

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 805
Committee Substitute Favorable 8/13/15
Senate Commerce Committee Substitute Adopted 6/24/16
PROPOSED SENATE COMMITTEE SUBSTITUTE H805-PCS30533-ML-23

Short Title: Measurability Assessments/Budget Tech. Corr.

(Public)

Sponsors:

Referred to:

April 15, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR MEASURABILITY ASSESSMENTS OF STATE PROGRAMS
3 AND TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO THE
4 CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT
5 OF 2016.

6 The General Assembly of North Carolina enacts:

7
8 **PART I. MEASURABILITY ASSESSMENT**

9 **SECTION 1.** The North Carolina General Statutes are amended by adding a new
10 Chapter to read:

11 **"Chapter 143E.**

12 **"The North Carolina Measurability Assessment Act of 2016.**

13 **"§ 143E-1. Title.**

14 This Chapter shall be known and may be cited as the "North Carolina Measurability
15 Assessment Act of 2016."

16 **"§ 143E-2. Request for measurability assessment.**

17 The General Assembly may require a measurability assessment of any proposed or existing
18 State program to determine whether the program is or will be capable of reporting performance
19 and return on investment.

20 **"§ 143E-3. Definition of measurability assessment.**

21 (a) A measurability assessment is an independent evaluation conducted on a new or
22 existing State program.

23 (b) A measurability assessment must include or determine all of the following:

24 (1) Whether and to what degree the program is unique and does not duplicate or
25 negate results of another public or private program or enterprise.

26 (2) The local, regional, or statewide problems or needs that the program is intended
27 to address.

28 (3) Whether there is a program design portrayed by a logic model as defined by the
29 Logic Model Development Guide by the W.K. Kellogg Foundation, including
30 an evaluation of that logic model.

31 (4) Whether there is evidence that the program produces results attributable to the
32 program to remedy the problem or need. The information required by this
33 subdivision shall include the following, as applicable:



* H 8 0 5 - P C S 3 0 5 3 3 - M L - 2 3 *

- 1 a. For a proposed program, whether the evidence stems from a formative
2 evaluation of proposed activities through a field trial using a valid and
3 reliable instrument or method to measure changes in a randomized
4 control group that was not subjected to the proposed activities to
5 changes in a randomized group that did receive the proposed activities.
6 b. For an existing program asserting existence of evidence, whether the
7 evidence stemmed from a post-program summative evaluation using an
8 experimental or quasi-experimental research design.
9 c. For both proposed and existing programs, if the evidence had been
10 subjected to alternative interpretations and peer review.
11 (5) The capacity of the administering entity to expand the program based upon
12 existing evidence or results.
13 (6) How the program proposes to engage in strategic planning.
14 (7) How the program proposes to measure performance, including measurement of
15 the following:
16 a. Total costs of program services with costs separately reported for each
17 activity associated with each service.
18 b. Outputs or counts of units of services and for individual activities
19 associated with each service.
20 c. Costs per unit of service and for individual activities associated with
21 each service.
22 d. Outcomes or results attributable to each program service, including
23 results upon completion of program service; results still evident one,
24 two, and three years after completion; ultimate or permanent results; and
25 when and how permanent results will be determined by the program.
26 e. Customer or client satisfaction with program services.
27 f. Statewide impacts of program outcomes as evidenced by census data or
28 other statewide data.
29 g. Performance compared to standards and what standards the program
30 intends to use.
31 (8) How the program will continuously improve quality of program services and
32 consistency with the strategic plan.
33 (9) Whether the administering entity has conducted an assessment to identify
34 financial and legal risks to the entity or the State and has plans for minimizing
35 risk exposure.
36 (10) Whether the program conducts five-year forecasts of annual recurring costs and
37 sources of funding for each year.
38 (11) Whether the program proposes to share costs with primary beneficiaries
39 through a fee-for-service, co-payment, or tuition basis and the extent to which
40 any expected cost-sharing is or will be means-tested and by what method.
41 (12) How program staffing requirements are determined and an evaluation of those
42 requirements.
43 (13) Whether the program has or proposes to have a financial accounting system
44 capable of accounting for all assets, liabilities, receipts, and disbursements.
45 (14) Whether the program is or will be post-audited and if there are any potential
46 impediments to audits or evaluations by the State Auditor, agency internal
47 auditors, or the Program Evaluation Division of the General Assembly.
48 (c) The assessor must submit a written report containing the results of the measurability
49 assessment to the Program Evaluation Division at a time and in a format required by the Program
50 Evaluation Division.

51 "§ 143E-4. Administration of measurability assessment process.

(a) The Program Evaluation Division must use a competitive process to prequalify independent measurability assessors. The assessors will be independent contractors compensated through a uniform fee system established by the Program Evaluation Division, and there will be no guarantee that any prequalified assessor will receive assessment assignments. The Program Evaluation Division shall not assign an assessor to a measurability assessment if the assessor has been employed by or contracted with the entity within five years preceding the assessment.

(b) The Program Evaluation Division shall establish standards for assessor qualifications, independence, and conducting and reporting measurability assessments. Individuals who do not meet the qualifications may not be used to conduct measurability assessments.

