

Corrected #1:

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet as follows:

DAY & DATE: Tuesday, February 10, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Chairing: Rep. Jimmy Dixon

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:28 AM on Monday, February 09, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet as follows:

DAY & DATE: Tuesday, February 10, 2015
TIME: 8:30 AM
LOCATION: TBA
COMMENTS: House Chairing: Rep. Jimmy Dixon

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 4:26 PM on Thursday, February 05, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Joint Committee on Appropriations, Agriculture and Natural and Economic Resources
Tuesday, February 10, 2015 at 8:30 AM
Room 421 of the Legislative Office Building

MINUTES

The Joint Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on February 10, 2015 in Room 421 of the Legislative Office Building. Representatives Catlin, Dixon, Harrison, McElraft, Millis, Presnell, Richardson, B. Turner, West, Wray, and Yarbrough attended. Senators Brock, Cook, Wade, Alexander Jr. A. Bryant, Clark, McInnis, Jane Smith attended.

Representative Jimmy Dixon, Chair, presided.

Rep. Dixon welcomes everyone and recognizes the Sgt at Arms and Pages: see attachment 1

Rep. Dixon gives brief statement on importance of Agriculture and our Environment as it relates to our freedoms.

Rep. Dixon introduces the Fiscal Research Staff (Hoffman, Dale, Incorvaia) See Attach # 2

Rep. Dixon calls on Jennifer Hoffman from Fiscal to review what the agenda will be for the committee.

See Attach # 3

Jennifer concludes and turns time over to Tim Dale who gives overview of committee and the duties of Fiscal Research as it relates to AGNER committee.

Tim discusses agenda along with the Fiscal's roll in helping committee see Attach # 4, 5,6,7

Rep. Dixon ask if there are any comments or questions from members? There were none

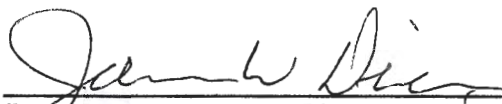
Jennifer Hoffman then states that meeting on the 11th of Feb will be begin budget work.

Rep. Dixon then ask each member to introduce themselves and where they represent.

Rep. Dixon adjourns the meeting

The following bills were considered: none

The meeting adjourned at 8:55am.



Representative Jimmy Dixon, Chair
Presiding



Michael Wiggins, Committee Clerk



**Joint Appropriations Meeting of
House Subcommittee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Agenda

Tuesday, February 10, 2015, 8:30 A.M.
TBD, Legislative Office Building

Rep. Dixon, Presiding

1. Welcome and Opening Comments

Rep. Dixon

2. Introduction of Committee Members

3. Introduction of Committee Staff

4. Review of Tentative Schedule for Committee

Jennifer Hoffmann, *Fiscal Research Division*

5. Review of Subcommittee Protocols and Procedures

Tim Dale
~~Aubrey Incorvaia~~, *Fiscal Research Division*

6. Adjourn

House Appropriations Subcommittee on ANER

Rep. Dixon (Chair)
Rep. McElraft (Chair)
Rep. West (Chair)
Rep. Catlin (Vice Chair)
Rep. Pierce (Vice Chair)
Reps. Harrison, Langdon, Millis, Presnell,
Richardson, Turner, Wray, and Yarborough

Senate Appropriations Committee on NER

Sen. Brock (Chair)
Sen. Cook (Chair)
Sen. Wade (Chair)
Sen. Hartsell (Vice Chair)
Sens. Alexander, Bryant, Clark, McInnis,
Rabin, Smith



Attach # 1

Committee Sergeants at Arms

NAME OF COMMITTEE IT, APPROPRIATIONS, AG. NAT. & ECD. RESOURCES

DATE: 02-10-2015

Room: 421

House Sgt-At Arms:

1. Name: BILL BASS

2. Name: JOE CROOK

3. Name: MARK CONE

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: JIM HAMILTON

2. Name: LARRY HANCOCK

3. Name: DONNA BIAKE

4. Name: _____

5. Name: _____

111



Attach #1

PAGES ATTENDING

^{& Time}
Date: 8:30 2-10-15

Committee: Joint: Nat'l & Eco. Res. Room: 421

PLEASE PRINT LEGIBLY!!!!

Page Name	Hometown	Sponsoring Senator
① Connor Semon	Concord	Senator Hartsell
2 Lydia Noonan	Wilson Co	Rep. Susan Martin
3 LYDIA		
5		
6		
7		
8		
9		

Do not add additional names below the grid.

Pages: Please present this form to either the Committee Clerk at the meeting or a Sgt. at Arms.

11.11.11



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

2/10/13
DateVISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Brad Knott	N.C. DENR
Rose Goner	NCCUP
Kara Weishaar	SA
Susanna Davis	NCFA
Sarah Koonce	NCDOL
Jennifer Hayswood	NCDOL
Dianna Downey	PSNCC
Doug Lassiter	NCSTA
Jay Archer	NCDACS
JERRY SCHILL	NC Fisheries Association



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

2-10-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Amanda Strup	JDA
Grady Meade	men
Dan Crawford	NCLEV
JOHN COOPER	Capitol City Strategist
Steve Luccini	Shawnee Science Museum
Elizabeth Biser	Brooks Pierce
Will Morgan	TNC
Danielle Albert	Sen. Alexander
Libby Spain	Sen. Tom McAnnis
Tom Goffe	Rep. Langdon
Carr McLamb	Troutman Sanders

200



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

2-10-15

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Cashley Jones

NC DOC

Alice Miller

NC DOC

Jeff Moore

NC DOL/DWS

A Goodwill

NC WRC

Ha Nguyen

NC OK

Tom BEAN

EDF, NCSEN

100



**Joint Appropriations Meeting of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Fiscal Research Division Staff
By Area

Attach
#2

Jennifer Hoffmann -

jennifer.hoffmann@ncleg.net

Department of Environment and Natural
Resources (DENR)

- Air Quality
- Coastal Management
- Ecosystem Enhancement Program
- Water Infrastructure
- Waste Management
- Water Resources
- Aquariums
- Marine Fisheries
- Museum of Natural Science
- Parks and Recreation
- Parks and Recreation Trust Fund
- Zoo

Clean Water Management Trust Fund
Wildlife Resources Commission

Timothy Dale - timothy.dale@ncleg.net

Department of Labor
Department of Agriculture and Consumer
Services (DACS)

Agricultural Development and Farmland
Preservation Trust Fund

Tobacco Trust Fund

Energy Related Programs:

- DENR's Division of Energy, Mineral and
Land Resources

- Utilities Commission and Public Staff

- Rural Electrification Authority

Banking Commission

Credit Union Commission

Lottery Commission

Master Settlement Agreement

Aubrey Incorvaia -

aubrey.incorvaia@ncleg.net

Department of Commerce

- Rural Economic Development Division
- Division of Employment Security
- Division of Workforce Solutions
- Labor and Economic Analysis Division
- Economic Development Incentives (list
not exhaustive):

- Job Development Investment Grant
(JDIG)

- One North Carolina Fund (One NC)

- Film and Entertainment Grant

Industrial Commission

Nonprofit Organizations and Independent
Agencies:

- Economic Development Partnership of
North Carolina, Inc.

- North Carolina Biotechnology Center

- Grassroots Science Museums

- High Point Market Authority

Joint Appropriations Meeting of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources

Legislative Drafting Division Staff
By Area

Gayle Moses

gayle.moses@ncleg.net

Department of Commerce

Rural Economic Development Division

Division of Employment Security

Division of Workforce Solutions

Labor and Economic Analysis Division

Industrial Commission

Nonprofit Organizations and Independent

Agencies:

Economic Development Partnership of
North Carolina, Inc.

North Carolina Biotechnology Center

Grassroots Science Museums

High Point Market Authority

Department of Labor

Dan Ettetfagh - dan.ettetfagh@ncleg.net

Economic Development Incentives (list not
exhaustive):

Job Development Investment Grant
(JDIG)

One North Carolina Fund (One NC)

Film and Entertainment Grant

Jeff Cherry - jeff.cherry@ncleg.net

Department of Environment and Natural
Resources (DENR)

Air Quality

Coastal Management

Ecosystem Enhancement Program

Water Infrastructure

Waste Management

Water Resources

Aquariums

Marine Fisheries

Museum of Natural Science

Parks and Recreation

Parks and Recreation Trust Fund

Zoo

Clean Water Management Trust Fund

Wildlife Resources Commission

Department of Agriculture and Consumer
Services (DACS)

Agricultural Development and Farmland
Preservation Trust Fund

Tobacco Trust Fund

Master Settlement Agreement

Energy Related Programs:

DENR's Division of Energy, Mineral and
Land Resources

Utilities Commission and Public Staff

Rural Electrification Authority

Banking Commission

Credit Union Commission

Topics for Joint Appropriations Meetings

~~2A~~ 3

February Topics

Week of February 9 (Introductory week)

- Tuesday – Introductions, Review of Schedule and Committee Protocol
- Wednesday – Budget Process, Overview of Agency Budgets, Introduce Commissioner Troxler
- Thursday – Introduce DENR, WRC, Commerce and Labor Dept. Heads

Week of February 16 (Review of Significant Actions from Previous Biennium)

- Tuesday – Division of Water Infrastructure
- Wednesday – Rural Economic Development Division
- Thursday - Oregon Inlet; Dredging & Aquatic Weed; Potential one report if desired.

Week of February 23 (Review of Significant Actions from Previous Biennium)

- Tuesday – Economic Development Partnership of NC; State Aid & Biotech
- Wednesday – Military funding (BRAC, CDBG, ADFPTF, CWMTF, Military Commission); Potential one to two reports, if desired.
- Thursday - Reports day (list of reports attached)

March Topics

Week of March 2 (Governor's budget – exact date unknown, but week of February 23 has been discussed)

- Tuesday – Most likely a Full Appropriations Committee in 643
- Wednesday – Brief review of budget process and terms; Governor's Office and OSBM on DACS, DENR, WRC, Commerce and Labor's budgets
- Thursday - Agencies response to Governor's budget

Week of March 9 (Begin Agency Budget Presentations)

- Tuesday – DACS Budget
- Wednesday – DACS Budget
- Thursday – DACS Budget

Week of March 16 (Continue Agency Budget Presentations)

- Tuesday – DENR Budget - Overview
- Wednesday – DENR Budget – DWM (Orphan Landfill; Brownfields)
- Thursday – DENR Budget – DAQ (Funding Sources)

Week of March 23 (Continue Agency Budget Presentations)

- Tuesday – Commerce Budget
- Wednesday – Commerce Budget
- Thursday - Commerce Budget

100



4

**Joint Appropriations Meeting of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Committee Protocol

These guidelines are intended to make the committee process as orderly and efficient as possible.

- Please wait for recognition by the Chair before speaking. Only the Chair has the authority to call on someone to speak or to answer questions.
- For public visitors, once recognized by the chair, please:
 - Stand up when speaking.
 - State your name and who you represent.
- All presentation materials and related documents should be submitted to Fiscal Research Division staff no later than two business days prior to scheduled presentation (See Procedures for Web Posting of Committee Documents handout available online).
- If the Committee requests hard copies of documents, materials may be distributed to the Committee, but only after prior approval is given from the Chair.
 - Copies should be double-sided, three-hole punched, and stapled in the corner. If slides are being printed, two slides per page is preferred.
 - Please bring any copies to be distributed to the Committee room no later than thirty minutes before the scheduled meeting time.
- Please respect your fellow presenters and adhere to given time limits.

5

Fiscal Research Division (FRD) Overview

February 10, 2015



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Fiscal Research Division

- Nonpartisan staff serving all 170 members of the NCGA
- Primary staff to Appropriations Committees
 - Analyze requests/ recommendations related to agencies and their budgets
 - Make presentations to Committees
 - Prepare Committee Report (aka Money Report)
 - Assist Bill Drafting Division with preparation of special provisions for appropriations bills
 - Coordinate administrative requirements for meetings with Chairs
- Estimate the costs or savings of proposed legislation

 **FISCAL RESEARCH DIVISION**
A Staff Agency of the North Carolina General Assembly

February 10, 2015

Fiscal Research Division Teams

Fiscal Analysts are organized
into teams of 2-5 analysts

- (Agriculture and) Natural and Economic Resources
- Health and Human Services
- Education
- Justice and Public Safety
- General Government/
Capital
- Transportation/
Information
Technology
- Salaries and Benefits
- Economy and
Taxation
- Joint Budget
Development

Fiscal Notes/Memos

- Five-year analysis of all estimated fiscal impacts of a bill on expenditures or revenue of the State
- Elements:
 - Summary table with impact estimate
 - Brief summary of bill
 - Assumptions and methodology – analysis of costs/savings
- Prepared upon request of bill sponsor or other member
- Fiscal Note is confidential until it is published
- Fiscal Memo remains confidential to requestor
- Goal for turnaround time is one week
 - Requests from the Floor completed within 2 legislative days

Contact Information

Fiscal Research Division
919-733-4910

Timothy Dale – Timothy.Dale@ncleg.net

Agriculture, Labor, Energy, Various Commissions, MS-1

Jennifer Hoffmann – Jennifer.Hoffmann@ncleg.net

Environment and Natural Resources, Wildlife Resources Commission

Aubrey Incorvaia – AubreyI@ncleg.net

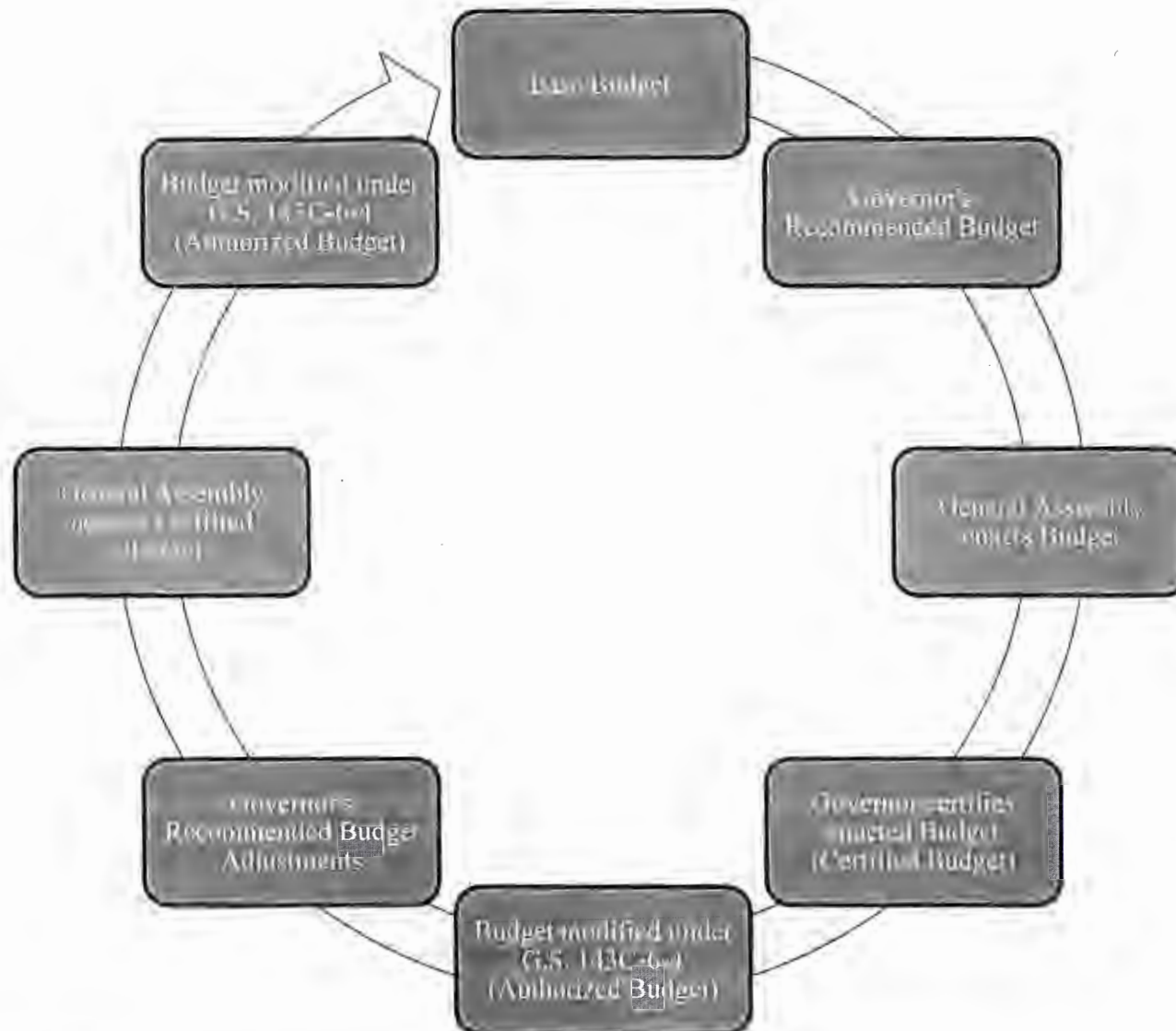
Commerce, Industrial Commission, & Non-Profits



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

February 10, 2015

Biennial Budget Cycle



**Joint Appropriations of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Definitions

- Appropriation – An enactment by the General Assembly authorizing the withdrawal of money from the State treasury. An enactment by the General Assembly that authorizes, specifies, or otherwise provides that funds may be used for a particular purpose is not an appropriation.
- Authorized Budget – The certified budget with changes authorized by the Director of the Budget through authority granted in G.S. 143C-6-4.
- Base Budget (formerly known as Continuation Budget) – Provides the baseline for the next biennium. The base budget for each State agency shall be the authorized budget for that agency with adjustments only for the following:
 - Annualization of programs and positions
 - Reductions to adjust for items funded with nonrecurring funds during the prior fiscal biennium
 - Increases to adjust for nonrecurring reductions during the prior fiscal biennium
 - Adjustments for federal payroll tax changes
 - Rate increases in accordance with the terms of existing leases of real property
 - Adjustments to receipt projections, made in accordance with G.S. 143C-3-5(b)(2)c
 - Reconciliation of intragovernmental and intergovernmental transfers
- Biennium – The two fiscal years beginning July 1 of each odd-numbered year and ending on June 30 of the next odd-numbered year.
- Budget – A plan to provide and spend money for specified programs, functions, activities, or objects during a fiscal year.
- Certified Budget – The budget as enacted by the General Assembly including adjustments for:
 - Distributions to State agencies from statewide reserves appropriated by the General Assembly
 - Distributions of reserves appropriated to a specific agency by the General Assembly
 - Organizational or budget changes mandated by the General Assembly

