

## Minutes

### Joint Legislative Program Evaluation Oversight Committee

June 10, 2019

#### Members Present

Senator Brent Jackson, Chair  
Senator Don Davis  
Senator Chuck Edwards  
Senator Paul Newton  
Senator Andy Wells

Representative Craig Horn, Chair  
Representative Becky Carney  
Representative Jean Farmer Butterfield  
Representative Julia Howard  
Representative Pat Hurley  
Representative Marvin Lucas  
Representative Ted Davis  
Representative Rena Turner

Representative Craig Horn, Chair, called the meeting to order.

Chairman Horn recognized John Turcotte, Director of Program Evaluation, who introduced Jenny Hausman, a new staff member. He also announced that Carol Shaw, Principal Program Evaluator, would be retiring on August 1, 2019. Representative Lucas asked that Carol be given an opportunity to say a few words to the Committee.

Representative Turner moved to approve the May 20, 2019 Minutes. Motion carried.

Chairman Horn recognized Jeff Grimes, Principal Program Evaluator, to present the report entitled ***North Carolina Should Focus on Early Childhood Learning in Order to Raise Achievement in Predominantly Disadvantaged School Districts***. The report identified 10 high-performing American school systems with predominantly economically disadvantaged student populations and explored reasons for the better outcomes of these systems.

**Recommendation 1.** Require low-performing school districts to include an early childhood improvement plan as a component of their required plans for improvement.

**Recommendation 2.** Require an assessment of early childhood learning as part of the Department of Public Instruction's comprehensive needs assessment process for districts.

The committee heard remarks from Pamela Shue from the Department of Public Instruction.

Chairman Horn recognized Caroline Sorensen, Bill Drafting Division, to present the bill draft on Disadvantaged Districts that would implement PED's recommendations. Senator Waddell moved to recommend the Disadvantaged Districts bill draft, with authorization to staff to make any technical changes. Motion carried.

Chairman Horn recognized Jacob Davis, Bill Drafting Division, to present the bill draft on 340B Inmate Pharmacy Purchasing that would implement the recommendations of Powers Pyles Sutter & Verville PC Law Firm, the contractors the General Assembly hired who have expertise in the 340B

program. Representative Turner moved to recommend the 340B bill draft, with authorization to staff to make any technical changes. Motion carried.

Chairman Horn recognized Kiernan McGorty, Committee Counsel, to present the bill draft on Disaster Recovery that implements PED's recommendations. Senator Davis moved to recommend the Disaster Recovery bill draft, with authorization to staff to make any technical changes. Motion carried.

Chairman Horn recognized Brent Lucas, Principal Program Evaluator, to present a memo on follow-up research related to the previous Program Evaluation Division report released last month, Administrative Missteps and Lack of Expertise Led to Delays and \$3.7 Million in Unnecessary State Spending for Hurricane Matthew Recovery. The memo examined other disaster recovery funds managed by the Department of Public Safety besides Community Development Block Grant-Disaster Recovery funds. The 2016 and 2017 Disaster Recovery Acts placed responsibility for administering five funding streams with DPS. PED's follow-up research identified issues with \$9 million DPS administered for Hurricane Matthew emergency sheltering and short-term housing:

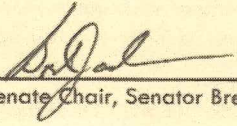
- DPS ignored grant-making best practices when it selected the North Carolina Community Development Initiative (a non-profit) as a recipient. DPS also did not follow state law when it granted the Initiative \$5.35 million.
- The DPS agreement with the Initiative allowed spending of state funds for purposes that did not align with the directive of the disaster recovery legislation.
- DPS still has not recaptured from the Initiative an estimated \$1.3 million in unencumbered funds and potentially disallowed expenses.
- Funds designated for emergency sheltering and short-term housing for hurricane survivors appear to financially benefit the Initiative organization, real estate developers, and private landlords.
- \$732,450 in state-supported loan principal may not be returned to the State because such a stipulation was not made in the agreement; additionally, it is unclear if associated accrued interest has been used in accordance with state law.
- The Initiative is engaging in additional transactions after its grant with DPS has ended, which is in conflict with the agreement and potentially the emergency sheltering and short-term housing purposes outlined in the legislative directive.

Chairman Horn moved to refer the memo to any appropriate oversight committees, including Justice and Public Safety Oversight and Government Operations, and to the Attorney General. Motion carried.

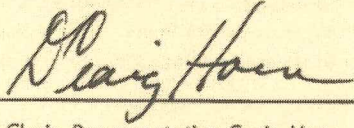
Senator Newton moved that the committee include in the Program Evaluation Division work plan a study to recommend legislative options for disposing the Stonewall Jackson School campus in Cabarrus County for historical preservation and to exclude the mandatory efficiency components in NCGS § 120-36.14 (b) from the scope of the study. Motion carried.

Chairman Horn announced that the committee would not meet during the summer.

With no further business, the committee adjourned.

A handwritten signature in dark ink, appearing to read "Brent Jackson", written above a horizontal line.

Senate Chair, Senator Brent Jackson

A handwritten signature in dark ink, appearing to read "Craig Horn", written above a horizontal line.

House Chair, Representative Craig Horn