(c) Whenever a measurability assessment is required, the Program Evaluation Division shall select the assessor and require the agency or institution to reimburse the Program Evaluation Division for the assessor's costs and for a share of the Program Evaluation Division's costs for administering the measurability assessment program."

PART II. GENERAL PROVISIONS

SECTION 2.1. If House Bill 1030, 2015 Regular Session, becomes law, then Section 2.1 of that act reads as rewritten:

"SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are adjusted for the fiscal year ending June 30, 2017, according to the schedule that follows. Amounts set out in parentheses are reductions from General Fund appropriations for the 2016-2017 fiscal year:

Current Operations – General Fund FY 2016-2017

EDUCATION

...

University of North Carolina – Board of Governors

...	
Elizabeth City State University	250,000
...	
UNC School of the Arts	630,000
...	
General Administration	<u>1,250,000</u>
University Institutional Programs	118,285,194 <u>117,285,194</u>
...	
NC School of Science & Math	<u>630,000</u>

AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

...

Department of Commerce

Commerce	20,320,848 <u>20,255,411</u>
Commerce State-Aid	650,000

Department of Natural and Cultural Resources

Natural and Cultural Resources	14,718,687 <u>14,784,124</u>
Roanoke Island Commission	0

1 ...
 2
 3
 4
 5
 6 ...
 7
 8"

GENERAL GOVERNMENT

Department of Administration 5,405,3075,344,028
 General Assembly 7,806,8167,868,095

SECTION 2.2. If House Bill 1030, 2015 Regular Session, becomes law, then G.S. 143C-5-4(b)(8), as enacted by Section 6.3 of that act, reads as rewritten:

"(8) Statutory transfers to reserves. – Notwithstanding G.S. 143C-4-2 and G.S. 143C-4-3, funds shall not be reserved to the Savings Reserve Account or the Repairs and Renovations Reserve Account and the State Controller shall not transfer funds from the unreserved credit fund balance to ~~the~~ those accounts on June 30 of the prior fiscal year."

SECTION 2.3. If House Bill 1030, 2015 Regular Session, becomes law, then Section 6.25(a)(1) of S.L. 2015-241, as amended by Section 6.4 of House Bill 1030, 2015 Regular Session, reads as rewritten:

"(1) Abolish all positions that have been vacant for more than 12 months as of April 17, 2015, and as of ~~April 17, 2016,~~ April 30, 2016, other than those positions required to exist as part of the State's maintenance of effort requirements related to a federal grant that cannot be addressed with other State funds, or for which the Director of the Budget provides an exception, in the Director's sole discretion. This requirement shall apply regardless of the source of funding for affected positions."

PART III. INFORMATION TECHNOLOGY

SECTION 3.1. If House Bill 1030, 2015 Regular Session, becomes law, then Section 7.7(a) of that act reads as rewritten:

"SECTION 7.7.(a) The Department of Information Technology shall create a cybersecurity apprenticeship program to provide training, apprenticeships, and career-based opportunities for disabled veterans within the State. Opportunities may be offered to qualifying veterans who have at least a ten percent (10%) disability rating as established by the United States Department of Veterans Administration Affairs."

SECTION 3.2.(a) If House Bill 1030, 2015 Regular Session, becomes law, then, notwithstanding any provision of that act to the contrary, a total of four FTE vacant positions are eliminated within the Department of Information Technology IT Fund, and the operating expenses in the Strategic Staffing and Projects area within the Department of Information Technology are reduced by one hundred eleven thousand two hundred sixty dollars (\$111,260) in recurring funds.

SECTION 3.2.(b) If House Bill 1030, 2015 Regular Session, becomes law, then, notwithstanding any provision of that act to the contrary, a total of three and one-half FTE vacant positions are eliminated within the Department of Information Technology IT Reserve, and the operating expenses in the IT Restructuring Fund within the Department of Information Technology are reduced by one hundred twenty-six thousand seven hundred eighty-three dollars (\$126,783) in recurring funds.

PART IV. EDUCATION

SECTION 4.1.(a) If House Bill 1030, 2015 Regular Session, becomes law, then Section 10.8 of that act reads as rewritten:

"CERTAIN COMMUNITY COLLEGE PROJECT FUNDS

1 "SECTION 10.8. The funds appropriated to the North Carolina Community Colleges System
2 Office by this act for the 2016-2017 fiscal year for (i) the Center for Advanced Manufacturing at
3 Gaston Community College and (ii) Mitchell Community College site development shall not
4 revert at the end of the fiscal year but shall remain available until expended."

5 SECTION 4.1.(b) Notwithstanding any other provision of law, if House Bill 1030,
6 2015 Regular Session, becomes law, the sum of three million four hundred thousand dollars
7 (\$3,400,000) appropriated by that act to the North Carolina Community Colleges System Office
8 for the 2016-2017 fiscal year to be allocated to the Gaston Community College Center for
9 Advanced Manufacturing shall be allocated to the Gaston College Center for Advanced
10 Manufacturing.

11 SECTION 4.2. If House Bill 1030, 2015 Regular Session, becomes law, then,
12 notwithstanding any other provision of law, the sum of two hundred fifty thousand dollars
13 (\$250,000) in nonrecurring funds for marketing the NC Promise Tuition "Buy Down" Program at
14 Elizabeth City State University shall be allocated to Budget Code 16010 rather than Budget Code
15 16086.

