



**NORTH CAROLINA GENERAL ASSEMBLY
CONFERENCE REPORT**

Senate Bill 14

S14-CRMM-14 [v.5]

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[YES] Title Change

[NO] For Conference Committee Substitute

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 14, A BILL TO BE ENTITLED AN ACT TO PROVIDE FUNDS FOR THE OPERATING EXPENSES OF THE ACADEMIC STANDARDS REVIEW COMMISSION; TO REQUIRE THAT THE ACADEMIC STANDARDS REVIEW COMMISSION POST CERTAIN PUBLIC RECORDS ON ITS WEB SITE; TO PROVIDE THAT A STATE OFFICER MAY SERVE ON THE ECONOMIC DEVELOPMENT PARTNERSHIP BOARD; TO CLARIFY COAL ASH MANAGEMENT COMMISSION APPROPRIATIONS; TO CLARIFY WHEN A DOWNSTREAM INUNDATION MAP MUST BE PREPARED BY A LICENSED PROFESSIONAL ENGINEER; TO EXTEND THE DEADLINE FOR THE SUBMISSION OF EMERGENCY ACTION PLANS FOR DAMS NOT ASSOCIATED WITH COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS TO DECEMBER 31, 2015; TO LIMIT THE USE OF FUNDS APPROPRIATED TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR HEALTH INFORMATION EXCHANGE; AND TO REQUIRE A PERFORMANCE AUDIT OF MEDICAID ELIGIBILITY DETERMINATIONS BY COUNTY DEPARTMENTS OF SOCIAL SERVICES, House Committee Substitute Favorable 2/20/15, Third Edition Engrossed 3/3/15, submit the following report:

The Senate and the House agree to the following amendments to the House Committee Substitute Favorable 2/20/15, Third Edition Engrossed 3/3/15, and the Senate concurs in the Committee Substitute, as amended:

On page 1, lines 2 through 15, by deleting the lines and substituting the following:
"AN ACT TO PROVIDE FUNDS FOR CERTAIN EXPENDITURES AND TO CLARIFY AND MODIFY OTHER LAWS." and

on page 1, by inserting the following between lines 16 and 17:
"SECTION 1. Of the funds appropriated to the Department of Public Instruction for the 2014-2015 fiscal year, the Department shall transfer the sum of fifty thousand dollars (\$50,000) to the Office of Administrative Hearings to be allocated to the Rules Review Commission, created by G.S. 143B-30.1, to pay for any litigation costs incurred in the defense of *North Carolina State Board of Education v. The State of North Carolina and The Rules Review Commission*, Wake County Superior Court, File No. 14 CVS 14791 (filed November 7,



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2014). These funds shall not revert at the end of the 2014-2015 fiscal year but shall remain available during the 2015-2016 fiscal year for expenditure in accordance with this section.";

and on page 1, lines 17-34, by deleting the lines and substituting the following:

"SECTION 2. Of the funds appropriated to the Department of Public Instruction for the 2014-2015 fiscal year for current operations of the Department, the Department shall transfer the sum of two hundred seventy-five thousand dollars (\$275,000) to the Department of Administration to support the operations of the Academic Standards Review Commission established in S.L. 2014-78. From these funds, an amount equal to the total of all costs incurred by the Department of Administration prior to the enactment of this act to support the operations of the Commission shall be credited to the Department. Expenditure of the remainder of these funds shall be made upon authorization by the Commission, only for the following:

- (1) Administrative assistance, including professional and clerical staff and any contracts for professional, clerical, and consultant services. Consultant services may include contracts with qualified experts on academic standards that may be used as an alternative to the Common Core Standards, including other state academic standards.
- (2) Technical assistance, including meeting rooms, telephones, office space, equipment, and supplies provided by the Department of Administration in accordance with Section 2(f) of S.L. 2014-78.
- (3) Per diem, subsistence, and travel allowances provided to Commission members in accordance with G.S. 138-5, 138-6, or 120-3.1, as appropriate.";

and on page 4, line 37, through page 6, line 8, by deleting the lines and substituting the following:

"SECTION 11.(a) Notwithstanding G.S. 143C-6-4 or any other provision of law, the sum of two million dollars (\$2,000,000) appropriated to the Department of Health and Human Services, Division of Central Management and Support, for the health information exchange for the 2014-2015 fiscal year shall be nonrecurring. The Department shall not, under any circumstances, use any portion of this two million dollars (\$2,000,000) in nonrecurring funds for any purpose not expressly authorized under section 12A.2 of S.L. 2014-100, as amended by this act. Any funds that are not expended or encumbered as of June 30, 2015, shall revert to the General Fund.