7

**Joint Appropriations of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Acronyms

ACSP	Agriculture Cost Share Program (DACS)
ADFPTF	Agricultural Development and Farmland Preservation Trust Fund (DACS)
AFA	Agriculture Finance Authority (DACS)
AgWRAP	Agriculture Water Resource Assistance Program (DACS)
APNEP	Albemarle-Pamlico National Estuary Partnership (DENR)
AQM	Aquariums (DENR)
ARC	Appalachian Regional Commission (Commerce)
ANER	Appropriations Committee on Agriculture and Natural and Economic Resources (House)
NER	Appropriations Committee on Natural and Economic Resources (Senate)
ASH	Agricultural Safety and Health (Labor)
B&I	Division of Business and Industry Development (Commerce)
BIMS	Basinwide Information Management System (DENR)
BLNC	Business Link North Carolina (Commerce)
BLS	Bureau of Labor Statistics (United States Dept of Labor)
BMP	Best Management Practice (DACS/DENR)
CAMA	Coastal Area Management Act (DENR)
CCAP	Community Conservation Assistance Program (DACS)
CDBG	Community Development Block Grant (Commerce/DENR)
CFC	Commerce Finance Center (Commerce)
CHPP	Coastal Habitat Protection Plan (DENR)
CREP	Conservation Reserve Enhancement Program (DACS/DENR)
CRFL	Coastal Recreational Fishing License (DENR)
CWMTF	Clean Water Management Trust Fund (DENR)
DACS	Department of Agriculture & Consumer Services
DAQ	Division of Air Quality (DENR)
DCM	Division of Coastal Management (DENR)

DEACS	Division of Environmental Assistance and Customer Service (DENR)
DEMLR	Division of Energy, Mineral and Land Resources (DENR)
DENR	Department of Environment and Natural Resources
DES	Division of Employment Security (Commerce)
DMF	Division of Marine Fisheries (DENR)
DOC	Department of Commerce
DOL	Department of Labor
DPR	Division of Parks and Recreation (DENR)
DSCA	Dry-Cleaning Solvent Cleanup Act (DENR)
DSWC	Division of Soil and Water Conservation (DACS)
DWI	Division of Water Infrastructure (DENR)
DWM	Division of Waste Management (DENR)
DWR	Division of Water Resources (DENR)
DWS	Division of Workforce Solutions (Commerce)
EDP	Economic Development Partnership of NC, Inc. (Commerce)
EEP	Ecosystem Enhancement Program (DENR)
EMC	Environmental Management Commission (DENR)
ERC	Environmental Review Commission (DENR)
FRD	Fiscal Research Division
FDP	Forest Development Program (DACS)
FMP	Forest Management Plan (DACS)
GIS	Geographic Information System (DACS/DENR/Commerce)
HPMA	High Point Market Authority (Commerce)
IDA	Individual Development Account (Labor)
IDF UA	Industrial Development Fund Utility Account (Commerce)
ITD	International Trade Division (Commerce)
JDIG	Job Development Investment Grant (Commerce)
JMAC	Job Maintenance and Capital Development Fund (Commerce)
LEAD	Labor and Economic Analysis Division (Commerce)
LUST	Leaking Underground Storage Tank (DENR)

MEC	Mining and Energy Commission (DENR)
MHTD	Multi-Hazard Threat Database (DACS)
MNS	Museums of Natural Sciences (DENR)
MSA	Master Settlement Agreement
MSS	Main Street Solutions (Commerce)
NCEL	North Carolina Education Lottery (Commerce)
NCFS	North Carolina Forest Service (DACS)
NCUC	North Carolina Utilities Commission (Commerce)
OneNC	One North Carolina Fund (Commerce)
OSH	Occupational Safety and Health (Labor)
PPP	Public Private Partnership (P3; equivalent to the EDP)
REDD	Rural Economic Development Division (Commerce)
RIA	Rural Infrastructure Authority (Commerce)
RTI	Research Triangle Institute (Commerce)
SBIR/STTR	Small Business Innovative Research / Small Business Technology Transfer (Commerce)
SWCC	Soil and Water Conservation Commission (DACS)
SRF	State Revolving Fund (DENR)
SWIA	State Water Infrastructure Authority (DENR)
TTF	Tobacco Trust Fund (DACS)
UI	Unemployment Insurance (Commerce)
UST	Underground Storage Tank (DENR)
WRC	Wildlife Resources Commission
WRD	Water Resources Development Projects (DENR)

Corrected #1: Room Change

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet as follows:

DAY & DATE: Wednesday, February 11, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: Senate Chairing

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 3:16 PM on Monday, February 09, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Cancelled Notice

NORTH CAROLINA HOUSE OF REPRESENTATIVES JOINT COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will **NOT** meet as follows:

DAY & DATE: Thursday, February 12, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Chairing: Rep. McElraft

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 3:16 PM on Monday, February 09, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Cancelled Notice

NORTH CAROLINA HOUSE OF REPRESENTATIVES JOINT COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will **NOT** meet **JOINTLY** as follows:

DAY & DATE: Tuesday, February 17, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Chairing: Rep. Pat McElraft
Topic: Division of Water Infrastructure

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:04 AM on Monday, February 16, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Cancelled Notice

NORTH CAROLINA HOUSE OF REPRESENTATIVES JOINT COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will **NOT** meet **JOINTLY** as follows:

DAY & DATE: Wednesday, February 18, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Chairing: Rep. Roger West
Topic: Rural Economic Development

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:25 PM on Tuesday, February 17, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Wednesday, February 18, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Chairing: Rep. Roger West
Topic: Rural Economic Development

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:04 AM on Thursday, February 12, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Cancelled Notice

NORTH CAROLINA HOUSE OF REPRESENTATIVES JOINT COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will **NOT** meet **JOINTLY** as follows:

DAY & DATE: Thursday, February 19, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Chairing: Rep. Jimmy Dixon
Topics: Dredging
Aquatic Weed
Oregon Inlet

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:52 PM on Wednesday, February 18, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Thursday, February 19, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Chairing: Rep. Jimmy Dixon
Topics: Dredging
Aquatic Weed
Oregon Inlet

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:16 AM on Thursday, February 12, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Tuesday, February 24, 2015

TIME: 8:30 AM

LOCATION: 421 LOB

COMMENTS:

Senate Presiding

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:15 PM on Thursday, February 19, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Cancelled Notice

NORTH CAROLINA HOUSE OF REPRESENTATIVES JOINT COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will **NOT** meet **JOINTLY** as follows:

DAY & DATE: Wednesday, February 25, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: SENATE PRESIDING

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:22 AM on Friday, February 27, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Cancelled Notice

NORTH CAROLINA HOUSE OF REPRESENTATIVES JOINT COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2015-2016 SESSION

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will **NOT** meet **JOINTLY** as follows:

DAY & DATE: Thursday, February 26, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: SENATE PRESIDING

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:23 AM on Friday, February 27, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Wednesday, March 4, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Presiding: Rep. Pat McElraft

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:32 AM on Friday, February 27, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



**Joint Appropriations Meeting of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Agenda

Wednesday, March 4, 2015, 8:30 A.M.
Room 421, Legislative Office Building

Rep. Pat McElraft, Presiding

1. Welcome and Opening Comments

Rep. McElraft

2. Overview of the Department of Commerce Rural Economic Development Division

Aubrey Incorvaia, *Fiscal Research Division*

Dr. Pat Mitchell., Assistant Secretary for Rural Economic Development
Department of Commerce

3. Questions

4. Adjourn

House Appropriations Committee on ANER

Rep. Dixon (Chair)
Rep. McElraft (Chair)
Rep. West (Chair)
Rep. Catlin (Vice Chair)
Rep. Pierce (Vice Chair)
Reps. Harrison, Langdon, Millis, Presnell,
Richardson, Turner, Wray, and Yarborough

Senate Appropriations Committee on NER

Sen. Brock (Chair)
Sen. Cook (Chair)
Sen. Wade (Chair)
Sens. Alexander, Bryant, Clark, Lowe,
McGinnis, Rabin, Smith



House Committee on Appropriations, Agriculture and Natural and Economic Resources
Wednesday, March 4, 2015 at 8:30 AM
Room 421 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on March 4, 2015 in Room 421 of the Legislative Office Building. Representatives Catlin, Dixon, Langdon, McElraft, Pierce, Presnell, Richardson, B. Turner, West, and Yarborough attended.

Senators present were Brock, Cook, Wade, Alexander Jr., Bryant, Clark, McInnis, Smith, and Lowe.

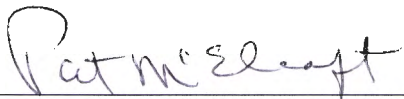
Representative Pat McElraft, Chair, presided. The Chair opens with welcoming everyone and recognizing the Pages, Sergeants-at-Arms, and the Fiscal Research Staff.

The Chair recognizes Aubrey Incorvaia to give an overview of the Department of Commerce Rural Economic Development Division. (See Attachment #1) Aubrey also went over the Rural Grants Program. (See Attachment #2)

Dr. Pat Mitchell, Assistant Secretary for Rural Economic Development, Department of Commerce, was introduced to present the overview of the Rural Economic Development Division, including topics such as the Creation of the Division, Programs, Rural Infrastructure, and other Projects and Initiatives. (See Attachment #3)

Questions and Answers

The meeting adjourned at 9:40 AM.



Representative Pat McElraft, Chair
Presiding



Nancy Fox, Committee Clerk



SENATE AgNER

[illegible]



ATTENDANCE

Agriculture and Natural and Economic Resources

[illegible]



Commerce

Rural Economic Development Division (REDD) & Rural Infrastructure Authority (RIA)

March 4, 2015



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Rural Economic Development Division (REDD)

REDD Evolution to-date:

1. 2013 Original Creation by General Assembly
(includes Rural Infrastructure Authority)
2. 2013 Office of State Budget & Management-
Budget Deviation presented to
Jt Leg Commission on Governmental Operations
3. Internal Reorganization by Department



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

REDD: 1. General Assembly Creation

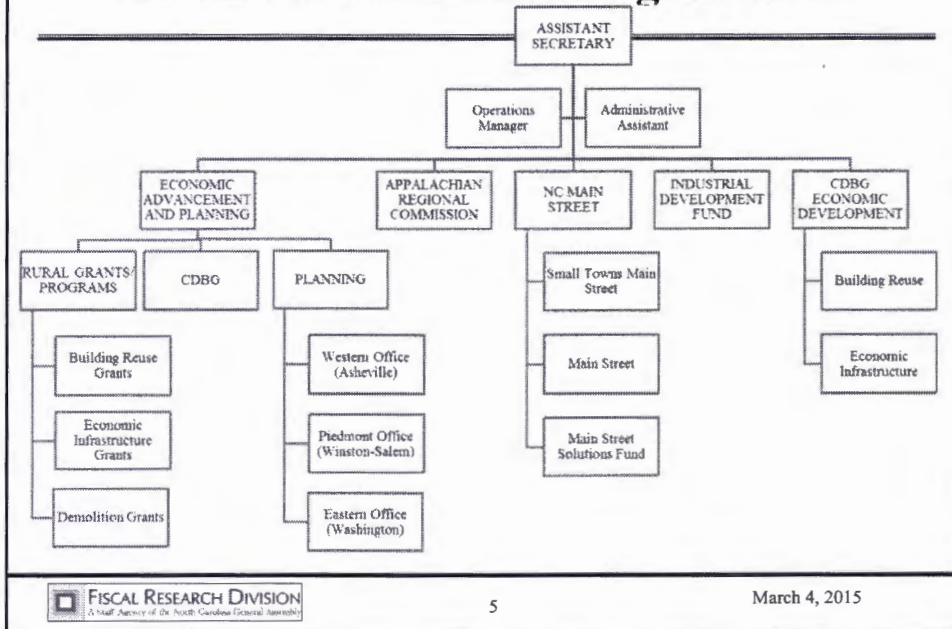
- Created in the 2013 Appropriations Act (Section 15.10, § 143B-472.126), which also created the **Rural Infrastructure Authority** (RIA), a 16 member board, consisting of the Commerce Secretary and appointments by the Governor and the General Assembly upon recommendation by the President Pro Tempore of the Senate and the Speaker of the House of Representatives
- Initial appropriation of \$11.3 million for:
 - ✓ A new Assistant Secretary and professional staff (up to 5%)
 - ✓ Two new grant programs for Economic Infrastructure & Building Reuse
- Upon creation gave RIA award-making authority over two existing programs:
 - ✓ Industrial Development Fund Utility Account, which is financed through statutory deductions from Job Development Investment Grant payments (25% for Tier 3 county projects; 15% for Tier 2)
 - ✓ Federal Community Development Block Grant-Economic Development funds

REDD: 2. OSBM Budget Deviation

During the first half of FY 2013-14, *Rural Economic Development CENTER* leadership determined to return all remaining State funds to Commerce ~ \$100M:

- ✓ \$28.5M reverted to the General Fund; and
- ✓ \$71.8M was allocated to a Commerce special fund for continued administration of ~ 421 active grants, allotted as follows:
 - \$63.3M for grant payments; and
 - \$3.5M for administration. With these admin funds, REDD hired time-limited FTEs from the *Rural Economic Development CENTER*; 2 FTEs became permanent and paid from the REDD's admin allowance (from recurring General Fund appropriations)

REDD: 3. Internal Reorganization



Rural Economic Development Division

- General Fund Economic Infrastructure, Building/Site Reuse, and Health Care Facility Construction/Expansion (including transferred Rural Center funds)
- Underserved & Limited Resource Communities Grant Program
- Federal Community Development Block Grant (CDBG) for Economic Development
- Community Developers, Planners & Main Street Services
- *Industrial Development Fund Utility Account*
- *Main Street Solutions Fund*
- *Federal Appalachian Regional Commission (ARC)*
- Special NR Projects:
 - ✓ Broadband Grants
 - ✓ Deobligated Federal CDBG Funds
 - ✓ Broughton Hospital Facilities Study

FY 2014-2015 Certified Budget

Expenditures: \$62.3 Million

Receipts: \$43.4 Million

GF Approp: \$18.8 Million

FTE: 60.5

Rural Grants Program
(<http://www.nccommerce.com/rd/rural-grants-programs>)

- **Created** – 2013
- **Statutory Authority** – G.S. 143B-472.126 to 472.128
- **Purpose** – Seeks to stimulate the creation of new, full-time jobs by offering grants to local governments that will partner with private business.
- **Allocation of Funds** – Categories of recurring funding include: **Economic Infrastructure, Building Reuse, Site Reuse, and Health Care Facility Construction/Expansion.**
- **Eligibility** – A local unit of government in collaboration with a business that is creating jobs. Minimum 5% cash match that must come from local resources and may not be derived from other State or federal grant funding (Building Reuse category requires a total match equal to the grant amount, i.e. a one-to-one match is required so that private business has an equal amount of investment into the project). Funding amount available per project depends upon the company type, salary and benefits offered, and the Tier level where the project is located. Project location requirements:
 - ✓ **Economic Infrastructure:** Projects in all counties are eligible with priority given to projects Tier 1 and 2 counties for publically owned water, sewer, natural gas line extension, access road, and rail spur improvements.
 - ✓ **Building Reuse:** Matching grants in Tier 1 and Tier 2 counties or in rural census tracts in Tier 3 counties to reuse vacant buildings; renovate and/or expand an existing building occupied by a resident company; or renovate, expand or construct health care facilities, and Site Reuse (Site Reuse grants are “demolition grants” and criteria is currently being developed for that category of program). Priority is given to towns with less than 5,000 population and resident companies as defined in G.S. 143B-472.127(a)(4). Tier 3 rural census tracts that have a population density of less than 500 people per square mile.
- **Grant Cycle** – Rural Infrastructure Authority makes award determinations every other month; there are no limits per cycle.
- **Governance** – Awards determined by the Rural Infrastructure Authority, a 16 member board comprised of the Commerce Secretary and appointments by the Governor and the General Assembly upon recommendation by the President Pro Tempore of the Senate and the Speaker of the House of Representatives [G.S. 143B-472.128]
- **Source of Funding** - FY 2014-15 recurring appropriation of \$13 million (up to 5% of which may be spent on administration) and an additional nonrecurring \$1.25 million.

- **Grant Demand –**

Rural Grants (FY 2013-14)					
	FY 2013-14				
	Total Applications		Awards		
Project Type	#	Amount	#	Amt	Matched*
Building Reuse	44	9,947,488	35	8,997,648	116,185,734
Economic Infrastructure	10	4,945,000	3	1,350,000	20,393,192
TOTAL	54	\$14,892,488	38	\$10,347,648	\$136,578,926
*Non-State sources					

- **Range of Grant Awards** – Maximum grant is \$500 K.
- **Grant Terms** –Two years from date of award.
- **Administrative Costs** – The Rural Economic Development Division administers this program. Pursuant to the enabling legislation, the Division may use up to 5%of the grant funds appropriated each fiscal year to administer the program. Based upon the current fiscal year allocation of \$13 million, the administrative costs for FY 14-15 are \$650,000 (5 FTEs). Nine time-limited FTEs administer grants transferred from the Rural Center in FY 2013-14 (\$72.4 million, of which up to 5% may be spent on administration. A total of 421 grants transferred).
- **Reporting Requirement** – Annual report by Sept 1 to House ANER, Senate NER, and FRD.
- **Funding History –**

Rural Grants (FY 2013-14 & FY 2014-15)		
	Bgt	
	FY 2013-14	FY 2014-15
Actual Appropriation	10,646,300	13,439,560

**Competitive Grant Program for
Underserved and Limited Resource Communities
(ULRC)**

(<http://www.nccommerce.com/rd>)

- **Created** – 2013
- **Statutory Authority** – S.L. 2013- 360 and amended by S.L. 2014-100
- **Purpose** – “to provide grants to local governments and/or nonprofit organizations to encourage the development of economic development activities, services, and projects that benefit underserved populations and limited resource communities across the State”
- **Allocation of Funds** – For new or expanded services. Funds may not be used for: renting or purchasing land or buildings, financing debt, or paying for salaries or food.
- **Eligibility** – Nonprofit organizations and local governments in Tier 1 and 2 Counties or a rural census tract in a Tier 3 County that have a population density of less than 500 people per square mile. Project categories include:
 - ✓ Planning (maximum of 10 up to \$25 K each);
 - ✓ Coastal Tourism (maximum of 5 up to \$50 K each);
 - ✓ Micro-lending institution for small business development loans (max of 2 at \$300 K each);
 - ✓ Cultural and/or Performing Arts (max 10 up to \$25 K);
 - ✓ Agriculture (max of 3 up to \$50 K); and
 - ✓ Health Care (max of 10 up to \$25 K).