16 SECTION 4.3. If House Bill 1030, 2015 Regular Session, becomes law, then Section
17 11.9 of S.L. 2015-241, as amended by Section 11A.4 of House Bill 1030, 2015 Regular Session,
18 reads as rewritten:

19 "SECTION 11.9.(a) Purpose. – The purpose of this section is to establish a competitive grant
20 program for eligible entities to elevate educators in North Carolina public schools by transforming
21 the preparation of principals across the State. The State Education Assistance Authority
22 (Authority) shall administer this grant program through a cooperative agreement with a private,
23 nonprofit corporation to provide funds for the preparation and support of highly effective future
24 school principals in North Carolina.

25 ...

26 "SECTION 11.9.(j) Reporting Requirements for Grant Recipients. – Recipients of grants
27 under the program shall submit an annual report to the nonprofit corporation contracting with the
28 Authority, beginning in the third year of the grant, with any information requested by the nonprofit
29 corporation. Whenever practicable and within a reasonable amount of time, grant recipients shall
30 also make all materials developed as part of the program and with grant funds publically available
31 to contribute to the broader sharing of promising practices. Materials shall not include personally
32 identifiable information regarding individuals involved or associated with the program, including,
33 without limitation, applicants, participants, supervisors, evaluators, faculty, and staff, without their
34 prior written consent. The nonprofit corporation shall work with recipients and local school
35 administrative units, as needed, to enable the collection, analysis, and evaluation of at least the
36 following relevant data, within necessary privacy constraints:

- 37 (1) Student achievement in eligible schools.
- 38 (2) The percentage of program completers who are placed as school leaders within
39 three years in the State.
- 40 (3) The percentage of program completers rated proficient or above on school
41 leader evaluation and support systems.
- 42 (4) The percentage of program completers that are school leaders who have
43 remained employed in a North Carolina public school for two or more years of
44 initial placement.

45 ...

46 "SECTION 11.9.(l) Evaluation and Revision of Program. – The nonprofit corporation
47 administering the program shall provide the State Board of Education and the Joint Legislative
48 Education Oversight Committee with the data collected in accordance with subsection (j) of this
49 section on an annual basis. By September 15, 2021, the State Board of Education, in coordination
50 with the Board of Governors of The University of North Carolina, shall revise, as necessary, the
51 licensure requirements for school administrators and the standards for approval of school

1 administrator preparation programs after evaluating the data collected from the grant recipients,
2 including the criteria used in selecting grant recipients and the outcomes of program completers.
3 The State Board of Education shall report to the Joint Legislative Education Oversight Committee
4 by November 15, 2021, on any changes made to the licensure requirements for school
5 administrators and the standards for approval of school administrator preparation programs in
6 accordance with this section.

7 "**SECTION 11.9.(m)** Of the funds appropriated ~~each by this act for the 2015-2016~~ fiscal year
8 for this program, the sum of five hundred thousand dollars (\$500,000) shall be allocated to the
9 State Education Assistance Authority to contract with the nonprofit corporation selected pursuant
10 to subsection (e) of this section to establish and administer the program. The State Education
11 Assistance Authority may use up to five percent (5%) of those funds ~~each fiscal year for~~
12 administrative costs.

13 "**SECTION 11.9.(n)** ~~Beginning with the 2016-2017 fiscal year, of the funds appropriated for~~
14 ~~this program, the sum of five hundred thousand dollars (\$500,000) shall be allocated each fiscal~~
15 ~~year to the State Education Assistance Authority to award grants to selected recipients. Beginning~~
16 ~~with the 2016-2017 fiscal year and for each subsequent fiscal year, of the funds appropriated for~~
17 ~~this program, the sum of three hundred thousand dollars (\$300,000) shall be allocated to the State~~
18 ~~Education Assistance Authority to contract with the nonprofit corporation selected pursuant to~~
19 ~~subsection (e) of this section to establish and administer the program, and the State Education~~
20 ~~Assistance Authority may use up to five percent (5%) of those funds for administrative costs. The~~
21 ~~remaining funds appropriated for a fiscal year for this program shall be allocated to the State~~
22 ~~Education Assistance Authority to award grants to selected recipients."~~

23 **SECTION 4.4.** If House Bill 1030, 2015 Regular Session, becomes law, then Section
24 10.14(c) of S.L. 2015-241, as amended by Section 10.2 of House Bill 1030, 2015 Regular Session,
25 reads as rewritten:

26 "**SECTION 10.14.(c)** The funds appropriated under this act to the Community Colleges
27 System Office for the 2015-2017 fiscal biennium to match non-State funds to implement the NC
28 Works Career Coach Program shall ~~only~~ be used for ~~(i) salary and benefits for career~~
29 ~~coaches, and (ii) up~~ Up to two percent (2%) of the funds appropriated for the program may
30 also be used for direct operating costs related to supporting NC Works Career Coaches."

31 **SECTION 4.5.** If House Bill 1030, 2015 Regular Session, becomes law, then
32 G.S. 116-239.11(a)(1), as enacted by Section 11.6 of that act, reads as rewritten:

33 "(1) An amount equal to the average per pupil allocation for average daily
34 membership from the local school administrative unit allotments in which the
35 school is located for each child attending the lab school, except for the
36 allocation for children with ~~disabilities and disabilities~~, for the allocation for
37 children with limited English ~~proficiency-proficiency~~, and for the allocation for
38 transportation services."