SECTION 11.(b) Section 12A.2 of S.L. 2014-100 reads as rewritten:

~~**"SECTION 12A.2.(a)** It is the intent of the General Assembly:~~

- ~~(1) To maximize receipt of federal funds for administration and support of the statewide health information exchange network (HIE Network).~~
- ~~(2) To allow the North Carolina Health Information Exchange (NC HIE), the nonprofit corporation responsible for overseeing and administering the HIE Network, to receive the State's share of available federal funds for administration and support of the HIE Network in order to reduce the operating costs of the HIE Network by an amount sufficient to allow for the elimination or reduction of the participation fee the NC HIE currently imposes on hospitals required to connect to the HIE Network pursuant to G.S. 90-413.3A.~~

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- (3) ~~Beginning with the 2015-2016 fiscal year, to make the Department of Health and Human Services, Division of Central Management and Support, responsible for using State funds to draw down available matching federal funds for administration and support of the HIE Network.~~

SECTION 12A.2.(b) From the nonrecurring funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for the health information exchange for the 2014-2015 fiscal year, the Department shall allocate to the North Carolina Health Information Exchange, Exchange (NC HIE), a nonprofit corporation, an amount sufficient to represent the State share for the maximum amount of approved federal matching funds for allowable Medicaid administrative costs related to the HIE Network, the following amounts to be used to fund the following expenses incurred or encumbered by the NCHIE during the period commencing February 1, 2015, and ending June 30, 2015:

- (1) Four hundred thirty-six thousand ten dollars (\$436,010) to be used for software vendor maintenance, hosting, and licensing costs due under the technology vendor contract currently in effect between NCHIE and Orion.
- (2) Three hundred fifty-six thousand nine hundred twenty dollars (\$356,920) to be used for NCHIE payroll costs.
- (3) Ninety-two thousand one hundred sixty dollars (\$92,160) to be used for operational expenses.

SECTION 12A.2.(b1) The Department shall, within five days of this act becoming law, process the payment for the expenses allowed in subsection (b) of this section and incurred or encumbered between February 1, 2015, and June 30, 2015. The NC HIE shall not use any portion of the funds allocated to the NC HIE pursuant to subsection (b) of this section for expenses incurred or encumbered prior to February 1, 2015, or for any other purpose not expressly authorized under subsection (b) of this section.

SECTION 12A.2.(b2) In addition to the allocations authorized under subsection (b) of this section, of the two million dollars (\$2,000,000) of nonrecurring funds appropriated to the Department of Health and Human Services, Division of Central Management and Support, for the health information exchange for the 2014-2015 fiscal year, the Department shall transfer the sum of one hundred fifty thousand dollars (\$150,000) to the Office of the State Chief Information Officer (SCIO). The SCIO, in conjunction with the Department, shall use these funds to conduct an assessment of the existing functionality, structure, and operation of the HIE Network.

SECTION 12A.2.(c) By March 1, 2015, the NC HIE shall report to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division May 1, 2015, the Department shall submit to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committees on Health and Human Services and Information Technology, and the Fiscal Research Division a report on its use of (i) all State appropriations allocated to or on behalf of the NC HIE pursuant to this section and (ii) federal matching funds received by the NC HIE for costs related to the HIE Network. The report shall include a detailed, audited report of all State and federal funds received by the NC HIE and all expenditures from these funds.

SECTION 12A.2.(d) By June 1, 2015, the Department, in conjunction with the Office of the SCIO, shall submit to the Joint Legislative Oversight Committees on Health and

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Human Services and Information Technology and to the Fiscal Research Division the results of the results of the assessment conducted pursuant to subsection (b2) of this section.

SECTION 12A.2.(e) It is the intent of the General Assembly to continue efforts towards the implementation of a statewide HIE."; and

on page 6, by deleting lines 37 through 41.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date Conferees approved report: March __, 2015.

Conferees for the Senate

Conferees for the
House of Representatives

Harry Brown, Chair

Nelson Dollar, Chair

Tom Apodaca

Linda P. Johnson

Kathy Harrington

Donny Lambeth

Ralph Hise

Chuck McGrady

Brent Jackson

Susan Martin

Jerry W. Tillman

Paul Stam

Ken Goodman

Submitted _____

ADOPTED _____

ADOPTED _____

(/)

(/)

Message Received _____

Ordered Enrolled _____