Priority given to entities that:

- ✓ Demonstrate established business involvement and community partnerships;
 - ✓ Match funds and/or have at least one other significant source of funding;
 - ✓ Demonstrate independent fundraising to achieve financial sustainability; or
 - ✓ Plan to use funds to engage in activity that improves/enhances an aspect of a local economy.
- **Grant Cycle** – Annual; Applications accepted until mid-December and awards announced in January.
 - **Governance** – Assistant Secretary of the Rural Economic Development Division.
 - **Source of Funding** – FY 2014-15 total appropriation of \$1.75 million (\$1.25 million recurring; \$500 K nonrecurring).
 - **Grant Demand** – This is a new program, therefore the grant demand cannot be determined at this time. However, for the first cycle of the program, there were 51 grant applications submitted in December 2014; 39 awards were announced February, 2015.

- **Range of Grant Awards** – See Eligibility and associated project category descriptions.
- **Grant Terms** – 15 months from award date.
- **Administrative Costs** – The Rural Economic Development Division administers this program through the Assistant Secretary and existing grants managers.
- **Reporting Requirement** – None.
- **Funding History** – FY 2014-15 appropriation: \$1.75M (of which \$1.25M is recurring).

Industrial Development Fund Utility Account (IDF-UA)

(<http://www.nccommerce.com/research-publications/incentive-reports/industrial-development-fund/utility-account>)

- **Created** – 2002, with the Job Development Investment Grant
 - **Statutory Authority** – G.S. 143B-437.01 & 143B-437.61
 - **Purpose** – “to assist the local government units of the most economically distressed counties in the State in creating and retaining jobs”
 - **Allocation of Funds** – Purposes:
 - ✓ Reimbursable grants for construction or improvements to publically-owned:
 - New or existing water, sewer, gas, telecommunications, high speed broadband, electrical utility distribution lines or equipment, or
 - Transportation infrastructure for new, existing or proposed industrial buildings
 - ✓ Loans for private property, including:
 - Purchase or installation of equipment,
 - Structural repairs, improvements, or renovations of existing buildings
 - ✓ NOT for acquiring land or buildings or for constructing new buildings
- Minimum local government match of 25% for public facility projects (for all but the 25 most distressed counties, as defined by G.S. 143B-437.08)
- **Eligibility** – Local governments within a Tier 1 or 2 County. Priority given to the following types of business projects:
 - ✓ Air courier services
 - ✓ Company headquarters that creates at least 75 new headquarters jobs
 - ✓ Information technology and services
 - ✓ Manufacturing
 - ✓ Warehousing and wholesale trade
- **Grant Cycle** – Rural Infrastructure Authority makes award determinations every other month; there are no limits per cycle.
- **Governance** – Awards determined by the Rural Infrastructure Authority, a 16 member board comprised of the Commerce Secretary and appointments by the Governor and the General Assembly upon recommendation by the President Pro Tempore of the Senate and the Speaker of the House of Representatives (G.S. 143B-472.128).
- **Source of Funding** – Financed through statutory deductions from Job Development Investment Grant payments (25% for Tier 3 county projects; 15% for Tier 2). Since JDIG payments are based on company performance, annual revenue for this program varies.

- **Grant Demand –**

Project Type	FY 2009-10 ¹				FY 2010-11 ²				FY 2011-12			
	Total Applications		Awards		Total Applications		Awards		Total Applications		Awards	
	#	Amount	#	Amt	#	Amount	#	Amt	#	Amount	#	Amt
Water	5.5	1,582,742	5.5	1,582,742	5	783,048	5	783,048	2	409,287	2	409,287
Sewer	6.5	2,155,295	6.5	2,155,295	5	1,289,897	5	1,289,897	4	1,193,080	4	1,193,080
Gas	1	500,000	1	500,000	3	1,025,000	3	1,025,000				
Electric Utility					1	500,000	1	500,000	2	750,000	2	750,000
Transportation Infrastru	1	500,000	1	500,000	3	1,500,000	3	1,500,000	1	500,000	1	500,000
TOTAL	14	\$4,738,037	14	\$4,738,037	17	\$5,097,945	17	\$5,097,945	9	\$2,852,367	9	\$2,852,367

1 FY 2009-10: Three partial awards have been deobligated, totaling \$42,351

2 FY 2010-11: Six partial awards have been deobligated, totaling \$434,775

Project Type	FY 2012-13				FY 2013-14			
	Total Applications		Awards		Total Applications		Awards	
	#	Amount	#	Amt	#	Amount	#	Amt
Water	2.25	996,020	##	996,020	4	1,630,139	4	1,630,139
Sewer	2.25	981,000	##	981,000	5.5	1,718,861	5.5	1,718,861
Transportation Infrastru	1.5	750,000	2	750,000	1.5	716,500	1.5	716,500
TOTAL	6	\$2,727,020	6	\$2,727,020	11	\$4,065,500	11	\$4,065,500

- **Range of Grant Awards –** No maximum.
- **Grant Terms –** Typical Grants are for two years, although a provision allows for up to three years when job creation is required.
- **Administrative Costs –** Commerce Finance Center administers this program, along with several other incentive programs (6 FTEs and 1PTE).
- **Reporting Requirement –** Annual report by Sept 1 to NER and FRD.
- **Funding History –**

IDF-Utility Account (FY 2009-10 to FY 2014-15)						
	Actuals					Dec Auth Bgt
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Prior Year Carryforward	6,830,573	9,488,723	10,271,002	11,514,318	13,767,325	23,431,036
Closure of IDF					1,118,769	
Transfer from JDIG	5,147,850	4,699,327	4,694,826	5,526,286	10,992,078	10,650,000
Subtotal Receipts	11,978,423	14,188,050	14,965,828	17,040,604	25,878,172	34,081,036
Grant Payments	2,489,700	3,383,857	3,451,510	3,273,279	2,447,136	2,250,000
Legislative Adjustment *		533,191				11,000,000
Subtotal Expenditures	2,489,700	3,917,048	3,451,510	3,273,279	2,447,136	13,250,000
Cash Balance	9,488,723	10,271,002	11,514,318	13,767,325	23,431,036	20,831,036
Encumbrances	6,803,127	10,521,002	9,260,862	8,026,591	22,550,959	12,945,860
Available Cash Balance	\$2,685,596	-\$250,000	\$2,253,456	\$5,740,734	\$880,076	\$7,885,175

* FY 2014-15: \$5M transfer to General Fund, \$5M transfer to Ag Gas Expansion Fund, \$1M transfer to Main Street Solutions Fund

Main Street Solutions Fund

(MSSF)

(<http://www.nccommerce.com/rd/main-street/main-street-solutions-fund>)

- **Created** – 2009 (S.L. 2009-451, Sec. 14.10)
- **Statutory Authority** – G.S. 143B-472.35
- **Purpose** – Seeks to strengthen the local economy and its role as a regional growth and employment hub by leveraging the state's resources for small business development, spurring private investment, and providing economic development planning assistance and coordinated grant support.
- **Allocation of Funds** – Project purposes may include:
 - ✓ Downtown economic development initiatives;
 - ✓ Historic preservation initiatives;
 - ✓ Public improvement and public infrastructure;
 - ✓ Interlocal small business economic development initiatives.
- **Eligibility** – Municipalities that are designated micropolitan (a micropolitan is a geographic entity containing an urban core and having a population of between 10,000 and 50,000 people) located in Tier 2 and Tier 3 counties and active North Carolina Main Street communities, including communities in a Tier 1, 2 or 3 county that have been selected by the Department to participate in the Main Street Program or the Small Town Main Street Program.

Projects must spur private investment and retain or create jobs in association with small business.

Funds from eligible local governments, main street organizations, downtown organizations, downtown economic development organizations, and sources other than the state or federal government must be committed to match \$2 for every \$1 State dollar granted.
- **Grant Cycle** – Open-Round Funding Cycle. Applications are accepted from eligible communities on a first-come, first-serve basis until all available funds are exhausted.
- **Governance** – Applications are scored according to economic need, economic innovation, project timeline & capability, and economic impact. Rural Economic Development Division staff review applications and recommend awards to the Secretary, or his/her designee, who ultimately determines awards.
- **Source of Funding** – FY 2014-15 totals \$1 million, allocated from the Utility Account cash balance.

- **Grant Demand –**

Project Type	FY 2009-10 ¹					FY 2010-11 ²					FY 2011-12 ³				
	Total Applications		Awards			Total Applications		Awards			Total Applications		Awards		
	#	Amount	#	Amt	Matched*	#	Amount	#	Amt	Matched*	#	Amount	#	Amt	Matched*
Downtown Economic Development	29	4,497,543	8	1,950,000	9,210,735	11	1,611,021	9	1,211,021	4,854,033	4	650,000	4	650,000	2,905,390
TOTAL	29	\$4,497,543	8	\$1,950,000	\$9,210,735	11	\$1,611,021	9	\$1,211,020	\$4,854,033	4	\$650,000	4	\$650,000	\$2,905,390

*Non-State sources

1 FY 2009-10: 6 Awards or partial Awards have been deobligated, totaling \$1,192,954

2 FY 2010-11: 3 Awards or Partial Awards have been deobligated, totaling \$278,212

3 FY 2011-12: 2 Awards have been deobligated, totaling \$400,000

Project Type	FY 2012-13 ⁴					FY 2013-14 ⁵				
	Total Applications		Awards			Total Applications		Awards		
	#	Amount	#	Amt	Matched*	#	Amount	#	Amt	Matched*
Downtown Economic Development	2	95,207	2	95,207	242,080	8	1,039,316	8	1,039,316	8,563,883
TOTAL	2	\$95,207	2	\$95,207	\$242,080	8	\$1,039,316	8	\$1,039,316	\$8,363,883

4 FY 2012-13: 0 Awards have been deobligated, totaling \$0

5 FY 2013-14: 1 Award has been deobligated, totaling \$200,000

- **Range of Grant Awards** – The minimum grant allocation is \$25K. Grant allocations are based on the number of full time jobs retained or created as a result of the project. \$25K is awarded per job; maximum grant is \$200K.
- **Grant Terms** – Three years from the date of the award.
- **Administrative Costs** – \$75K annually; allowable per statute (1 FTE).
- **Reporting Requirement** – Annual report due by Sept 1 to Gov Ops and FRD.

Funding History –

MSSF (FY 2009-10 to FY 2014-15)						
	Actuals					Bgt
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Prior Year Carryforward	-	2,007,786	2,879,067	2,601,799	2,323,591	1,546,758
Actual Appropriation*	2,000,000	1,390,678				1,000,000
Other Receipts	12,453	26,186	20,467	11,677	8,189	2,958
Subtotal Receipts	2,012,453	3,424,650	2,899,534	2,613,475	2,331,780	2,549,716
Administration	4,666	25,668	60,604	73,465	48,426	77,958
Grant Payments	-	519,915	237,131	216,419	736,596	1,364,316
Legislative Adjustment						418,773
Subtotal Expenditures	4,666	545,583	297,735	289,884	785,022	1,861,047
Cash Balance	2,007,786	2,879,067	2,601,799	2,323,591	1,546,758	688,669
* FY 2014-15 Appropriation allocated from available IDF-UA Account.						

Federal Community Development Block Grant for Economic Development (CDBG-ED)

(<http://www.nccommerce.com/rd/community-assistance/investment-assistance/grant-categories/economic-development>)

- **Created** – 1974
- **Statutory Authority** – G.S. 143B-431(d)(3), 143B-437.04, and 143C-7-2
- **Purpose** – Provides federal Housing and Urban Development (HUD) funds to local governments for partnering with businesses to create or retain jobs; 60% of jobs must be for persons qualifying as prior low and moderate income.
- **Allocation of Funds** – Grants and Loans (low-interest & forgivable) are available.

GRANTS:

- ✓ May be used for 1) Building Reuse or 2) Infrastructure Improvements (water, sewer, street, natural gas lines, rail or municipal electrical).
- ✓ Funds up to 75% of the need (100% for 25 most distressed counties, as defined by G.S. 143B-437.08)
- ✓ Local 25% cash match can come from private or public funds but must pass through local government
- ✓ Dollars per job is based on level of distress in county where project located

LOANS may be used for:

- 1) Publically-owned Shell Buildings - up to 50% of funds needed for construction, 2% interest w/ 5-year term w/ annual July 1st payments; interest payment only in first 2 years, 1:1 local match
 - 2) Site Development 2% interest w/ 7-year term w/ annual July 1st payments (interest payment only in first 2 years), no match, or
 - 3) Building Reuse up to 50% renovation costs, no interest w/ 5-year term and no payments, forgivable, 1:1 local match
- **Eligibility** – Non-entitlement local government units (those that are not entitled to a direct allocation of HUD CDBG funds).
 - **Grant Cycle** – Rural Infrastructure Authority makes award determinations every other month; there are no limits per cycle.
 - **Governance** – Awards determined by the Rural Infrastructure Authority, a 16 member board comprised of the Commerce Secretary and appointments by the Governor and the General Assembly upon recommendation by the President Pro Tempore of the Senate and the Speaker of the House of Representatives [G.S. 143B-472.128].

- **Source of Funding** – Annual federal funds available for CDBG-ED grants prescribed in the 2013 Appropriations Act total \$15.7 million (actual allocation increases or decreases according to federal fund availability). Loan funds available in FY 2014-15 are \$9 million.
- **Grant Demand** – Demand has consistently met supply. Economic infrastructure grants have typically accounted for 60% of funds; building reuse grants account for the other 40%.
- **Range of Grant Awards** – Maximum of \$750,000 for Building Reuse and for Infrastructure, \$1 million for Tier 1 & 2 Counties; \$750,000 Tier 3 Counties.
- **Range of Loan Awards** – Maximum of \$1 million for Shell Buildings, Site Development is \$4 million for Tier 1 & 2 Counties, \$3 million for Tier 3 Counties, and for Building Reuse \$750,000.
- **Grant Terms** – Varies, see Allocation of Funds.
- **Administrative Costs** – 2 FTEs administer this program (50% General Funded).
- **Reporting Requirement** – Annual report by Sept 1 to Jt Leg Comm on Gov Ops and FRD.
- **Funding History** –

Federal CDBG-ED (FY 2009-10 to FY 2014-15)						
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Federal Appropriation	8,567,000	7,375,501	6,824,595	6,778,400	16,033,365	15,052,630

Appalachian Regional Commission (ARC)

(at v.nccomme)

- **Created** – 1965
- **Statutory Authority** – none; federal program.
- **Purpose** – Provides economic development assistance to the 29 counties in Appalachia and is based on the Governor's priorities. Each year ARC provides funding for projects that improve educational opportunities and workforce skills, improve infrastructure for community and economic development, increase civic and leadership capacity, increase entrepreneurial opportunities, and improve health care resources.
- **Allocation of Funds** – Projects approved for ARC assistance must support one of the four general goals:
 - 1) Increase job opportunities and per capita income in Appalachia to reach parity with the nation;
 - 2) Strengthen the capacity of the people of Appalachia to compete in the global economy;
 - 3) Develop and improve Appalachia's infrastructure to make the Region economically competitive; or
 - 4) Build the Appalachian Development Highway System to reduce Appalachia's isolation.
- **Eligibility** – Public entities (cities, towns, counties, regions, public service districts) and nonprofit organizations in Appalachia.
- **Grant Cycle** – Annual; pre-applications begin in March.
- **Governance** – Governor makes recommendations to the federal ARC, which determines final awards.
- **Source of Funding** – Annual federal funding varies, next cycle projected to be \$3.6 million.