40 PART V. HEALTH AND HUMAN SERVICES

41 **SECTION 5.1.** If House Bill 1030, 2015 Regular Session, becomes law, then Section
42 12A.8(c) of that act reads as rewritten:

43 "**SECTION 12A.8.(c)** Calculation of Initial Payment of Funds. – Following CMS approval of
44 the reclassification of Cape Fear Valley Medical Center to a rural ~~hospital and notwithstanding~~
45 ~~subsection (a) of this section, hospital~~, the Center shall provide documentation to OSBM of its
46 actual lost Medicare payments for the period commencing from the application filing date, as
47 defined in 42 C.F.R. 412.103(b)(5), and ending on the date CMS approves the Center's
48 reclassification request. OSBM shall certify computations of the Center's actual lost Medicare
49 payments and apply the calculations specified in subsection (a) of this section to determine any
50 retroactive amounts due to Cape Fear Valley Medical Center under this section. Any retroactive
51 payment determined to be due to Cape Fear Valley Medical Center shall be paid to the Center

1 within 30 days after OSBM certifies the amount of any retroactive amounts due to the Center
2 under this section."

3 **SECTION 5.2.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then
4 Section 12H.18 of that act reads as rewritten:

5 **"CRITICAL MEDICAID POSITIONS**

6 **"SECTION 12H.18.** Of the funds appropriated to the Department of Health and Human
7 Services, Division of Medical Assistance, the sum of one million one hundred fifty thousand
8 dollars (\$1,150,000) shall be ~~transferred to the Division of Health Benefits to be used to fund~~
9 critical positions in that Division."

10 **SECTION 5.2.(b)** Notwithstanding any other provision of law, if House Bill 1030,
11 2015 Regular Session, becomes law, the sum of one million one hundred fifty thousand dollars
12 (\$1,150,000) appropriated by that act to the Department of Health and Human Services, Division
13 of Medical Assistance, for the 2016-2017 fiscal year to be transferred to the Division of Health
14 Benefits shall not be transferred to the Division of Health Benefits but shall be used to fund
15 critical positions in the Division of Medical Assistance.

16 **SECTION 5.3.** If House Bill 1030, 2015 Regular Session, becomes law, then Section
17 12C.7(e) of that act reads as rewritten:

18 **"SECTION 12C.7.(e)** By no later than April 1, 2017, the ~~DSS~~Department of Health and
19 Human Services shall submit to the House Appropriations Committee on Health and Human
20 Services, the Senate Appropriations Committee on Health and Human Services, the Joint
21 Legislative Oversight Committee on Health and Human Services, and the Fiscal Research
22 Division a detailed plan for a long-term solution on how to ensure adequate reimbursement to
23 facilities for serving recipients of State-County Special Assistance without increasing the
24 Medicaid eligibility income limit for State-County Special Assistance recipients and thereby
25 expanding Medicaid."

26 **SECTION 5.4.** If House Bill 1030, 2015 Regular Session, becomes law, then Section
27 12B.4(a) of that act reads as rewritten:

28 **"SECTION 12B.4.(a)** As the objective of the NC Pre-K program is to provide high-quality
29 educational experiences to enhance school readiness for eligible four-year-olds, the Department of
30 Health and Human Services, Division of Child Development and Early Education, in consultation
31 with the Department of Public Instruction, shall study the costs and effectiveness associated with
32 funding slots for the NC Pre-K program. In conducting the study, the Division shall review and
33 determine the following:

- 34 (1) The total cost to fund a NC Pre-K slot, including administration and any local
35 costs.
- 36 (2) The program's anticipated effectiveness in preparing eligible four-year-olds in
37 the five developmental domains outlined in the North Carolina Foundations for
38 Early Learning and Development.
- 39 (3) Whether the program's effectiveness as reviewed pursuant to subdivision (2) of
40 this subsection justifies the costs associated with funding NC Pre-K slots or
41 whether there are other alternatives to achieve the same objectives.
- 42 (4) The State share needed to fund a NC Pre-K slot by each setting, including
43 public schools, child care facilities, and Head Start.
- 44 (5) The amount of funds needed to maintain the current number of NC Pre-K slots
45 if the per slot cost was increased to the amount recommended by the study.
- 46 (6) Recommendations on how often the NC Pre-K slot costs should be evaluated
47 and reported to the General Assembly.
- 48 (7) Any other relevant issues the Division deems appropriate."

49 **SECTION 5.5.** If House Bill 1030, 2015 Regular Session, becomes law, then Section
50 12H.3A(a) of that act reads as rewritten:

1 "SECTION 12H.3A.(a) No later than ~~October 1, 2016,~~ December 31, 2016, the Department
2 of Health and Human Services, Division of Medical Assistance, shall issue a request for proposals
3 (RFP) to recover Medicaid and NC Health Choice overpayments to providers when the total
4 amount owed to the State by the provider is less than one hundred fifty dollars (\$150.00). The RFP
5 shall specify that payment under the contract shall be made only in the form of a contingent fee.
6 The contingent fee shall be set at a percentage of the State share of the final overpayment, as
7 defined in G.S. 108C-2(5), that is recovered."

