled from his place of resident to the place of  
47 appearance and return, each day. Reimbursements to witnesses acting on  
48 behalf of the court or prosecutorial offices shall be paid in accordance with  
49 the rules established by the Administrative Office of the Courts.  
50 Reimbursements to witnesses provided under G.S. 7A-454 shall be in

1 accordance with rules established by the Office of Indigent Defense  
2 Services.

- 3 (2) A witness whose residence is outside the county of appearance and more  
4 than 75 miles from the place of appearance shall be entitled to receive  
5 mileage reimbursement at the rate currently authorized State employees for  
6 one round-trip from his place of residence to the place of appearance. A  
7 witness required to appear more than one day shall be entitled to receive  
8 reimbursement for actual expenses incurred for lodging and meals not to  
9 exceed the maximum currently authorized for State employees, in lieu of  
10 daily mileage. Reimbursements to witnesses acting on behalf of the court or  
11 prosecutorial offices shall be paid in accordance with the rules established  
12 by the Administrative Office of the Courts. Reimbursements to witnesses  
13 provided under G.S. 7A-454 shall be in accordance with rules established by  
14 the Office of Indigent Defense Services.

15 (c) A witness who resides in a state other than North Carolina and who appears for the  
16 purpose of testifying in a criminal action and proves his attendance may be compensated at the  
17 rate allowed to State officers and employees by subdivisions (1) and (2) of G.S. 138-6(a) for  
18 one round-trip from his place of residence to the place of appearance, and five dollars (\$5.00)  
19 for each day that he is required to travel and attend as a witness, upon order of the court based  
20 upon a finding that the person was a necessary witness. If such a witness is required to appear  
21 more than one day, he is also entitled to reimbursement for actual expenses incurred for lodging  
22 and meals, not to exceed the maximum currently authorized for State employees.  
23 Reimbursements to witnesses acting on behalf of the court or prosecutorial offices shall be paid  
24 in accordance with the rules established by the Administrative Office of the Courts.  
25 Reimbursements to witnesses provided under G.S. 7A-454 shall be in accordance with rules  
26 established by the Office of Indigent Defense Services.

27 (d) An expert witness, other than a salaried State, county, or municipal law-enforcement  
28 officer, shall receive such compensation and allowances as the court, or the Judicial Standards  
29 Commission, in its discretion, may authorize. A law-enforcement officer who appears as an  
30 expert witness shall receive reimbursement for travel expenses only, as provided in subsection  
31 (b) of this section. Compensation of experts acting on behalf of the court or prosecutorial  
32 offices shall be paid in accordance with the rules established by the Administrative Office of  
33 the Courts. Compensation of experts provided under G.S. 7A-454 shall be in accordance with  
34 rules established by the Office of Indigent Defense Services.

35 .....

36 "SECTION 31.23C.(b) G.S. 7A-454 reads as rewritten:  
37 '§ 7A-454. Supporting services.

38 Fees for the services of an expert witness or other witnesses, paid in accordance with  
39 G.S. 7A-314, including travel expenses, lodging, and other appearance expenses, for an  
40 indigent person and other necessary expenses of counsel shall be paid by the State in  
41 accordance with rules adopted by the Office of Indigent Defense Services."

42 SECTION 65. The title of Section 31.25 of Session Law 2011-145 reads as  
43 rewritten:

44 "~~JPS/AOC/INCREASE~~JPS/DOC/INCREASE INTERSTATE COMPACT FEE."

45 SECTION 66. Section 31.26A of Session Law 2011-145 is repealed.

## 46 MISCELLANEOUS PROVISIONS

### 47 COMMITTEE REPORT

48 SECTION 67.(a) The Senate Appropriations Committee Report on the  
49 Continuation, Expansion, and Capital Budgets dated June 16, 2011, which was distributed in  
50  
51

1 the Senate and the House of Representatives and used to explain this act, shall indicate action  
2 by the General Assembly on S.L. 2011-145 and this act, and shall therefore be used to construe  
3 such acts, as provided in the State Budget Act, Chapter 143C of the General Statutes, and for  
4 these purposes shall be considered a part of such acts and as such shall be printed as a part of  
5 the Session Laws.

6 **SECTION 67.(b)** The budget enacted by the General Assembly is for the  
7 maintenance of the various departments, institutions, and other spending agencies of the State  
8 for the 2011-2013 biennial budget as provided in G.S. 143C-3-5. This budget includes the  
9 appropriations of State funds as defined in G.S. 143C-1-1(d)(25).

10 The Director of the Budget submitted a recommended continuation budget to the  
11 General Assembly on February 15, 2011, in the document "The State of North Carolina  
12 Governor's Recommended Budget, 2011-2013" and in the Budget Support Document for the  
13 various departments, institutions, and other spending agencies of the State. The adjustments to  
14 these documents made by the General Assembly in S.L. 2011-145 and this act are set out in the  
15 Committee Report.

16 **SECTION 67.(c)** The budget enacted by the General Assembly shall also be  
17 interpreted in accordance with G.S. 143C-5-5, the special provisions in this act and other  
18 appropriate legislation.

19 In the event that there is a conflict between the line-item budget certified by the  
20 Director of the Budget and the budget enacted by the General Assembly, the budget enacted by  
21 the General Assembly shall prevail.  
22

#### 23 **EFFECTIVE DATE**

24 **SECTION 68.** Unless otherwise provided, this act becomes effective July 1, 2011.