- **Grant Demand –**

Project Type	FY 2009-10					FY 2010-11 ¹					FY 2011-12 ²				
	Total Applications		Awards			Total Applications		Awards			Total Applications		Awards		
	#	Amount**	#	Amt	Matched*	#	Amount	#	Amt	Matched*	#	Amount	#	Amt	Matched*
Water	4	1,046,667	2	428,333	3,954,667	6	1,285,250	3	666,500	3,179,263	1	300,000	1	600,000	1,400,000
Sewer	2	600,000				2	600,000	2	600,000	1,092,915	3	686,500	3	506,500	1,513,000
Broadband											5	257,178	4	146,900	114,600
Access Road	1	765,212	1	765,212	191,303	1	1,000,000	1	1,000,000	1,300,000	1	1,000,000	1	1,000,000	2,090,000
Planning	6	496,000	6	496,000	480,475	12	465,550	11	461,550	514,674	7	515,582	7	515,582	544,446
Education	4	616,098	2	258,256	268,554	6	1,000,000	8	1,200,000	1,315,718	8	1,100,000	6	800,000	787,993
Business Development	7	1,063,500	3	647,000	895,509	6	700,000	6	550,000	916,360	10	1,376,249	2	200,000	200,000
Technical Assistance	1	490,390	1	490,390	556,321	3	859,022	4	1,374,191	1,355,193	2	555,169	1	514,635	522,029
Health	3	313,350	1	10,050	6,700	13	1,328,562	5	558,470	658,786	8	665,967	10	1,019,809	2,364,233
Water & Sewer	1	300,000				2	600,000	6	1,605,000	5,464,585					
TOTAL	29	\$5,691,217	16	\$3,095,241	\$6,353,529	51	\$7,838,384	46	\$8,015,711	\$15,797,494	45	\$6,456,645	35	\$5,303,426	\$9,536,301

*Matching funds shown reflect both state and non-state resources

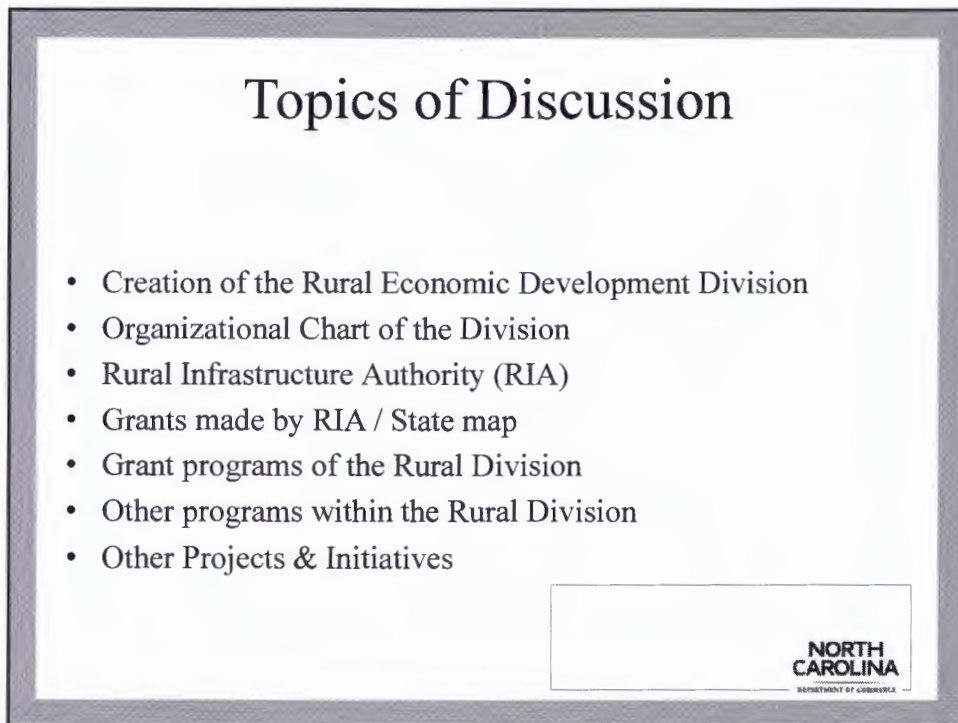
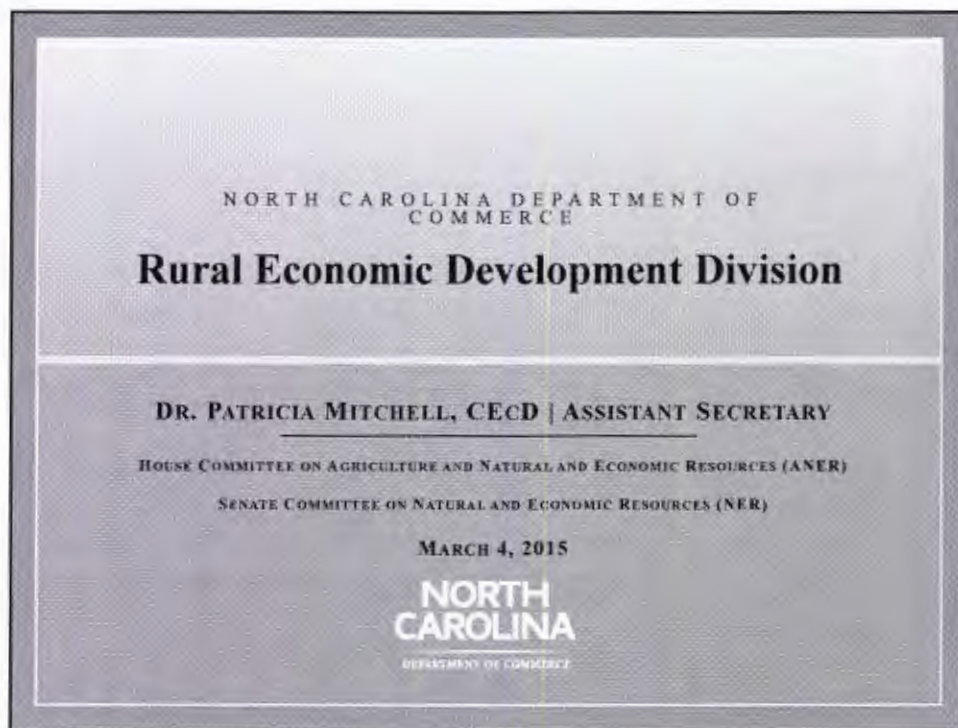
** Note applications received during a particular SFY may or may not be funded during that same year but could be funded in a subsequent year.

1 FY 2010-11:1 Awards have been deobligated, totaling \$300,000

2 FY 2011-12: 1 Awards have been deobligated, totaling \$18,000

Project Type	FY 2012-13					FY 2013-14				
	Total Applications		Awards			Total Applications		Awards		
	#	Amount	#	Amt	Matched*	#	Amount	#	Amt	Matched*
Water	1	300,000	2	600,000	792,600	6	1,366,014	2	308,014	431,864
Sewer	2	366,300	4	1,007,927	2,458,350	3	900,000	4	959,500	5,968,685
Broadband	1	100,000				1	180,000			
Access Road	1	2,583,330	1	2,583,330	-	3	5,415,000	1	415,000	
Planning	6	170,466	6	170,466	251,498	12	730,328	12	730,328	484,437
Education	5	800,000	6	736,694	927,532	3	700,000	2	109,027	100,000
Business Development	10	1,135,000	7	982,656	837,130	4	7,750,000	3	305,000	205,000
Technical Assistance						1	495,600	2	1,006,927	1,023,646
Health	5	444,900	6	569,554	647,814	2	200,000			
Water & Sewer						2	600,000			
TOTAL	31	\$5,899,996	32	\$6,650,627	\$5,914,924	37	\$18,336,942	26	\$3,833,796	\$8,213,632

- **Range of Grant Awards** – The state has set a general guideline that ARC assistance will not exceed \$300,000 for construction projects, \$100,000 for non-construction projects and will constitute no more than 50% of the total project cost. However, special consideration will be given to infrastructure projects in distressed and at-risk counties. Selected projects may request up to \$500,000 in ARC funding. Special consideration may also be given to non-construction projects with an emphasis on workforce development and education with an allowable funding amount up to \$300,000. Match requirements are determined based on county classification (attainment, competitive, transitional, at-risk, or distressed).
- **Grant Terms** – Terms are determined by ARC. Terms will vary according to the size and type of grant.
- **Administrative Costs** – 1.6 FTEs paid by federal funds plus associated cost (travel, supplies etc.)
- **Reporting Requirement** – none; federal reporting requirements.
- **Funding History** – Only Technical Assistance Grants come to the State; remaining grant funds are disbursed directly from the federal government to the grantee.



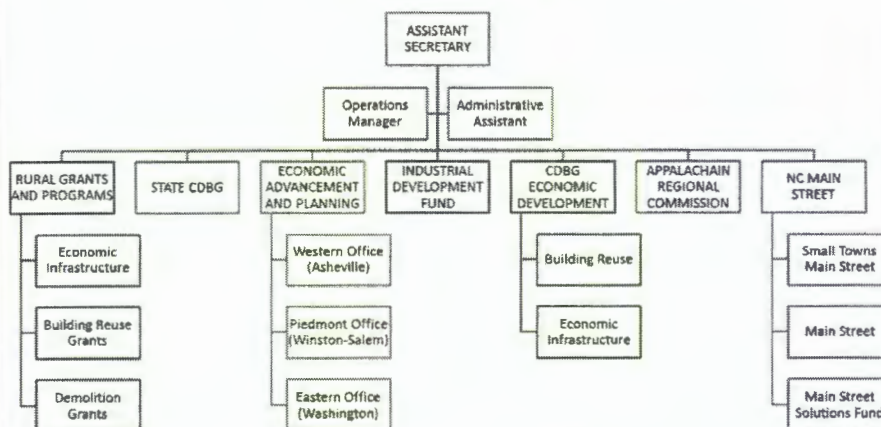
Rural Economic Development Division Timeline

- July 2013 REDD created by NCGS 143B-472.126
- September 2013 Assistant Secretary appointed
- November 2013 Rural Center grants transferred / grants managers hired
- November 2013 Rural Infrastructure Authority (RIA) appointed
- December 2013 First meeting of RIA & grants awarded

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

Rural Economic Development Division

NCGS 143B-472.126



**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

Total Grant Dollars

- **Rural Grants and Programs (State Appropriation)**
 - FY14: \$11,347,414 (less 5% for Administration of Division)
 - FY15: \$14,221,898 (less 5% for Administration of Division)
- **IDF-Utility Fund (Non-appropriated State S; a "set-aside" from JDIG. Amount is determined by the JDIG grant payouts per year and whether funds are removed for other purposes)**
- **CDBG-ED (Federal / HUD)**
 - FY13: \$16,200,000
 - FY14: \$15,900,000
- **Appalachian Regional Commission (Federal & State Partnership)**
 - FY14: \$3,293,600
 - FY15: \$4,570,478 (includes approved and pending projects)
- **Main Street Solutions (State Appropriation)**
 - FY14: \$1,272,629
 - FY15: \$966,626

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

Rural Infrastructure Authority

- **Fifteen (15) Member Board**
Five (5) Appointees each: Governor/House/Senate
- **Six (6) regular meetings per year**
Special called meetings if needed
- **All meetings open to the public**
Closed Sessions may be held if necessary

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

Rural Infrastructure Authority

Kevin Corbin
Macon County

Pamela J. Cundiff
Rockingham County

Lige Daughtridge
Nash County

Charles M. Devane, Jr.
Bladen County

Brady Dickson
Montgomery County

Jeff Etheridge
Columbus County

Celo Faucette, Vice Chairman
Alamance County

Beth Foster
Washington County

Lee Grantham
Robeson County

Tommy Hester, Chairman
Vance County

Darrell McCormick
Yadkin County

Tracy Philbeck
Gaston County

Garry Terry
Hertford County

Steve Wangerin
Onslow County

Theodore Westmoreland, II
Cleveland County

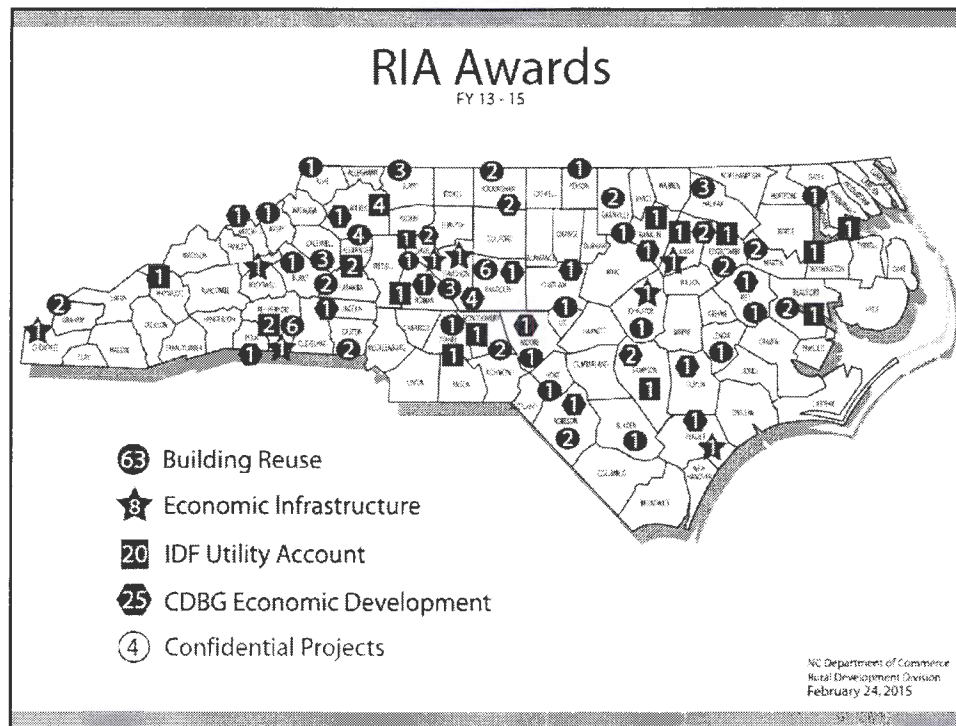
**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

RURAL ECONOMIC DEVELOPMENT DIVISION

AWARDS 12/18/2013 – 2/19/2015

Building Reuse (State \$)	\$16,397,567
Economic Infrastructure (State \$)	2,602,575
Utility Fund ("set-aside" from JDIG)	12,573,882
CDBG-ED (Federal / HUD)	15,496,898
CDBG-ED Loan (Federal / HUD)	7,000,000
	\$54,070,922

TH R I V E
NORTH CAROLINA



Rural Grants/Programs

Building Reuse

- Vacant Buildings & Properties
 - Vacant three months
- Existing Business Building Reuse (Occupied)
 - Companies operating in NC for at least one year to expand in their current facilities
- Rural Health Care Facilities
 - Construct or Expand

Available in Tier 1 or 2; Rural Census Tract of Tier 3

Tiered funding amounts are dependent upon location of the project, number of jobs to be created, type of company involved, new jobs meeting weekly wage standard and level of employer-paid benefits provided. One-to-One match by company.

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

Rural Grants/Programs

Economic Infrastructure

- Public infrastructure improvements
- Priority to 80 most distressed counties
- Tiered funding amounts are dependent upon location of the project, number of jobs to be created, type of company involved, new jobs meeting weekly wage standard and level of employer-paid benefits provided
- Requires a 5% match provided by the local government (non-state or federal funds)
- Eligible projects can be located in Tier 1, Tier 2, and Tier 3 counties

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

Rural Infrastructure Authority Dates

Application Deadline	Award Date
March 10, 2015	April 23, 2015
May 5, 2015	June 18, 2015
July 7, 2015	August 20, 2015
September 8, 2015	October 22, 2015
November 3, 2015	December 17, 2015
January 5, 2016	February 18, 2016
March 8, 2016	April 21, 2016
May 3, 2016	June 23, 2016

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

NORTH CAROLINA DEPARTMENT OF
COMMERCE

Rural Economic Development CDBG - Economic Development

MARCH 4, 2015

NORTH
CAROLINA
DEPARTMENT OF COMMERCE

CDBG-ED Infrastructure

- Grants to local government to assist with construction of infrastructure
 - Water, sewer, street, natural gas lines, rail or municipal electrical
- Grants fund up to 75% of the need (100% for 25 most distressed counties)
- Local 25% cash match can come from private or public funds but must pass through local government
- All federal guidelines must be met



THRIVE
NORTH CAROLINA

Rutherford County Bonita Pioneer



- Manufactures gift bags, gift wrap, and merchandise bags
- \$430,000 / 43 new F/T jobs
- Constructed in 2001 – Vacant 12 Years
- 103,454 square feet

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

NORTH CAROLINA DEPARTMENT OF
COMMERCE

Rural Economic Development Industrial Development Fund – Utility Account (IDF)

MARCH 4, 2015

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

Utility Account Overview

- The program provides grants to units of local government for publicly-owned infrastructure
- Utility Fund grants are a “set-aside” from JDIG
- Grantees must be located in either a Tier 1 or Tier 2 county
- Grantees, unless they are located in one of the 25 lowest ranked counties, must contribute a 25% match of IDF funds allocated for the project
- Job creation is not required in order to be eligible for funding
- Jobs, when attached to a project, cannot be retail, entertainment or sports related, and if non-manufacturing in nature must meet a wage standard

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

NORTH CAROLINA DEPARTMENT OF
COMMERCE

Rural Economic Development NC Main Street Center

MARCH 4, 2015

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

NC Main Street Center

Main Street & Small Town Main Street Communities

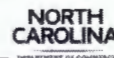
- An economic development program, framed in the context of historic preservation, Main Street advocates a comprehensive approach to downtown revitalization

Main Street Solutions Fund

- Tier 2 & 3 communities and/or Main Street Communities

Since the inception of the NC Main Street Program in the early 1980s, over \$2B in private and public funding has been invested in downtown revitalization and historic preservation projects in towns across NC.

(PlaceEconomics: Washington DC, Feb '14)



NORTH CAROLINA DEPARTMENT OF
COMMERCE

Rural Economic Development Appalachian Regional Commission ARC

MARCH 4, 2015



Appalachian Regional Commission

- 29 western NC counties
- Employees funded by ARC - 2.6 FTE
- Employees funded by State funds are used to match ARC funds (ARC is a State-Federal Partnership)
- ARC funds used for salaries - \$210,304
- State funds used for matching salaries - \$275,310

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

NORTH CAROLINA DEPARTMENT OF
COMMERCE
**Rural Economic Development
Other Projects/Initiatives**

MARCH 4, 2015

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

Underserved and Limited Resource Communities Grant Program (local government and non-profits)

\$1,750,000

AWARDED FEBRUARY 2015

**PLANNING
COASTAL
HEALTH CARE
AGRICULTURAL
MICRO-LENDING
CULTURAL AND/OR PERFORMING ARTS**

**THRIVE
in NORTH CAROLINA**

Underserved and Limited Resources Grant Program County Impact



NC Department of Commerce
Rural Development Division
February 18, 2015

Broadband Grants

\$350,000

(TOTAL AVAILABLE FUNDS)

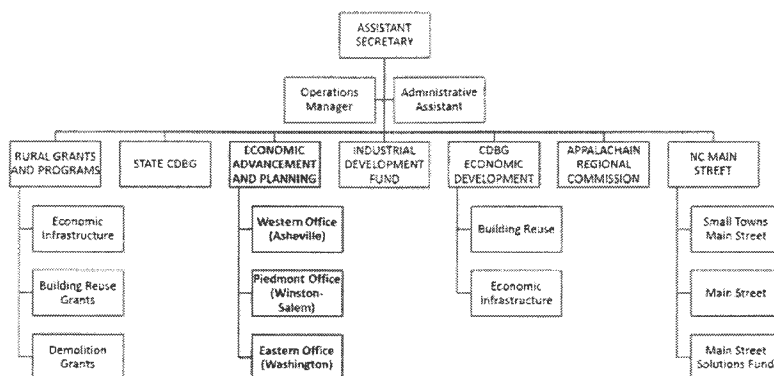
THE BROADBAND GRANT PROGRAM PROVIDES GRANTS TO NC CITIES, TOWNS OR VILLAGES TO FUND DEPLOYMENT OF BROADBAND CONNECTIVITY TO A BUSINESS LOCATION UNSERVED, OR UNDERSERVED, BY NECESSARY BROADBAND CONNECTIVITY. PURPOSE OF GRANT IS TO ENABLE THE BUSINESS TO CREATE JOBS. GRANTS IN THE AMOUNT OF "UP TO \$10,000 PER JOB CREATED" WILL BE OFFERED.