8 SECTION 5.6. If House Bill 1030, 2015 Regular Session, becomes law, then,
9 notwithstanding any other provision of that act, nonrecurring funds in the amount of fifty thousand
10 dollars (\$50,000) for the 2016-2017 fiscal year shall be appropriated to Fund Code 1161 for the
11 Public Health Authority of Cabarrus County instead of the Public Health Alliance of Cabarrus
12 County.

13 SECTION 5.7. If House Bill 1030, 2015 Regular Session, becomes law, then Section
14 12G.4(b) of that act reads as rewritten:

15 "SECTION 12G.4.(b) Notwithstanding subsection (a) of this section or any other provision
16 of law to the contrary, each party to a cooperative agreement for which a certificate of public
17 advantage was issued prior to September 30, 2016, shall submit a final report to the Department of
18 Health and Human Services and the Attorney General on its activities pursuant to the cooperative
19 agreement ~~through September 30, 2017,~~ by December 30, 2017. The final report shall include at
20 least all of the following:

- 21 (1) A description of the activities conducted pursuant to the agreement.
- 22 (2) Price and cost information.
- 23 (3) The nature and scope of its activities pursuant to the agreement through
24 ~~September 30, 2017,~~ the date the agreement expires and the likely effect of those
25 activities.
- 26 (4) A summary of activities and any market impact from the date the agreement
27 expires through September 30, 2017.
- 28 (5) Any additional information requested by the Department or the Attorney
29 General."

30 SECTION 5.8. If House Bill 1030, 2015 Regular Session, becomes law, then
31 G.S. 143B-139.6A reads as rewritten:

32 "§ 143B-139.6A. **Secretary's responsibilities regarding availability of early intervention**
33 **services.**

34 The Secretary of the Department of Health and Human Services shall ensure, in cooperation
35 with other appropriate agencies, that all types of early intervention services specified in the
36 "Individuals with Disabilities Education Act" (IDEA), P.L. 102-119, the federal early intervention
37 legislation, are available to all eligible infants and toddlers and their families to the extent funded
38 by the General Assembly.

39 The Secretary shall coordinate and facilitate the development and administration of the early
40 intervention system for eligible infants and toddlers and shall assign among the cooperating
41 agencies the responsibility, including financial responsibility, for services. The Secretary shall be
42 advised by the Interagency Coordinating Council for Children from Birth to Five with Disabilities
43 and Their Families, established by G.S. 143B-179.5, and may enter into formal interagency
44 agreements to establish the collaborative relationships with the Department of Public Instruction,
45 other appropriate agencies, and other public and private service providers necessary to administer
46 the system and deliver the services.

47 As part of the permission to refer parents to services under the early intervention system for
48 eligible infants and toddlers, the Secretary shall include the Governor Morehead School for the
49 Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf
50 as agencies included on any permission to refer release form provided to parents for contact
51 regarding services.

1 The Secretary shall adopt rules to implement the early intervention system, in consultation
2 with all other appropriate agencies."

3 **SECTION 5.9.** If House Bill 1030, 2015 Regular Session, becomes law, then Section
4 12A.8(b) of S.L. 2015-241, as amended by Section 12A.5 of House Bill 1030, 2015 Regular
5 Session, reads as rewritten:

6 "**SECTION 12A.8.(b)** The Department shall continue administering a competitive grants
7 process for nonprofit funding. The Department shall administer a plan that, at a minimum,
8 includes each of the following:

9 ...

10 (4) A process that awards grants to nonprofits that have the capacity to provide
11 services on a statewide basis and that support any of the following State health
12 and wellness initiatives:

13 ...

14 n. ~~A—Effective beginning the 2017-2018 fiscal year, a program that~~
15 ~~provides year-round sports training and athletic competition for children~~
16 ~~and adults with disabilities.~~

17"

18 **SECTION 5.10.** If House Bill 1030, 2015 Regular Session, becomes law, then
19 Section 12E.2(g) of that act is repealed.

20 **PART VI. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES**

21 **SECTION 6.1.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then
22 G.S. 13-202.1(f), as enacted by Section 14.11(b) of that act, reads as rewritten:

23 "(f) Amendments of shellfish cultivation leases to authorize use of the water column may
24 be transferred only with ~~a—the superincumbent~~ bottom lease for the remainder of the term of the
25 amendment at the same rental rate and term as set forth in subsection (d) of this section and so
26 long as notice of the transfer is provided to the Secretary as required by G.S. 113-202(k)."

27 **SECTION 6.1.(b)** If House Bill 1030, 2015 Regular Session, becomes law, then
28 G.S. 13-202.2(f), as enacted by Section 14.11(c) of that act, reads as rewritten:

29 "(f) Water column leases to perpetual franchises may be transferred only with ~~a—the~~
30 ~~superincumbent~~ perpetual franchise for the remainder of the term of the lease at the same rental
31 rate and term as set forth in subsection (d) of this section and so long as notice of the transfer is
32 provided to the Secretary as required by G.S. 113-202(k)."

33 **SECTION 6.2.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then,
34 notwithstanding any provision of that act to the contrary, the revised net appropriation for all
35 programs in the Rural Economic Development Division for the 2016-2017 fiscal year shall be
36 twenty-three million eight hundred fifty-seven thousand nine hundred seventy-three dollars
37 (\$23,857,973).

38 **SECTION 6.2.(b)** If House Bill 1030, 2015 Regular Session, becomes law, then,
39 notwithstanding any provision of that act to the contrary, the three hundred thirty-six thousand
40 dollars (\$336,000) in recurring funds for Community Planners for Prosperity Zones for the
41 2016-2017 fiscal year shall be allocated to Fund Code 1620 instead of Fund Code 1534.

42 **SECTION 6.3.** If House Bill 1030, 2015 Regular Session, becomes law, then Section
43 13.4(a) of that act reads as rewritten:

44 "**SECTION 13.4.(a)** Of the funds appropriated to the Department of Agriculture and
45 Consumer Services, the sum of two hundred fifty thousand dollars (\$250,000) for the 2016-2017
46 fiscal year shall be used to create a program to reimburse small food retailers for expenditures
47 related to enhancing access to healthy foods in areas that qualify as food desert zones according to
48 the Economic Research Service of the United States Department of Agriculture. For the purposes
49 of this section, a small food retailer is defined as a business that is a small retail outlet, including
50 corner stores, convenience stores, cooperatives, and bodegas, of no more than 3,000 heated square
51

1 feet that sells a limited selection of foods and other products. Funds may be used to reimburse
2 small food retailers for the purchase and installation of refrigeration equipment, display shelving,
3 and other equipment necessary for stocking nutrient-dense foods, including fresh vegetables and
4 fruits, whole grains, nuts, seeds, beans and legumes, low-fat dairy products, lean meats, and
5 seafood. The Department may retain up to ten percent (10%) of the funds allocated pursuant to
6 this section for administrative costs associated with the healthy food small retailer program."

7 **SECTION 6.4.** If House Bill 1030, 2015 Regular Session, becomes law, then,
8 notwithstanding any provision of that act to the contrary, funds appropriated to the Department of
9 Natural and Cultural Resources for advanced planning of a new visitor center at Fort Fisher State
10 Park shall be transferred to a Capital Code by the Department.

11 **SECTION 6.5.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then,
12 notwithstanding any provision of that act to the contrary, the funds appropriated in that act to the
13 Department of Commerce for the purpose of contracting with the Economic Development
14 Partnership of North Carolina are reduced by an additional sixty-five thousand four hundred
15 thirty-seven dollars (\$65,437) in recurring funds for the 2016-2017 fiscal year. The revised net
16 appropriation for the Department of Commerce shall be twenty million two hundred fifty-five
17 thousand four hundred eleven dollars (\$20,255,411).

18 **SECTION 6.5.(b)** If House Bill 1030, 2015 Regular Session, becomes law, then,
19 notwithstanding any provision of that act to the contrary, the funds appropriated in that act to the
20 Department of Natural and Cultural Resources are increased by sixty-five thousand four hundred
21 thirty-seven dollars (\$65,437) in recurring funds for the 2016-2017 fiscal year to be used to
22 support a distance learning coordinator position at the North Carolina Museum of History. The
23 revised net appropriation for the Department of Natural and Cultural Resources shall be fourteen
24 million seven hundred eighty-four thousand one hundred twenty-four dollars (\$14,784,124).

25 **SECTION 6.6.** If House Bill 1030, 2015 Regular Session, becomes law, then,
26 notwithstanding any provision of that act to the contrary, the seventy-five thousand dollars
27 (\$75,000) in nonrecurring funding to supplement the Forest Development Fund shall be allocated
28 to Fund Code 1990 instead of Fund Code 1510.

29 30 **PART VII. JUSTICE AND PUBLIC SAFETY**

31 **SECTION 7.1.** If House Bill 1030, 2015 Regular Session, becomes law, then of the
32 funds appropriated in that act to the Office of Indigent Defense Services for the 2016-2017 fiscal
33 year for private assigned counsel, the sum of one hundred thousand dollars (\$100,000) shall be
34 allocated to the North Carolina State Bar for use by Pisgah Legal Services.

35 **SECTION 7.2.** If House Bill 1030, 2015 Regular Session, becomes law, the
36 Department of Public Safety shall not eliminate position number 60070228. The Department shall
37 instead identify another vacant position at the same salary level to eliminate in Fund Code
38 1100-Division of Administration.

39 **SECTION 7.3.** If House Bill 1030, 2015 Regular Session, becomes law, then Section
40 8.26(n) of S.L. 2015-241 reads as rewritten:

41 "**SECTION 8.26.(n)** By ~~July 1, 2016~~, July 1, 2018, the Department of Public Safety shall
42 implement an anonymous safety tip line application and a statewide panic alarm system as
43 required under G.S. 115C-105.51, as amended by subsection (d) of this section."
44

45 **PART VIII. GENERAL GOVERNMENT**

46 **SECTION 8.1.** If House Bill 1030, 2015 Regular Session, becomes law, then of the
47 funds appropriated in that act to the State Emergency Response and Disaster Relief Fund (Budget
48 Code 19930), the sum of five hundred thousand dollars (\$500,000) in nonrecurring funds for the
49 2016-2017 fiscal year shall be transferred to the Governor's Office (Account Code 13000) to be
50 used to fund costs incurred from litigation related to S.L. 2016-3.