THIRTY
NORTH CAROLINA

Economic Development Planning

(Formerly Part of DCA)

Three planning offices:
Western, Piedmont, and Northeast



THIRTY
NORTH CAROLINA

Other Projects / Initiatives

USE OF DEOBLIGATED CDBG FUNDS SENATE 744 SECTION 15.9A.

The Department of Commerce may use the sum of five million nine hundred eight thousand four hundred ninety-seven dollars (\$5,908,497) in deobligated Community Development Block Grant (CDBG) funds as follows:

- (1) Four million six hundred fifty-eight thousand four hundred ninety-seven dollars (\$4,658,497) for providing public services. The category of public services includes providing substance abuse services and employment services, including job training, to homeless and at-risk veterans in rural areas of the State.
- (2) Five hundred thousand dollars (\$500,000) for existing CDBG programs that encounter cost overruns.
- (3) Seven hundred fifty thousand dollars (\$750,000) for providing training and guidance to local governments relative to the CDBG program, its management, and administration requirements.

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

Broughton Study

Broughton Legislation (Senate Bill 847)

- Potential uses of vacated Broughton Hospital facilities and development or redevelopment of adjoining State-owned properties.
- Benefits to the State, local governments, and the private sector of each potential use identified in the study.
- Costs to the State, to the City of Morganton, to the County of Burke, and to the private sector of each potential use identified in the study.
- Any other matters that the Department of Commerce deems relevant to this study of potential economic benefits in the use of vacated Broughton Hospital facilities and properties.

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE

Rural Economic Development Division Contacts

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Assistant Secretary
919-715-7726 office
pat.mitchell@nccommerce.com

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Operations Manager
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Melody Adams

Acting Director of Economic Advancement &
Planning / Rural Grants Programs
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Hazel Edmond

Rural Grants/Programs
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George Collier

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George T. Sherrill

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Mark Poole

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Olivia A. Collier

ARC's NC Program Director
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ocollier@nccommerce.com

Liz Parham

Director of Main Street Center
919-715-0527 office
lparham@nccommerce.com

**NORTH
CAROLINA**
DEPARTMENT OF COMMERCE



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-4-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Amanda Tetzloff	Commerce, 301 N. Wilmington
Melody Adams	Commerce 301 N. Wilmington
Patricia Mitchell	Commerce 301 N. Wilmington
Ashley Jones	Commerce 301 N. Wilmington
Shannon Hobbey	Commerce 301 N. Wilmington
Steve Spence	Shaw's Science Museum
Will Morgan	TNC
Candy McCallie	NC Conservation Network
Sam Blanton	Rep. Chuck McGrady
A C	WLC
Angie J. Oliver	Gov's Office



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-4-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Douglas

NCSTA

Jenny Schill

NCFA

Brad Kutt

DENR

David Huskins

NCARC

Phoebe Landon

Brooks Pierce

Jeff Moore

NC DOC / DWS

Jennifer Hayward

NC DOL

Sarah Beth Kance

NC DOL

Susanna Davis

NCFA

Amy McConkey

NC Beverage

Kara Weisha

SA



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-04-15

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

To HIN Cooper

Capital City Strategist

Lam Pqr

NC GRANGE

Brooks Rainey Pearson

SELC

Amanda Simon

U D A

Kirk Ross

press



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3/4/15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Isabel Vello-Garcia

NCAR

[Signature]

Gilbert

Nelson Francis

CCJ



House Page

Wednesday, March 4

APPROPRIATIONS,

AG & NATURAL &

ECON RESOURCES (JOINT)

Room

421

Time

8:30 am

Name

County

Sponsor

Justus Hargett

Jones

Pat McElraft



SENATE PAGES ATTENDING

COMMITTEE: Joint App - Nat'l & Econ. Resources

DATE: 3/4, TIME: 8:30, ROOM: 421

Pages: Please print legibly.....or else!!!!!!!!!!!!!!!!!!!!

Page Name	Hometown	Sponsoring Senator
① Mary Bready	Waxhaw	T. Tucker
2		
3		
4		
5		
6		
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8		
9		

Do not add additional names below the grid.

Pages: Please present this form to either the Committee Clerk at the meeting or a Sgt. at Arms.



Committee Sergeants at Arms

NAME OF COMMITTEE AG/NER

DATE: 3-04-2015 Room: 421

House Sgt-At Arms:

1. Name: BILL BASS

2. Name: JOHN BRANDON

3. Name: MARK CONE

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: Donna Blake

2. Name: Dale Huff

3. Name: _____

4. Name: _____

5. Name: _____



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Thursday, March 5, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Presiding: Rep. Roger West

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:35 AM on Friday, February 27, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Joint Committee on Appropriations, Agriculture and Natural and Economic Resources
Thursday, March 5, 2015 at 8:30 AM
Room 421 of the Legislative Office Building

MINUTES

The Joint Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on March 5, 2015 in Room 421 of the Legislative Office Building. Representatives Catlin, Dixon, Langdon, Millis, Presnell, Richardson, B. Turner, West, and Yarborough attended. Senators Cook, Wade, Alexander Jr., Bryant, Clark, Jane Smith, Lowe.

Representative Roger West, Chair, presided. Meeting Started at 8:31am
Rep. West welcomes everyone and also acknowledges the Sgt at Arms and Pages: See Attach #1

Rep. West calls on chairs for initial comments. There were none.

Rep. West then calls on Aubrey Incorvaia from Fiscal Research to go over Economic Development in the State.

Aubrey gives presentation see attachments #2 thru 4 which are overview of the Economic Development in N.C.

Aubrey concludes her remarks at which time she takes any questions the members might have
Sen. B Clark ask question about status of JDIG and State Benefits Programs?

Aubrey refers Sen. Clark to Attach # 2 and reviews those programs and status.

Sen. Wade asks Aubrey to provide info for the committee on NC Development Tier Designations?

Aubrey then provides members with a handout to show those designations See Attach #4.

Rep. Yarborough asks Aubrey if the JDIG program has ever ran a deficit?

Aubrey answers that the program did run a deficit during the recession few years back and that was due to under stated projections.

Sen. Cook asks Aubrey about the difficulty in getting money back from these companies if they don't follow guidelines?

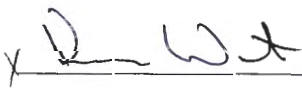
Aubrey answers that in the few cases where that has happened all monies have been recovered by the state.

Rep. West then asks if there are any more questions or comments from the members or staff?

Hearing none he adjourns the meeting.

The following bills were considered: none

The meeting adjourned at 9:02am.

 _____

 _____



Representative Roger West, Chair
Presiding

Michael Wiggins, Committee Clerk

**Joint Appropriations Meeting of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Agenda

Thursday, March 5, 2015, 8:30 A.M.
Room 421, Legislative Office Building

Rep. Roger West, Presiding

1. Welcome and Opening Comments

Rep. West

2. Economic Development in North Carolina

Aubrey Incorvaia, *Fiscal Research Division*

3. Questions

4. Adjourn

House Appropriations Committee on ANER

Rep. Dixon (Chair)
Rep. McElraft (Chair)
Rep. West (Chair)
Rep. Catlin (Vice Chair)
Rep. Pierce (Vice Chair)
Reps. Harrison, Langdon, Millis, Presnell,
Richardson, Turner, Wray, and Yarborough

Senate Appropriations Committee on NER

Sen. Brock (Chair)
Sen. Cook (Chair)
Sen. Wade (Chair)
Sens. Alexander, Bryant, Clark, Lowe,
McGinnis, Rabin, Smith



Attach
#2

Committee Sergeants at Arms

NAME OF COMMITTEE AG/NER

DATE: 3-05-2015 Room: 421

House Sgt-At Arms:

1. Name: BILL BASS
2. Name: JOHN BRANDON
3. Name: MARK CONE
4. Name: _____
5. Name: _____

Senate Sgt-At Arms:

1. Name: DALE HUFF
2. Name: STEVE WILSON
3. Name: _____
4. Name: _____
5. Name: _____



House Page

#1

Thursday, March 5

APPROPRIATIONS,
AG & NATURAL &
ECON RESOURCES (JOINT)

Room

421

Time

8:30 am

Name

County

Sponsor

Drew West

Buncombe

Michele D. Presnell

#2

SENATE PAGES ATTENDING

COMMITTEE: Joint - Natural & Eco. Resources

DATE: 3/5, TIME: 8:30, ROOM: 421

Pages: Please print legibly.....or else!!!!!!!!!!!!!!!!!!!!

Page Name	Hometown	Sponsoring Senator
① Wilker Ballantine	Wilmington	Berger
2		
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Do not add additional names below the grid.

Pages: Please present this form to either the Committee Clerk at the meeting or a Sgt. at Arms.



VISITOR REGISTRATION SHEET

AGNER

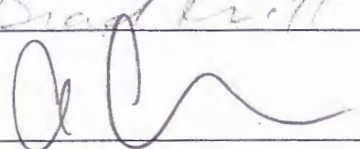
Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Steve Sauer	Statewide Science Museum
Galley Lons	NC DOC
Shannon Hobby	Commerce
Brad Kratt	DENR
	NCWRC
Curly McLaughlin	NCW
Susan Vick	Duke Energy
Tom Bean	NCSEA EDF NCWE
Carl McLomb	Troutman Sanders



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Doug Lassiter	NCESTA
Allen Hardison	CRSWMA
Sarah Kwoon	NCDOL
Danielle Albert	Senator Alexander
Hu Nguyen	NCCOB
Sienna Davis	NCFA
Whitney Christensen	Ward & Smith, P.A.
Rob Lammie	FZA



Economic Development In North Carolina

Types of Economic Incentives

- Finance-based Tax Expenditures
 - The Article 3X tax credits (Bill Lee, Art. 3J, Mill and Historic Rehab, Research & Development, etc.)
 - Targeted income tax credits (Film, Ports)
 - Economic incentive sales tax refunds (passenger air carrier, motorsports)
 - Preferential tax liability calculations (single sales factor, 1%/\$80 mill machinery)
- Appropriations-based discretionary incentive funds
 - Job Development Investment Grant Program
 - One North Carolina Fund
 - Industrial Development Fund Utility Account
 - Job Maintenance and Capital Development Fund
 - Site Infrastructure Development Fund

Job Development Investment Grant Program (JDIG) - Introduction

- Discretionary incentive program for businesses (new or existing) that create new jobs in the State
- Amount of incentive = (withholdings of the created eligible positions) X (percentage between 10-75%).
- Pre-requisites:
 - Net increase in employment in the State by the business
 - Only available when the project would not locate in NC "but for" the JDIG incentive
 - Total project benefits outweigh costs (Walden model)
 - Increases employment opportunities and strengthens the economy
 - Consistent with State/local economic development goals

JDIG – Eligibility, Limitations

Eligibility:

- Project must create at least 10 jobs in tier 1 and at least 20 jobs in tier 2 or tier 3
- No retail or sports team projects
- Health insurance
- OSHA record

Limitations:

- Maximum annual cost of JDIG agreements: \$15M/CY
 - Originally \$10M/CY
 - 2004: Increased to \$15M/CY
 - Cap modifications occurred as one-time increases and by collapsing of future time periods into current time periods
- New agreement limitation eliminated (15 >> 25 >> N/A)
- Agreement term \leq 12 years

JDIG - Process

- Preliminary contact between business and Commerce
- Business applies to Economic Investment Committee for participation in JDIG program
- EIC is composed of 5 members (the Secretaries of Commerce and Revenue, the Director of OSBM, and 2 appointees of the General Assembly) and is responsible for implementing the program
- Subject to public records and open meetings laws (and exceptions regarding economic development activities)
- Application:
 - Fee of \$10,000
 - Name of business, proposed project location, type of activity
 - Financial statements of the business
 - Number of eligible positions proposed and estimate of total withholdings
 - Information concerning other locations considered and anticipated incentives
 - Other State and local government incentives offered

JDIG – Process; agreement terms

- Committee evaluates applications and chooses projects for participation in program.
- Committee and business negotiate community economic development agreement
- Agreement terms:
 - Number of eligible positions
 - Amount of incentive
 - Percentage of withholdings used to determine incentive (10-75%)
 - Utility Account reduction
 - Term of agreement (max of 12 years)
 - Requirement to maintain operations for 150% of agreement term
 - Encouraging employment of State residents, use of State ports, fair employment practices
 - Numerous other terms

JDIG - Clawbacks

7

- Committee may recapture all or part of incentive paid to a business if it fails to maintain operations at the project for at least 150% of the agreement term
- If business fails to meet terms of the agreement for one year – incentive paid to business is reduced proportionate to the failure
- If business fails to meet terms of agreement for two consecutive years:
 - If within base period, further incentive installments are withheld after second year of noncompliance until business satisfies term of agreement
 - If outside of base period, agreement is terminated

JDIG – Disbursement Schedule & Monitoring

8

- No amount is disbursed to a business until the Secretary of Revenue certifies to EIC the amount of withholdings received in that year from the business
- Business submits annual payroll reports to EIC with fee
- EIC may audit at any time
- EIC reports annually on program re: listing of each award for preceding year, update on projects prior to the preceding year, number and development tier of eligible positions created, wage levels, amount of new income tax revenue, and other metrics.
- EIC conducts and reports on annual study to determine minimum funding level required to implement JDIG

JDIG – Appropriations

9

- **Example:**
 - In 2015, Stark Industries enters into a JDIG agreement with the Department
 - JDIG incentive = \$1M for 12 years, if all performance criteria is met.
 - What is the total potential JDIG obligation to Stark?
 - How much must be appropriated for the JDIG obligation in 2015? In 2016? In each year of 2017-27?
 - What if Ultron Industries enters an economically identical JDIG agreement in 2016?
- EIC study for funding
- EIC report to General Assembly by 4/1
- Annual JDIG obligation depends on compliance with performance metrics
- Projected FY 16 as of last funding study, if all metrics are met: \$74M
- Actual base budget appropriation: \$63M
- Surplus? Deficit?

Company	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	GRAND TOTAL
Stark	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1		\$12
Ultron		\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$120
TOTAL	\$1	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$10	\$132

One North Carolina Fund

10

- Discretionary incentive program with moneys allocated to local governments to secure commitments for recruiting, expanding, or retaining new and existing businesses.
- Funds are used to:
 - Install/purchase equipment
 - Structure repairs, improvements, or renovations to existing buildings
 - Construction of utility infrastructure for existing or proposed buildings
- Maximum One NC commitment: \$28M/ fiscal biennium
- Two agreements:
 - Local government grant agreement: between State and one or more local governments
 - Company performance agreement: between local government and business

One NC – Agreements

- Company performance agreement:
 - Requires job creation or maintenance with salary and location requirements
 - Schedule for fund disbursement with requirement that disbursement be proportional to amount of completed performance
 - Recapture provisions for failure to comply with agreement terms
- Local government grant agreement:
 - Local match requirement (cash or in-kind match allowed)
 - Provision requiring recapture in event of failure to comply with company performance agreement
 - Provision requiring reimbursement to State of recaptured funds
 - Record access
 - Fund disbursement schedule
- Funds may be disbursed only after local government demonstrates business has complied with applicable terms.

Industrial Development Fund Utility Account

- Discretionary fund used for construction/improvement of utility infrastructure
- Restricted to tier one and two counties
- Reserved for projects reasonably anticipated to create new jobs
- No local match requirement for 25 most economically distressed counties
- Priority for company HQ projects, air courier services, IT projects, manufacturing, and warehousing/wholesale trade
- Not available for retail, entertainment, or sports projects

Site Infrastructure Development Fund

13

- Discretionary fund used to provide grants or forgivable loans to businesses, State agencies, nonprofit corporations, or one or more local government to acquire/ improve land for industrial purposes
- Requires a business to invest at least \$100M in private funds, to employ at least 100 new employees, and to meet health insurance, OSHA, & environmental requirements
- Businesses selected by EIC
- SIDF agreements must have safeguards to protect State's investment (job maintenance and wage standards, e.g.) and reimbursement provisions proportionate to the extent a business fails to comply with required metrics
- Originally used to attract Merck Pharmaceuticals; inactive since payments to Merck depleted the Fund

Job Maintenance and Capital Development Fund

14

- Discretionary fund used to encourage businesses to maintain high-paying jobs in the State and to make further capital investment in the State
- Businesses selected by EIC
- Sliding investment and minimum job requirements, depending on type and tier location of business
- JMAC agreements must provide each of the following:
 - Incentive payments are reduced for reductions in workforce and withheld if employment is less than 80% of what is required
 - Recapture of incentive payments if business fails to meet investment requirements
- Incentive amount is based on taxes paid on machinery and equipment, sales taxes paid on building materials, additional income and franchise taxes not offset by tax credits, taxes paid on electricity and fuels, worker training expenses, and State permitting fees
- Limited to 5 agreements total with a maximum aggregate cost of \$79M and a maximum individual agreement cost of \$6M

Attach #23

NORTH CAROLINA DEPT OF COMMERCE
SUMMARY OF ACTIVE ECONOMIC DEVELOPMENT "TOOLS" & POINTS OF CONTACT

ACTIVE ECONOMIC DEVELOPMENT "TOOLS"

JOB DEVELOPMENT INVESTMENT GRANTS (JDIG) – Seeks to stimulate economic activity and create new jobs by providing a discretionary incentive that offers sustained annual grants directly to new and expanding businesses statewide, measured against a percentage of withholding taxes (10% to 75%) paid by new employees. Fiscal Year (FY) 2014-15 funding totals \$54 million to cover existing award commitments.¹ Commerce is authorized to award new grants; the total amount paid out in any single grant year to all companies awarded a grant in the same calendar year cannot exceed \$15 million.²

ONE NORTH CAROLINA FUND (ONE NC) – Seeks to stimulate economic activity and create new jobs by providing a discretionary incentive "allocated to local governments for use in connection with securing commitments for the recruitment, expansion, or retention of new and existing businesses." FY 2014-15 funding totals \$11.4 million to cover existing award commitments. Commerce is authorized to award new grants up to \$28 million over the biennium.

JOB MAINTENANCE & CAPITAL DEVELOPMENT FUND (JMAC) – Seeks to stimulate economic activity, maintain significant numbers of high-paying jobs, and encourage addition of large-scale capital investment by providing a discretionary incentive that offers sustained annual grants directly to businesses located in Tier 1 and 2 counties. A total of five grants may be awarded to major employers and/or large manufacturing employers; terms may be up to 10 years. The sum of all grants awarded under the program may not exceed \$79 million and the total annual cost of an agreement may not exceed \$6 million. FY 2014-15 funding totals \$7.5 million for three companies: Bridgestone, Goodyear, and Domtar.

JOINT ECONOMIC DEVELOPMENT PROGRAM WITH DEPT OF TRANSPORTATION – Provides grants for prioritized transportation improvements and infrastructure that expedite commercial growth as well as either job creation or job retention.³ FY 2014-15 funding totals \$4 million.

ONE NC SMALL BUSINESS FUND – Leverages the federal Small Business innovative Research (SBIR) and Small Business Technology Transfer (STTR) program, which provide early-state technology development grants for small business. FY 2014-15 funding totals \$2.5 million.

AGRICULTURE GAS EXPANSION FUND – Provides funding for farmers to pay for excess infrastructure costs for a project requiring new or expanded natural gas or propane gas service. Commerce is authorized to award new grants totaling up to \$5 million per biennium.⁴

FILM & ENTERTAINMENT GRANT FUND – Effective January 1, 2015, provides grants to production companies that meet a minimum of qualifying expenses, including \$5 million for a film and \$250,000 for a television series episode or commercial. FY 2014-15 funding totals \$10 million.⁵

¹ Actual payments are based on company performance.

² This cap translates to a maximum potential liability of \$180 million over a 12-year grant period (maximum term length) for all businesses awarded a grant in the same calendar year (S.L. 2013-360 modified liability to be \$22.5 million for FY 2013-15 Biennium and \$7.5 million for 7/1/15 to 12/31/15). Authority to award new grants expires January 1, 2016.

³ See Section 34.29 of the 2014 Appropriation Act.

⁴ See Section 15.13 of the 2014 Appropriations Act.

⁵ See Section 15.14B of the 2014 Appropriation Act.

RURAL ECONOMIC DEVELOPMENT DIVISION GRANTS – Provides grants to local governments for partnering with businesses to create jobs through two programs: Economic Infrastructure, Building/Site, Reuse, and Health Care Facility Construction/Expansion. FY 2014-15 funding totals \$14.2 million (including admin allowance).

COMMUNITY DEVELOPMENT BLOCK GRANT FOR ECONOMIC DEVELOPMENT (CDBG-ED) – Provides funds to local governments for partnering with businesses to create or retain jobs; 60% of jobs must be for persons qualifying as prior low and moderate income. Annual federal funds available totals \$15.7 million.

INDUSTRIAL DEVELOPMENT FUND UTILITY ACCOUNT (IDF-UA) – Provides grants to local governments in Tier One and Tier Two Counties for infrastructure that will lead to job creation.⁶

UNDERSERVED & LIMITED RESOURCE COMMUNITIES GRANT PROGRAM – Provides grants to local governments and/or nonprofits that demonstrate the best ability to encourage the development of economic development activities, services, and projects that benefit underserved populations and limited resource communities across the State. FY 2014-15 funding totals \$1.75 million.⁷

MAIN STREET SOLUTIONS FUND – Provides reimbursable, matching grants to local governments to assist planning agencies and small businesses with efforts to revitalize downtowns by creating jobs, funding infrastructure improvements and rehabilitating buildings, all of which are framed in the context of historic preservation. FY 2014-15 funding totals \$1 million.

APPALACHIAN REGIONAL COMMISSION (ARC) – Provides economic development assistance to the 29 counties in Appalachia and is based on the Governor's priorities. Each year ARC provides funding for projects that improve educational opportunities and workforce skills, improve infrastructure for community and economic development, increase civic and leadership capacity, increase entrepreneurial opportunities, and improve health care resources. Annual federal funding varies, next cycle projected to be \$3.6 million.

POINTS OF CONTACT

JDIG, One NC, JMAC, Joint Economic Development Program with Dept of Transportation:

Susan Fleetwood, Chief Economic Development Liaison: (919) 733-9304, sfleetwood@nccommerce.com

Stewart Dickinson, Director of Commerce Finance: (919) 715-6560, sdickinson@nccommerce.com

One NC Small Business Fund:

Dr. John Hardin, Executive Director for the Office of Science & Technology: (919) 715-0516, jhardin@nccommerce.com

Rural Economic Development Division Grants, CDBG-ED, IDF-UA, Underserved & Limited Resource Communities Grants:

Dr. Pat Mitchell, Asst Secretary for Rural Economic Development Division: (919) 715-7726, pat.mitchell@nccommerce.com

Melody Adams, Rural Grants Program Director: (919) 715-0090, melody.adams@nccommerce.com

George Sherrill, CDBG-ED Manager: (919) 715-6559, gsherrill@nccommerce.com

Mark Poole, Utility Account, Agriculture Gas Expansion Fund, Film & Entertainment Grant Fund: (919) 733-4907, mpoole@nccommerce.com

Main Street Solutions Fund:

Liz Parham, Director of NC Main Street Center: (919) 715-0527, lparham@nccommerce.com

Appalachian Regional Commission:

Olivia Collier, Chief of Local & Regional Affairs: (919) 715-0535, ocollier@nccommerce.com

⁶ This program receives revenue based on JDIG company performance, so annual funding varies.

⁷ See Section 15.8 of the 2014 Appropriations Act.



Attachment # 4
Rep. Sen. WAD
Question.

2015 NORTH CAROLINA DEVELOPMENT TIER DESIGNATIONS

Since 2007 North Carolina has used a three-level system for designating development tiers. The designations, which are mandated by state law, determine a variety of state funding opportunities to assist in economic development. This 2015 report documents the process for calculating tiers and explains reasons that specific counties will change tiers. A North Carolina tier map and tier calculations are included for reference.

How Tier Rankings Are Calculated

The Development Tier Designation statute ([§143B-437.08](#)) provides specific guidelines for calculating annual tier rankings. This process assigns each county to a designation of Tier One (most distressed), Tier Two, or Tier Three (least distressed). Assuming no ties in rankings, the statute requires **40 Tier One, 40 Tier Two, and 20 Tier Three** counties each year. In the event of a tie for the final position as a Tier 1 or Tier 2 county, both counties will be placed in the lower tier.

Tier Rankings use Four Factors

- **Average unemployment rate** for the most recent twelve months for which data are available (October 2013 – September 2014, NC Dept. of Commerce LAUS)
- **Median household income** for the most recent twelve months for which data are available (2012, U.S. Census SAIPE)
- **Percentage growth in population** for the most recent 36 months for which data are available (July 2010 – July 2013, NC Office of State Budget & Management)
- **Adjusted property tax base per capita** for the most recent taxable year (FY 2014-15, NC Dept. of Public Instruction)

Each county is ranked from 1 to 100 on each variable, making the highest possible *County Rank Sum* 400, and the lowest 4. After calculating the *County Rank Sum*, counties are then ranked from most distressed (1) to least distressed (100) in order to determine their *Economic Distress Rank*.

Tier Adjustments for Small and Impoverished Counties

The Development Tier Designation statute further specifies automatic qualifying criteria for Tier One and Tier Two status:

- Tier One Automatic Qualifiers
 - A county must be Tier 1 for at least two consecutive years
 - A county with less than 12,000 people
 - A county with a population less than 50,000 people **AND** a poverty rate of 19 percent or greater.
- Tier Two Automatic Qualifier
 - A county with a population less than 50,000 people

After taking these qualifiers into account, counties are ranked from 1 to 100 to determine *Adjusted County Rank*, which determines final tier designation. All components of this process are consistent with the methodology designated in the general statutes.

County Tier Changes in 2015

Nine counties will change tiers in 2015: Ashe, Burke, Caldwell, Guilford, Haywood, Hoke, Macon, Mitchell, and Nash Counties. This section provides the reasons for each of these changes.

Counties Moving to a Less Distressed Tier Designation

Burke County: From 2007 to 2014, Burke County held a Tier One designation. Burke County ranked number 21 in the 2014 development tiers calculations. For the 2015 County Development Tier designations, Burke County qualifies as a Tier Two county. Burke County now ranks 27 based largely on a much-improved 12-month average unemployment rate ranking (number 35 in the 2014 Tiers to number 51 in the 2015 Tiers). As a result of this improvement and taking into consideration legislatively required adjustments made for counties with small populations and/or high poverty rates, Burke County will move into Tier Two designation.

Caldwell County: From 2007 to 2014, Caldwell County held a Tier One designation. Caldwell County ranked number 16 in the 2014 development tiers calculations. For the 2015 County Development Tier designations, Caldwell County qualifies as a Tier Two county. Caldwell County now ranks 22, based largely on a much-improved 12-month average unemployment rate ranking (number 31 in the 2014 Tiers to number 45 in the 2015 Tiers). As a result of this improvement and taking into consideration legislatively required adjustments made for counties with small populations and/or high poverty rates, Caldwell County will move into Tier Two designation.

Haywood County: From 2010 to 2012, Haywood County held a Tier Two designation. It qualified as a Tier Three county in 2013, and returned to Tier Two status in 2014. Haywood County ranked number 72 in the 2014 development tiers calculations. For the 2015 County Development Tier designations, Haywood County qualifies as a Tier Three county. Haywood County now ranks 80, based largely on a much-improved population growth ranking (number 47 in the 2014 Tiers to number 61 in the 2015 Tiers). As a result of this improvement and taking into consideration legislatively required adjustments made for counties with small populations and/or high poverty rates, Haywood County will move into Tier Three designation.

Hoke County: From 2007 to 2012, Hoke County held a Tier Two designation. It then qualified as a Tier One county in 2013 and 2014. Hoke County ranked number 68 in the 2014 development tiers calculations. After taking into consideration legislatively required adjustments made to the 2014 tiers for counties with small populations and/or high poverty rates, Hoke County automatically qualified for Tier One designation. For the 2015 County Development Tier designations, Hoke County qualifies as a Tier Two county. Hoke County now ranks 67 and no longer automatically qualifies for Tier One designation. Automatic Tier One designation is reached through a population less than 50,000 (Hoke population is 50,183) and a poverty rate over 19 percent (Hoke poverty rate is 21.9%).

Mitchell County: From 2007 to 2014, Mitchell County held a Tier One designation. Mitchell County ranked number 18 in the 2014 development tiers calculations. For the 2015 County Development Tier designations, Mitchell County qualifies as a Tier Two county. Mitchell County now ranks 28, based largely on:

- 1) a much-improved population growth ranking (number 7 in the 2014 Tiers to number 18 in the 2015 Tiers) and
- 2) a much-improved unemployment rate ranking (number 9 in the 2014 Tiers to number 22 in the 2015 Tiers).

As a result of this improvement and taking into consideration legislatively required adjustments made for counties with small populations and/or high poverty rates, Mitchell County will move into Tier Two designation.



Counties Moving to a More Distressed Tier Designation

Ashe County: From 2007 to 2014, Ashe County held a Tier Two designation. Ashe County ranked number 40 in the 2014 development tiers calculations. After taking into consideration legislatively required adjustments to the 2014 tiers for counties with small populations and/or high poverty rates, Ashe County qualified for Tier Two designation. For the 2015 County Development Tier designations, Ashe County qualifies as a Tier One county. Ashe County is now ranks 38 and it automatically qualifies for Tier One designation. Automatic Tier One designation is reached through a poverty rate over 19 percent (Ashe poverty rate is 19.3 percent) and a population less than 50,000 (Ashe population is 27,434).

Guilford County: From 2007 to 2012, Guilford County held a Tier Three designation. It qualified as a Tier Two county in 2013, and returned to Tier Three status in 2014. Guilford County ranked number 75 in the 2014 development tiers calculations. After taking into consideration legislatively required adjustments to the 2014 tiers for counties with small populations and/or high poverty rates, Guilford County was shifted out of Tier Two and into Tier Three. For the 2015 County Development Tier designations, Guilford County qualifies as a Tier Two county. Guilford County now ranks 71, based in part on the change in median household income ranking (number 78 in the 2014 Tiers to number 70 in the 2015 Tiers). Adjustments for counties with small populations and/or high poverty rates do not affect Guilford County in the 2015 Tiers.

Macon County: From 2007 to 2014, Macon County held a Tier Two designation. Macon County ranked number 49 in the 2014 development tiers calculations. For the 2015 County Development Tier designations, Macon County qualifies as a Tier One county. Macon County now ranks 68, based largely on:

- 1) a much-improved population growth ranking (number 27 in the 2014 Tiers to number 50 in the 2015 Tiers) and
- 2) a much-improved unemployment rate ranking (improved from number 33 in the 2014 Tiers to number 56 in the 2015 Tiers).

Macon County automatically qualifies for Tier One designation after legislatively required adjustments for counties with small populations and/or high poverty rates. Automatic Tier One designation is reached through a poverty rate over 19 percent (Macon poverty rate is 19.6 % and in the 2014 rankings it was at 18.3%) and a population less than 50,000 (Macon population is 34,151).

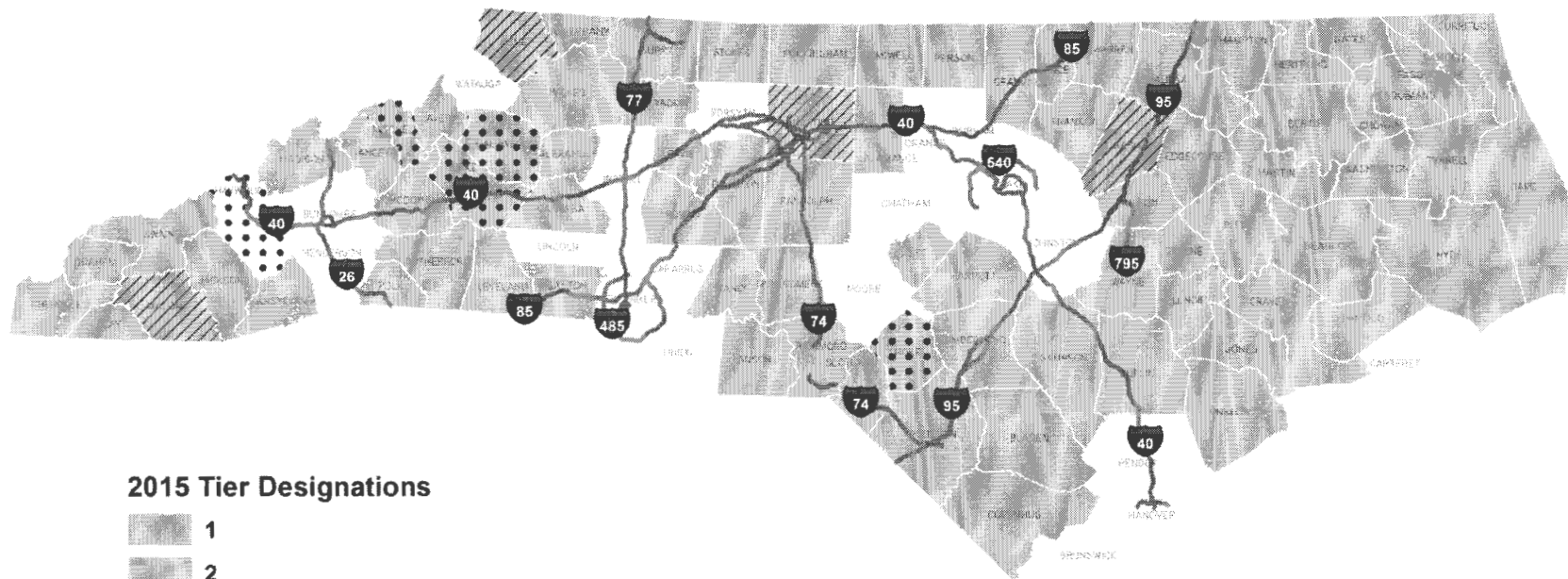
Nash County: From 2007 to 2014, Nash County held a Tier Two designation. Nash County ranked number 36 in the 2014 development tiers calculations. After taking into consideration legislatively required adjustments to the 2014 tiers for counties with small populations and/or high poverty rates, Nash County was shifted out of Tier One and into Tier Two. For the 2015 County Development Tier designations, Nash County qualifies as a Tier One county. Nash County now ranks 21, based largely on:

- 1) the change in population growth ranking (number 37 in the 2014 Tiers to number 17 in the 2015 Tiers) and
- 2) the change in median household income ranking (74 in the 2014 Tiers to number 56 in the 2015 Tiers).

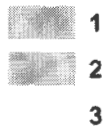
As a result of these changes, Nash County will move into Tier One designation. Adjustments for counties with small populations and/or high poverty rates do not affect Nash County in the 2015 Tiers.