1 **SECTION 8.2.** If House Bill 1030, 2015 Regular Session, becomes law, then,
2 notwithstanding any provision of that act or of the Committee Report described in Section 39.2 of
3 that act to the contrary, funds appropriated in that act for the Community Living Housing Fund are
4 appropriated from Budget Code 63011 rather than Budget Code 13010.

5 **SECTION 8.3.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then
6 Section 32.5(j) of that act reads as rewritten:

7 **"SECTION 32.5.(j)** The responsibilities for the North Carolina Youth Legislative Assembly
8 are transferred from the Department of Administration to the North Carolina General Assembly's
9 Legislative Services Commission. ~~The following position is transferred to Budget Code 11000:~~
10 ~~Administrative Officer II, Position Number 60014065. All budget salary and benefits in the~~
11 ~~amount of sixty one thousand two hundred seventy nine dollars (\$61,279) are transferred in a~~
12 ~~Type II transfer from the Department of Administration to the General Assembly.~~ Additionally,
13 the budget associated with operations for the Youth Legislative Assembly and the North Carolina
14 Youth Legislative Assembly Fund, enacted by subsection (k) of this section, are transferred as a
15 Type II transfer from the Department of Administration to the General Assembly. The
16 Administrative Officer II position will report directly to the Legislative Services Officer. The
17 Youth Legislative Assembly will work collaboratively with existing resources within the General
18 Assembly, including the Senate and House Page programs, to execute activities of the Youth
19 Legislative Assembly."

20 **SECTION 8.3.(b)** If House Bill 1030, 2015 Regular Session, becomes law, then,
21 effective July 1, 2016, Administrative Officer II, Position Number 60014065, and budgeted
22 benefits are transferred from the Department of Administration to the General Assembly.

23 **SECTION 8.4.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then,
24 notwithstanding any other provision of law, funds in Budget Code 23900 in the 2016-2017 fiscal
25 year, shall be used to continue the transfer of a portion of vehicle inspection fee proceeds from the
26 Department of Transportation, Division of Motor Vehicles to continue support of the State's grant
27 program that provides funding to local rescue organizations. The revised net appropriation for the
28 Volunteer Rescue/EMS Program is one million four hundred fifty-six thousand nine hundred
29 thirty-one dollars (\$1,456,931).

30 **SECTION 8.4.(b)** If House Bill 1030, 2015 Regular Session, becomes law, then,
31 notwithstanding any other provision of law, funds in Budget Code 23901 in the 2016-2017 fiscal
32 year, shall be used to restore the recurring transfer of a portion of vehicle inspection fee proceeds
33 from the Department of Transportation, Division of Motor Vehicles to continue support of the
34 State's grant program that provides funding to eligible beneficiaries. The revised net appropriation
35 for the Rescue Squad Workers' Relief Fund is nine hundred fifty-seven thousand three hundred
36 fifty-two dollars (\$957,352).

37 38 **PART IX. SALARIES AND BENEFITS**

39 **SECTION 9.1.** If House Bill 1030, 2015 Regular Session, becomes law, then Section
40 36.10 of that act is amended by adding the following new subsections to read:

41 "SECTION 36.10.(e) Of the funds appropriated to the Community Colleges System Office in
42 this act for restoring the management flexibility reduction up to six million fifty-one thousand
43 seven hundred twenty-two dollars (\$6,051,722) may be used for the restoration of management
44 flexibility cuts, compensation increases, or both.

45 "SECTION 36.10.(f) It is the intent of the General Assembly to provide additional recurring
46 funds during the 2017-2018 fiscal year to the Community Colleges System Office for
47 compensation increases."

48 49 **PART X. CAPITAL**

50 **SECTION 10.1.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then
51 G.S. 142-15.17, as enacted by Section 37.8(a) of that act, reads as rewritten:

1 "§ 142-15.17. No State-supported financing of certain assets without approval of the General
2 Assembly.

3 No State entity shall enter into any State-supported financing arrangement with respect to the
4 acquisition of a capital asset having a value of five million dollars (\$5,000,000) or more, unless
5 the General Assembly has enacted legislation expressly approving (i) the acquisition, project, or
6 undertaking to be financed and (ii) the use of the State-supported financing arrangement. The
7 legislation required by this section may be in the form of either an act that refers to the specific
8 asset or project and the manner of financing or an act that identifies a type of asset or project and a
9 maximum amount that may be financed or incurred for that type of asset or project. Examples of
10 references to a specific asset or project include guaranteed energy savings contracts or energy
11 ~~conservations~~ conservation measures of a type described in Article 3B of Chapter 143 of the
12 General Statutes or repairs and renovations of State-owned buildings."

13 **SECTION 10.1.(b)** This section is effective when it becomes law.

14 **SECTION 10.2.(a)** Notwithstanding any other provision of law, the Department of
15 Administration may lease to a third party the roughly 1.7 acre Personnel Training Center property
16 located on Peace Street in Wake County.