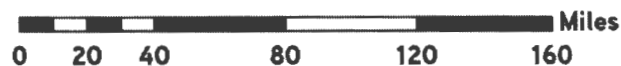
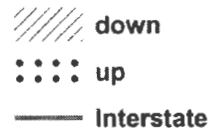
2015 North Carolina County Tier Designations



2015 Tier Designations



Tier Change from 2014



Map Created November 2014

**NORTH
CAROLINA**

DEPARTMENT OF COMMERCE



2015 COUNTY DEVELOPMENT TIER RANKINGS (§ 143B-437.08)

NEW TIER	COUNTY	ECONOMIC INDICATORS								County Rank Sum (Lowest = most distressed)	ECONOMIC DISTRESS RANK (#1 = most distressed)	TIER ADJUSTMENTS								Adjusted County Rank	FINAL 2015 TIERS
		Adjusted Property Tax Base Per Capita FY 2014-2015		Population Growth July 2010-July 2013		Median Household Income 2012		Unemployment 12 Mth Avg Oct 13-Sept 14				Population Less Prison July 2013	Poverty Rate 5-year 2008-2012	2013 Tier	2014 Tier	Pop <50,000 then top 40; pop <50,000 & poverty >19% then top 40	Pop <12,000 then top 40	Must be Tier One for two consec. Years			
		Value	Rank	% Change	Rank	Income	Rank	Rate	Rank												
↓	ALAMANCE	\$77,347	39	1.40%	60	\$41,394	58	6.53%	71	228	66	153,595	17.3%	2	2	66	66	66	76	2	
	ALEXANDER	\$73,159	33	0.17%	40	\$39,655	51	6.21%	79	203	50	36,331	18.3%	2	2	41	41	41	49	2	
	ALLEGHANY	\$160,277	90	-0.86%	19	\$34,046	18	7.51%	39	166	32	11,052	20.9%	1	1	0	0	0	1	1	
	ANSON	\$69,221	23	-1.58%	9	\$32,339	11	7.94%	24	67	10	24,298	22.2%	1	1	0	0	0	1	1	
	ASHE	\$149,224	88	0.65%	49	\$34,080	19	8.10%	21	177	38	27,434	19.3%	2	2	0	0	0	1	1	
↑	AVERY	\$279,492	98	0.84%	56	\$34,727	22	7.41%	41	217	59	16,128	17.8%	2	2	41	41	41	49	2	
	BEAUFORT	\$119,004	73	0.03%	34	\$38,256	44	8.03%	23	174	37	47,777	20.6%	2	1	0	0	0	1	1	
	BERTIE	\$63,566	12	-3.10%	2	\$30,414	2	9.37%	9	25	1	19,651	24.3%	1	1	0	0	0	1	1	
	BLADEN	\$77,970	42	0.16%	39	\$32,766	13	9.77%	5	99	14	35,074	24.4%	1	1	0	0	0	1	1	
	BRUNSWICK	\$210,131	95	7.08%	99	\$48,624	84	7.37%	43	321	88	115,716	15.2%	3	3	88	88	88	89	3	
	BUNCOMBE	\$123,617	78	4.19%	86	\$43,146	69	4.98%	97	330	90	248,058	16.8%	3	3	90	90	90	91	3	
	BURKE	\$72,269	29	-0.95%	16	\$38,581	47	7.21%	51	143	27	88,393	18.7%	1	1	27	27	27	43	2	
	CABARRUS	\$102,047	59	4.55%	89	\$55,531	98	6.02%	85	331	91	186,347	12.1%	3	3	91	91	91	92	3	
	CALDWELL	\$71,138	27	-0.56%	27	\$35,127	24	7.36%	45	123	22	82,251	19.0%	1	1	22	22	22	41	2	
	CAMDEN	\$104,749	63	1.91%	65	\$53,563	94	6.73%	68	290	81	10,174	7.4%	1	1	41	0	0	1	1	
↓	CARTERET	\$209,308	93	3.78%	83	\$48,930	86	6.21%	80	342	96	68,939	14.1%	3	3	96	96	96	97	3	
	CASWELL	\$66,848	19	0.80%	55	\$39,615	50	7.04%	55	179	39	22,744	20.7%	1	1	0	0	0	1	1	
	CATAWBA	\$100,835	58	0.73%	51	\$42,080	62	7.26%	50	221	61	155,174	15.1%	2	2	61	61	61	72	2	
	CHATHAM	\$130,081	81	6.08%	94	\$55,371	96	4.59%	100	371	100	67,597	11.1%	3	3	100	100	100	100	3	
	CHEROKEE	\$110,404	68	0.12%	37	\$31,370	7	8.78%	16	128	23	27,471	15.1%	1	2	23	23	23	42	2	
	CHOWAN	\$104,625	62	0.39%	44	\$37,458	41	8.19%	20	167	33	14,815	24.7%	1	1	0	0	0	1	1	
	CLAY	\$157,704	89	2.14%	68	\$36,871	36	6.52%	72	265	74	10,794	22.6%	1	1	0	0	0	1	1	
	CLEVELAND	\$76,231	36	-0.61%	25	\$38,265	45	7.17%	52	158	30	97,429	19.7%	2	2	30	30	30	45	2	
	COLUMBUS	\$59,320	6	-0.17%	32	\$33,765	17	8.87%	13	68	11	55,672	24.5%	1	1	11	11	11	35	1	
	CRAVEN	\$91,184	53	0.30%	42	\$47,087	82	7.72%	32	209	53	103,691	16.3%	2	2	53	53	53	68	2	
	CUMBERLAND	\$66,017	17	1.56%	62	\$45,110	79	7.82%	29	187	42	332,553	16.8%	2	2	42	42	42	63	2	
	CURRITUCK	\$293,712	99	3.63%	80	\$54,822	95	5.42%	94	368	99	24,506	9.9%	2	2	41	41	41	49	2	
	DARE	\$420,851	100	3.73%	81	\$51,900	92	7.81%	30	303	85	35,273	10.4%	2	2	41	41	41	49	2	
	DAVIDSON	\$77,946	41	0.55%	48	\$43,824	73	6.92%	60	222	62	163,400	15.2%	2	2	62	62	62	73	2	
	DAVIE	\$99,097	56	0.47%	45	\$49,984	89	6.05%	84	274	76	41,507	13.0%	2	2	41	41	41	49	2	
	DUPLIN	\$66,508	18	2.76%	73	\$36,075	31	7.35%	46	168	34	59,967	24.4%	2	2	34	34	34	47	2	
	DURHAM	\$104,194	61	5.60%	93	\$50,889	90	5.42%	93	337	94	283,210	18.0%	3	3	94	94	94	95	3	
	EDGECOMBE	\$56,273	4	-1.25%	14	\$32,002	10	11.51%	3	31	3	55,352	24.0%	1	1	3	3	3	32	1	
	FORSYTH	\$91,962	54	2.59%	72	\$43,049	68	6.36%	77	271	75	360,226	17.6%	3	3	75	75	75	81	3	
	FRANKLIN	\$67,373	20	3.12%	76	\$42,346	64	6.16%	82	242	69	62,222	15.4%	3	2	69	69	69	78	2	
GASTON	\$68,350	21	1.66%	63	\$41,614	59	6.94%	59	202	47	209,335	17.0%	2	2	47	47	47	65	2		
GATES	\$72,544	30	-2.37%	7	\$44,273	76	6.75%	67	180	40	11,880	18.2%	1	1	40	0	0	1	1		
↑	GRAHAM	\$141,385	86	-0.18%	31	\$32,883	14	11.97%	2	133	25	8,854	17.3%	1	1	25	0	0	1	1	
	GRANVILLE	\$72,744	31	1.15%	58	\$46,303	81	6.98%	57	227	65	54,973	14.3%	2	2	65	65	65	75	2	
	GREENE	\$55,373	3	-0.68%	22	\$35,050	23	7.04%	54	102	15	19,102	22.1%	2	1	0	0	0	1	1	
	GUILFORD	\$90,358	51	3.62%	79	\$43,299	70	7.05%	53	253	71	507,419	16.9%	2	3	71	71	71	80	2	
	HALIFAX	\$70,556	24	-1.52%	10	\$31,253	6	10.12%	4	44	5	52,727	25.3%	1	1	5	5	5	34	1	
	HARNETT	\$61,437	8	6.59%	98	\$44,998	78	7.65%	33	217	59	122,333	16.4%	2	2	59	59	59	71	2	
	HAYWOOD	\$121,541	75	1.41%	61	\$40,022	53	5.57%	90	279	80	59,674	14.2%	3	2	80	80	80	84	3	
	HENDERSON	\$114,724	71	2.18%	70	\$45,168	80	5.01%	96	317	87	109,287	13.5%	3	3	87	87	87	88	3	
	HERTFORD	\$61,565	9	-0.74%	20	\$31,861	9	7.91%	28	66	9	23,188	25.0%	1	1	0	0	0	1	1	
	HOKE	\$59,684	7	6.41%	97	\$44,717	77	7.28%	49	230	67	50,183	21.9%	1	1	67	67	67	77	2	
↑	HYDE	\$210,015	94	1.96%	66	\$35,301	27	7.93%	26	213	56	5,152	23.3%	1	1	0	0	0	1	1	
	IREDELL	\$122,933	77	3.26%	77	\$49,666	87	6.47%	73	314	86	164,974	13.5%	3	3	86	86	86	87	3	
	JACKSON	\$240,463	97	1.15%	57	\$37,049	38	5.88%	86	278	79	40,810	19.5%	1	1	0	0	0	1	1	

2015 COUNTY DEVELOPMENT TIER RANKINGS (§ 143B-437.08) continued

NEW TIER	COUNTY	ECONOMIC INDICATORS										TIER ADJUSTMENTS										Adjusted County Rank	FINAL 2015 TIERS
		Adjusted Property Tax Base Per Capita FY 2014-2015		Population Growth July 2010-July 2013		Median Household Income 2012		Unemployment 12 Mth Avg Oct 13-Sept 14		County Rank (Lowest = most distressed)	ECONOMIC DISTRESS RANK (#1 = most distressed)	Population Less Prison July 2013	Poverty Rate 5-year 2008-2012	2013 Tier	2014 Tier	Pop <50,000 then top 60; pop <50,000 & poverty >15% then top 40	Pop <12,000 then top 40	Must be Tier One for two consec. Years					
		Value	Rank	% Change	Rank	Income	Rank	Rate	Rank														
↓	JOHNSTON	\$74,563	34	4.54%	88	\$48,773	85	5.82%	88	295	82	176,675	16.1%	3	3	82	82	82	85	3			
	JONES	\$79,353	45	4.69%	91	\$35,159	25	7.54%	36	197	45	10,554	17.0%	1	1	41	0	0	1	1			
	LEE	\$83,668	48	2.54%	71	\$43,424	72	8.55%	18	209	53	59,048	17.4%	2	2	53	53	53	68	2			
↑	LENOIR	\$65,305	14	-0.60%	26	\$35,634	29	7.54%	37	106	16	58,981	24.9%	1	1	16	16	16	36	1			
	LINCOLN	\$102,837	60	1.67%	64	\$47,799	83	6.57%	70	277	78	79,519	14.9%	2	3	78	78	78	83	3			
	MACON	\$236,448	96	0.66%	50	\$36,438	34	7.02%	56	236	68	34,151	19.6%	2	2	0	0	0	1	1			
↓	MADISON	\$97,918	55	2.88%	74	\$37,644	43	5.46%	91	263	73	21,372	17.4%	2	2	41	41	41	49	2			
	MARTIN	\$79,323	44	-2.91%	4	\$33,159	16	7.77%	31	95	13	23,750	24.9%	1	1	0	0	0	1	1			
	MCDOWELL	\$79,077	43	0.38%	43	\$36,584	35	7.30%	48	169	35	44,457	19.0%	1	2	35	35	35	48	2			
↑	MECKLENBURG	\$117,848	72	7.44%	100	\$55,392	97	6.79%	62	331	91	991,867	14.5%	3	3	91	91	91	92	3			
	MITCHELL	\$121,631	76	-0.87%	18	\$36,210	32	8.07%	22	148	28	15,407	18.7%	1	1	28	28	28	44	2			
	MONTGOMERY	\$110,345	67	-0.26%	29	\$35,272	26	7.32%	47	169	35	27,138	26.3%	1	1	0	0	0	1	1			
↓	MOORE	\$132,239	82	3.87%	84	\$49,670	88	6.40%	75	329	89	91,937	14.5%	3	3	89	89	89	90	3			
	NASH	\$75,567	35	-0.89%	17	\$40,937	56	8.87%	14	122	21	94,094	17.6%	2	2	21	21	21	40	1			
	NEW HANOVER	\$139,384	84	5.18%	92	\$50,890	91	6.40%	74	341	95	213,417	16.0%	3	3	95	95	95	96	3			
↑	NORTHAMPTON	\$90,362	52	-2.99%	3	\$31,217	5	8.36%	19	79	12	20,904	26.5%	1	1	0	0	0	1	1			
	ONSLOW	\$68,802	22	3.78%	82	\$44,263	75	6.76%	66	245	70	193,925	13.9%	2	2	70	70	70	79	2			
	ORANGE	\$113,137	69	4.02%	85	\$53,026	93	4.66%	99	346	97	139,481	17.4%	3	3	97	97	97	98	3			
↓	PAMLICO	\$125,291	79	-0.14%	33	\$41,004	57	7.63%	35	204	51	12,515	13.8%	2	2	41	41	41	49	2			
	PASQUOTANK	\$85,144	50	-2.89%	5	\$43,935	74	9.09%	11	140	26	38,651	18.0%	2	1	26	26	0	1	1			
	PENDER	\$114,592	70	6.16%	95	\$43,318	71	7.50%	40	276	77	54,813	18.0%	3	3	77	77	77	82	3			
↑	PERQUIMANS	\$108,948	66	2.14%	69	\$42,494	65	7.93%	25	225	64	13,771	18.6%	2	1	41	41	0	1	1			
	PERSON	\$105,449	65	-0.63%	24	\$42,546	66	6.83%	61	216	58	39,192	16.4%	2	2	41	41	41	49	2			
	PITT	\$64,084	13	3.02%	75	\$39,343	49	6.76%	65	202	47	173,879	24.0%	2	2	47	47	47	65	2			
↓	POLK	\$141,120	85	0.79%	54	\$41,719	60	4.81%	98	297	83	20,603	15.7%	2	2	41	41	41	49	2			
	RANDOLPH	\$71,831	28	0.49%	47	\$41,815	61	6.30%	78	214	57	142,341	17.1%	2	2	57	57	57	70	2			
	RICHMOND	\$65,562	15	-1.06%	15	\$30,726	3	8.84%	15	48	6	45,436	24.8%	1	1	0	0	0	1	1			
↑	ROBESON	\$42,821	1	-0.25%	30	\$29,965	1	9.66%	6	38	4	133,020	31.9%	1	1	4	4	4	33	1			
	ROCKINGHAM	\$72,818	32	-1.43%	11	\$37,577	42	7.63%	34	119	19	92,254	17.2%	1	1	19	19	19	38	1			
	ROWAN	\$84,669	49	0.23%	41	\$40,400	54	6.79%	63	207	52	137,677	18.5%	2	2	52	52	52	67	2			
↓	RUTHERFORD	\$81,422	47	0.05%	35	\$34,193	20	8.99%	12	114	18	67,575	20.3%	1	1	18	18	18	37	1			
	SAMPSON	\$63,447	11	1.38%	59	\$37,420	39	6.39%	76	185	41	63,858	21.3%	2	2	41	41	41	49	2			
	SCOTLAND	\$56,442	5	-1.27%	13	\$31,704	8	12.58%	1	27	2	34,702	30.6%	1	1	0	0	0	1	1			
↑	STANLY	\$76,724	37	0.13%	38	\$42,816	67	6.19%	81	223	63	59,762	14.9%	2	2	63	63	63	74	2			
	STOKES	\$77,798	40	-1.31%	12	\$42,272	63	5.88%	87	202	47	46,731	17.4%	2	2	41	41	41	49	2			
	SURRY	\$70,897	25	-0.46%	28	\$36,934	37	6.96%	58	148	28	73,344	18.3%	2	1	28	28	0	1	1			
↓	SWAIN	\$105,213	64	4.24%	87	\$36,280	33	8.76%	17	201	46	14,590	22.5%	1	1	0	0	0	1	1			
	TRANSYLVANIA	\$181,567	92	0.48%	46	\$40,642	55	6.72%	69	262	72	33,220	14.2%	2	2	41	41	41	49	2			
	TYRRELL	\$133,089	83	-3.49%	1	\$30,728	4	7.36%	44	132	24	3,653	21.6%	1	1	0	0	0	1	1			
↑	UNION	\$99,361	57	4.64%	90	\$61,260	99	5.79%	89	335	93	211,539	9.7%	3	3	93	93	93	94	3			
	VANCE	\$53,926	2	-0.67%	23	\$34,371	21	9.47%	8	54	7	45,056	28.2%	1	1	0	0	0	1	1			
	WAKE	\$119,511	74	6.38%	96	\$64,107	100	5.20%	95	365	98	961,945	10.9%	3	3	98	98	98	99	3			
↓	WARREN	\$128,178	80	-1.68%	8	\$33,068	15	9.16%	10	113	17	19,676	24.4%	1	1	0	0	0	1	1			
	WASHINGTON	\$65,785	16	-2.63%	6	\$32,545	12	7.91%	27	61	8	12,826	26.5%	1	1	0	0	0	1	1			
	WATAUGA	\$170,911	91	3.28%	78	\$38,563	46	6.05%	83	298	84	52,682	28.8%	3	3	84	84	84	86	3			
↑	WAYNE	\$62,819	10	2.08%	67	\$38,776	48	6.78%	64	189	43	124,299	21.6%	2	2	43	43	43	64	2			
	WILKES	\$80,255	46	0.75%	53	\$35,362	28	7.51%	38	165	31	69,518	22.4%	1	2	31	31	31	46	2			
	WILSON	\$77,308	38	0.12%	36	\$37,440	40	9.54%	7	121	20	81,397	22.8%	1	1	20	20	20	39	1			
↓	YADKIN	\$71,021	26	-0.70%	21	\$40,012	52	5.45%	92	191	44	38,131	17.6%	2	2	41	41	41	49	2			
	YANCEY	\$148,388	87	0.75%	52	\$36,019	30	7.39%	42	211	55	17,921	18.9%	1	2	41	41	41	49	2			



Note: For the 2015 County Tier Rankings, the four factors of economic distress were renumbered to reflect consistency with overall rankings. This version of the 2014 Tiers reflects this change. *Economic Distress Rank* and *Final Tiers* are unaffected by this change.