17 **SECTION 10.2.(b)** A lease made pursuant to subsection (a) of this section shall be in
18 accordance with the following:

- 19 (1) The lease term may exceed 30 years but shall not exceed 99 years.
- 20 (2) The lease shall be for fair market value.
- 21 (3) The lease shall include a lease of up to 200 of the parking spaces in Deck 64 in
22 Wake County.
- 23 (4) Except as provided in this section, the lease shall in all other respects accord
24 with Article 7 of Chapter 146 of the General Statutes.

25 **SECTION 10.2.(c)** Exemptions from Certain Statutes. – The following statutes shall
26 not apply to the lease authorized by this section:

- 27 (1) G.S. 66-58.
- 28 (2) G.S. 146-29(b), as enacted by Section 37.7 of House Bill 1030, 2015 Regular
29 Session, if that bill becomes law.

30
31 **PART XI. FINANCE**

32 **SECTION 11.1.** If House Bill 1030, 2015 Regular Session, becomes law, then
33 Section 38.2(f) of that act reads as rewritten:

34 "**SECTION 38.2.(f)** Subsection (a) of this section is effective when it becomes law and
35 applies retroactively to purchases made on or after July 1, 2013. Subsections (b) and (c) of this
36 section ~~becomes~~ become effective July 1, 2016, and apply to ~~sales~~ purchases made on or after that
37 date. The remainder of this section is effective when it becomes law."

38 **SECTION 11.2.** If House Bill 1030, 2015 Regular Session, becomes law, then
39 G.S. 105-164.4H(d)(2), as enacted by Section 38.5(g) of that act, reads as rewritten:

- 40 "(2) If the price of the taxable repair, maintenance, and installation services included
41 in the contract is equal to or greater than ten percent (10%) of the contract price,
42 then sales and use tax applies to the taxable repair, maintenance, and
43 installation services portion of the contract. The person must determine an
44 allocated price for each taxable repair, maintenance, and installation service in
45 the contract based on a reasonable allocation of revenue that is supported by the
46 person's business records kept in the ordinary course of business. Any purchase
47 of tangible personal property, digital property, or services to fulfill the real
48 property contract are ~~taxes~~ taxed in accordance with this section."

49 **SECTION 11.3.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then
50 G.S. 105-187.51B(a)(6) and (7), as enacted by Section 38.2(b) of that act, read as rewritten:

1 "(6) A person other than a person subject to tax under subdivision (1) of this
2 subsection that gathers and obtains ferrous metals, nonferrous metals, and items
3 that have served their original economic purpose and that converts them by
4 processes, including sorting, cutting, classifying, cleaning, baling, wrapping,
5 shredding, or shearing into a new or different product for sale consisting of
6 prepared grades ~~for the purchase of~~ that purchases equipment, or an attachment
7 or repair part for the equipment, that meets all of the following requirements:

- 8 a. Is capitalized by the person for tax purposes under the Code.
9 b. Is used by the person in a conversion process described in this
10 subdivision.
11 c. Is not a motor vehicle or an attachment or repair part for a motor
12 vehicle.

13 (7) A company primarily engaged at the establishment in processing tangible
14 personal property for the purpose of extracting precious metals, as defined in
15 G.S. 66-406, to determine the value for potential purchase ~~for the purchase~~
16 ~~of~~ that purchases equipment, or an attachment or repair part for the equipment,
17 that meets all of the following requirements:

- 18 a. Is capitalized by the company for tax purposes under the Code.
19 b. Is used by the company in the process described in this subdivision."

20 **SECTION 11.3.(b)** If House Bill 1030, 2015 Regular Session, becomes law, then
21 G.S. 105-164.4H(e)(1)f., as enacted by Section 38.5(g) of that act, reads as rewritten:

22 "f. Replacement or installation of a roofing, septic tank, plumbing,
23 electrical, commercial refrigeration, irrigation, ~~sprinkler~~
24 ~~system, sprinkler,~~ or other similar ~~systems.~~ system."

25 **SECTION 11.3.(c)** Subsection (a) of this section becomes effective July 1, 2016, and
26 applies to purchases made on or after that date. Subsection (b) of this section becomes effective
27 January 1, 2017, and applies to sales made on or after that date. The remainder of this section is
28 effective when it becomes law.

29 **SECTION 11.4.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then
30 G.S. 105-164.4H(e)(1)d., as enacted by Section 38.5(g) of that act, reads as rewritten:

31 "d. Installation of equipment or fixture that is attached to real property so
32 that removal of the item would cause physical, functional, or economic
33 damage to the property and that is capitalized ~~for income tax purposes~~
34 under one or more of the following: the Code, Generally Accepted
35 Accounting Principles, or International Financial Reporting Standards."

36 **SECTION 11.4.(b)** This section becomes effective January 1, 2017.

37 **SECTION 11.5.** If House Bill 1030, 2015 Regular Session, becomes law, then the
38 introductory language of Section 38.5(g) of that act reads as rewritten:

39 "**SECTION 38.5.(g)** G.S. 105-164.4H, as amended by S.L. 2016-5 and by ~~Section 1 of this~~
40 ~~act,~~ subsection (c) of this section, reads as rewritten:"

41 **PART XII. EFFECTIVE DATE**

42 **SECTION 12.1.** Section 1 of this act becomes effective October 1, 2016. Except as
43 otherwise provided, the remainder of this act becomes effective July 1, 2016.
44