2014 COUNTY DEVELOPMENT TIER RANKINGS (\$ 143B-437.08)

NEW TIER	COUNTY	ECONOMIC INDICATORS								County Rank Sum (Lowest = most distressed)	ECONOMIC DISTRESS RANK (#1 = most distressed)	TIER ADJUSTMENTS							Adjusted County Rank	FINAL 2015 TIERS
		Adjusted Property Tax Base Per Capita FY 2014-2015		Population Growth July 2009-July 2012		Median Household Income 2011		Unemployment 12 Mth Avg Sept 12-Aug 13				Population Less Prison July 2012	Poverty Rate 5-year 2007-2011	2012 Tier	2013 Tier	Pop <\$5,000 then top 80; pop <\$10,000 & poverty >10% then top 40	Pop <\$2,000 then top 40	Must be Tier One for two consec. Years		
		Value	Rank	% Change	Rank	Income	Rank	Rate	Rank											
↓	ALAMANCE	\$77,632	40	2.52%	65	\$41,371	62	9.08%	69	236	64	153,033	16.1%	2	2	64	64	64	75	2
	ALEXANDER	\$72,806	33	0.92%	43	\$39,812	53	9.16%	66	195	47	36,507	16.8%	2	2	41	41	41	50	2
	ALLEGHANY	\$160,626	90	-0.67%	13	\$32,673	10	9.96%	46	159	34	11,028	22.6%	1	1	0	0	0	1	1
	ANSON	\$67,798	20	0.52%	34	\$32,341	8	11.36%	21	83	11	24,808	21.6%	1	1	0	0	0	1	1
	ASHE	\$149,813	88	1.26%	51	\$34,333	22	11.42%	19	180	40	27,326	17.9%	2	2	40	40	40	49	2
	AVERY	\$281,008	98	-0.29%	17	\$36,071	13	10.82%	25	173	38	16,041	18.1%	2	2	38	38	38	48	2
	BEAUFORT	\$118,432	72	1.61%	56	\$38,248	46	10.69%	27	201	53	48,008	19.1%	1	2	0	0	0	1	1
	BERTIE	\$62,710	10	-1.60%	4	\$29,615	1	12.07%	15	30	2	19,919	23.6%	1	1	0	0	0	1	1
	BLADEN	\$78,157	43	0.26%	28	\$43,138	16	12.33%	11	98	14	34,990	23.6%	1	1	0	0	0	1	1
	BRUNSWICK	\$235,751	95	7.10%	97	\$42,685	72	9.99%	45	309	86	112,701	15.0%	3	3	86	86	86	87	3
↑	BUNCOMBE	\$125,470	79	3.97%	62	\$41,551	65	7.01%	96	322	90	244,394	15.6%	3	3	90	90	90	91	3
	BURKE	\$71,878	29	-0.12%	22	\$37,719	44	10.41%	35	130	21	88,874	17.9%	1	1	21	21	21	39	1
	CABARRUS	\$103,512	60	5.17%	90	\$50,299	91	8.43%	80	321	89	183,711	11.9%	3	3	89	89	89	90	3
	CALDWELL	\$71,060	27	0.08%	25	\$34,870	23	10.61%	31	106	16	82,337	17.4%	1	1	16	16	16	35	1
	CAMDEN	\$105,768	63	1.57%	55	\$57,113	98	7.89%	90	306	84	10,076	8.8%	1	1	41	0	0	1	1
	CARTERET	\$212,611	91	3.72%	78	\$45,507	81	8.30%	83	335	95	67,868	13.1%	3	3	95	95	95	96	3
	CASWELL	\$67,465	19	0.90%	10	\$38,495	48	9.23%	64	141	26	22,536	20.5%	1	1	0	0	0	1	1
	CATAWBA	\$100,858	57	1.23%	46	\$44,339	79	10.42%	34	216	57	155,138	13.4%	2	2	57	57	57	71	2
	CHATHAM	\$137,046	82	6.75%	96	\$53,564	95	6.30%	99	372	100	66,591	11.4%	3	3	100	100	100	100	3
	CHEROKEE	\$110,239	68	1.24%	49	\$32,913	12	12.10%	14	143	28	27,512	13.4%	1	1	28	28	28	42	2
↓	CHOWAN	\$104,476	61	-0.31%	16	\$36,231	35	10.28%	38	150	31	14,836	23.7%	1	1	0	0	0	1	1
	CLAY	\$158,659	89	2.31%	63	\$35,143	26	8.55%	78	251	70	10,729	21.8%	1	1	0	0	0	1	1
	CLEVELAND	\$75,942	36	0.36%	30	\$37,390	43	10.17%	41	150	31	97,800	19.4%	1	2	31	31	31	44	2
	COLUMBUS	\$58,994	6	0.42%	32	\$31,282	5	12.11%	13	56	7	55,880	23.0%	1	1	7	7	7	32	1
	CRAVEN	\$90,607	52	2.60%	67	\$47,291	85	9.81%	48	252	71	104,351	16.2%	2	2	71	71	71	78	2
	CUMBERLAND	\$66,271	17	3.84%	80	\$43,863	76	10.16%	43	216	57	331,279	16.6%	2	2	57	57	57	71	2
	CURRITUCK	\$297,857	99	2.76%	88	\$55,665	96	6.94%	97	360	98	24,165	7.8%	2	2	41	41	41	50	1
	DARE	\$426,375	100	2.35%	64	\$50,393	92	11.05%	23	279	78	34,816	11.1%	2	2	41	41	41	50	2
	DAVIDSON	\$77,990	41	1.65%	59	\$41,631	67	9.69%	51	218	59	163,308	15.1%	2	2	59	59	59	73	2
	DAVIE	\$99,121	55	1.64%	58	\$50,110	90	8.35%	82	285	80	41,497	12.1%	2	2	41	41	41	50	2
↓	DUPLIN	\$66,716	18	4.02%	23	\$35,587	30	9.44%	57	188	44	59,780	22.7%	2	2	44	44	44	64	2
	DURHAM	\$106,155	64	5.54%	92	\$47,007	84	7.22%	93	333	94	277,978	17.1%	3	3	94	94	94	95	3
	EDGECOMBE	\$55,948	4	0.07%	24	\$32,901	11	14.62%	3	42	4	55,674	22.6%	1	1	4	4	4	31	1
	FORSYTH	\$92,730	54	2.93%	70	\$43,804	75	8.62%	77	276	76	357,241	16.3%	3	3	76	76	76	82	3
	FRANKLIN	\$68,544	21	8.61%	74	\$42,269	70	8.44%	79	244	87	61,159	15.5%	2	3	67	67	67	76	2
	GASTON	\$68,634	22	1.62%	57	\$40,969	59	10.06%	44	182	81	208,469	16.6%	2	2	41	41	41	50	2
	GATES	\$72,077	30	-0.78%	12	\$41,437	63	7.32%	92	197	50	11,957	18.2%	2	1	41	0	0	1	1
	GRAHAM	\$142,285	85	0.10%	29	\$33,041	15	16.24%	1	130	21	8,798	17.2%	1	1	21	0	0	1	1
	GRANVILLE	\$72,598	37	3.00%	71	\$48,596	86	9.41%	58	249	69	55,084	11.3%	2	2	69	69	69	77	2
	GREENE	\$54,435	3	1.52%	54	\$35,013	25	9.50%	56	138	24	19,431	18.4%	1	2	24	24	24	40	1
↓	GUILFORD	\$91,505	53	3.89%	81	\$44,229	78	9.41%	59	271	75	501,058	16.2%	3	2	75	75	75	81	3
	HALIFAX	\$69,766	23	-0.98%	9	\$31,084	4	13.13%	5	41	3	53,324	24.1%	1	1	3	3	3	30	1
	HARNETT	\$62,675	9	8.01%	99	\$40,617	57	10.34%	37	202	54	119,917	16.9%	2	2	54	54	54	69	2
	HAYWOOD	\$122,357	76	1.23%	47	\$40,114	54	8.28%	84	261	72	59,276	14.3%	2	3	72	72	72	79	2
	HENDERSON	\$115,727	70	2.79%	69	\$46,165	83	6.77%	98	320	86	108,340	12.6%	3	3	88	88	88	89	3
	HERTFORD	\$61,486	8	-0.17%	20	\$31,581	6	10.74%	39	73	10	23,218	24.7%	1	1	0	0	0	1	1
	Hoke	\$60,655	7	8.83%	100	\$42,908	73	9.15%	67	247	68	49,380	20.9%	2	1	0	0	0	1	1
	HYDE	\$212,950	94	0.18%	19	\$35,810	32	10.68%	28	173	38	5,081	25.1%	1	1	0	0	0	1	1
	IREDELL	\$124,277	78	3.60%	76	\$49,902	89	9.19%	65	308	85	163,189	12.3%	3	3	85	85	85	86	3
	JACKSON	\$239,793	97	3.65%	75	\$37,388	42	8.80%	75	289	82	40,924	19.5%	2	1	0	0	0	1	1

2014 COUNTY DEVELOPMENT TIER RANKINGS (§ 143B-437.08) continued

		ECONOMIC INDICATORS										TIER ADJUSTMENTS											
NEW TIER	COUNTY	Adjusted Property Tax Base Per Capita FY 2014-2015		Population Growth July 2009-July 2012		Median Household Income 2011		Unemployment 12 Mth Avg Sept 12-Aug 13		County Rank Sum (Lowest = most distressed)	ECONOMIC DISTRESS RANK (#1 = most distressed)	Population Less Prison July 2012	Poverty Rate 5-year 2007-2011	2012 Tier	2013 Tier	Pop <\$0,000 then top 80; pop <\$0,000 & poverty >19% then top 40	Pop <12,500 then top 40	Must be Tier One for two consec. Years	Adjusted County Rank	FINAL 2015 TIERS			
		Value	Rank	% Change	Rank	Income	Rank	Rate	Rank														
↑	JOHNSTON	\$75,581	35	5.97%	94	\$48,380	87	7.98%	89	305	83	174,295	15.2%	3	3	83	83	83	85	3			
	JONES	\$78,897	44	4.80%	88	\$38,230	45	9.27%	62	239	65	10,615	14.9%	1	1	41	0	0	1	1			
	LEE	\$84,021	49	3.15%	73	\$41,506	64	11.37%	20	206	55	58,800	16.8%	2	2	55	55	55	70	2			
	LENOIR	\$64,738	14	0.22%	26	\$32,602	9	9.78%	49	98	14	59,498	24.4%	1	1	14	14	14	34	1			
	LINCOLN	\$103,135	59	3.11%	72	\$50,746	93	9.66%	53	277	77	79,289	13.7%	3	2	77	77	77	83	3			
	MACON	\$237,925	96	0.25%	27	\$36,953	40	10.42%	33	196	49	33,939	18.3%	2	2	41	41	41	50	2			
	MADISON	\$99,218	56	2.07%	61	\$36,724	38	8.05%	88	243	66	21,092	18.1%	2	2	41	41	41	50	2			
	MARTIN	\$78,044	42	-1.51%	6	\$33,305	19	10.90%	24	91	13	24,139	22.7%	1	1	0	0	0	1	1			
	MCDOWELL	\$79,017	45	0.98%	44	\$35,627	31	10.47%	32	152	33	44,491	18.5%	1	1	33	33	33	45	2			
	MECKLENBURG	\$121,431	73	6.22%	95	\$52,111	94	9.02%	70	332	93	962,593	13.6%	3	3	93	93	93	94	3			
↓	MITCHELL	\$121,710	74	-1.31%	7	\$35,322	29	12.44%	9	119	18	15,397	17.4%	1	1	18	18	18	37	1			
	MONTGOMERY	\$110,207	67	0.52%	33	\$30,684	2	10.19%	40	142	27	27,172	25.9%	1	1	0	0	0	1	1			
	MOORE	\$134,466	83	3.68%	77	\$47,301	86	8.68%	76	322	90	90,414	13.0%	3	3	90	90	90	91	3			
	NASH	\$75,040	34	0.69%	37	\$43,151	74	11.87%	17	162	36	94,755	16.0%	2	2	36	36	36	46	2			
	NEW HANOVER	\$142,021	84	4.79%	87	\$45,890	82	8.92%	74	327	92	209,454	15.9%	3	3	92	92	92	93	3			
	NORTHAMPTON	\$89,408	51	-2.12%	2	\$31,668	7	10.63%	30	90	12	21,127	21.9%	1	1	0	0	0	1	1			
	ONSLow	\$70,154	24	4.19%	84	\$45,434	80	8.52%	78	266	73	190,187	13.8%	2	2	73	73	73	80	2			
	ORANGE	\$114,237	69	4.62%	85	\$56,792	97	5.91%	100	351	97	138,138	16.9%	3	3	97	97	97	98	3			
	PAMLICO	\$123,954	77	0.73%	40	\$41,325	61	9.67%	52	230	63	12,650	12.2%	2	2	41	41	41	50	2			
	PASQUOTANK	\$83,623	48	-1.03%	8	\$40,261	55	10.74%	26	137	23	39,354	19.9%	2	2	0	0	0	1	1			
↓	PENDER	\$117,396	71	5.73%	93	\$44,171	77	10.16%	42	283	79	53,504	15.9%	3	3	79	79	79	84	3			
	PERQUIMANS	\$109,577	66	2.58%	66	\$39,112	50	9.93%	47	229	61	13,692	20.6%	2	2	0	0	0	1	1			
	PERSON	\$104,908	62	0.76%	41	\$42,303	71	9.52%	55	229	61	39,394	18.1%	2	2	41	41	41	50	2			
	PITT	\$64,571	13	4.84%	89	\$39,713	52	9.09%	68	222	60	172,569	24.0%	2	2	60	60	60	74	2			
	POLK	\$142,371	86	0.73%	38	\$41,851	68	7.04%	95	287	81	20,422	11.8%	2	2	41	41	41	50	2			
	RANDOLPH	\$71,873	28	1.32%	53	\$40,749	58	9.34%	61	200	52	142,258	17.6%	2	2	52	52	52	68	2			
	RICHMOND	\$65,129	15	-0.36%	14	\$32,932	13	12.25%	12	54	6	45,738	24.9%	1	1	0	0	0	1	1			
	ROBESON	\$42,529	1	1.26%	50	\$30,931	3	12.65%	7	61	8	133,931	30.6%	1	1	8	8	8	33	1			
	ROCKINGHAM	\$72,251	31	-0.32%	15	\$36,746	39	10.65%	29	114	17	92,977	15.8%	1	1	17	17	17	36	1			
	ROWAN	\$84,908	50	0.40%	31	\$40,267	56	9.39%	60	197	50	137,290	16.9%	2	2	50	50	50	67	2			
↓	RUTHERFORD	\$81,125	47	1.24%	48	\$35,208	27	12.79%	6	128	20	67,822	20.5%	1	1	20	20	20	38	1			
	SAMPSON	\$63,635	12	1.29%	52	\$36,471	37	8.25%	85	186	43	63,669	21.0%	2	2	43	43	43	63	2			
	SCOTLAND	\$56,232	5	-1.55%	5	\$32,999	14	16.21%	2	26	1	34,832	29.7%	1	1	0	0	0	1	1			
	STANLY	\$76,687	37	0.73%	39	\$38,301	47	8.99%	72	195	47	59,791	14.1%	2	2	47	47	47	66	2			
	STOKES	\$77,310	39	-0.29%	18	\$42,147	69	8.12%	86	212	56	47,026	14.3%	2	2	41	41	41	50	2			
	SURRY	\$70,503	25	0.57%	35	\$35,269	28	9.75%	50	138	24	73,754	18.0%	1	2	24	24	24	40	1			
	SWAIN	\$106,653	65	3.82%	79	\$36,167	34	13.43%	4	182	41	14,393	22.5%	1	1	0	0	0	1	1			
	TRANSYLVANIA	\$181,736	92	1.22%	45	\$41,578	66	9.25%	63	266	73	33,189	13.1%	2	2	41	41	41	50	2			
	TYRRELL	\$131,115	81	-1.85%	3	\$33,430	21	9.56%	54	159	34	3,708	20.5%	1	1	0	0	0	1	1			
	UNION	\$101,102	58	5.38%	91	\$61,515	99	7.74%	91	339	96	207,896	8.7%	3	3	96	96	96	97	3			
↑	VANCE	\$53,352	2	0.61%	36	\$33,377	20	12.63%	8	66	9	45,541	27.6%	1	1	0	0	0	1	1			
	WAKE	\$121,973	75	7.15%	98	\$62,436	100	7.12%	94	367	99	942,526	10.1%	3	3	99	99	99	99	3			
	WARREN	\$127,350	80	-0.89%	11	\$33,218	17	11.68%	18	126	19	19,804	27.1%	1	1	0	0	0	1	1			
	WASHINGTON	\$65,307	16	-2.44%	1	\$33,278	18	11.94%	16	51	5	12,920	25.2%	1	1	0	0	0	1	1			
	WATAUGA	\$171,595	91	4.69%	86	\$39,168	51	8.10%	87	315	87	52,472	26.3%	3	3	87	87	87	88	3			
	WAYNE	\$63,350	11	2.19%	62	\$39,089	49	9.00%	71	193	46	123,257	20.2%	2	2	46	46	46	65	2			
	WILKES	\$80,346	46	0.86%	42	\$34,954	24	10.39%	36	148	29	69,439	21.7%	1	1	29	29	29	43	2			
	WILSON	\$76,720	38	1.66%	60	\$37,166	41	12.40%	10	149	30	82,020	21.9%	2	1	30	30	0	1	1			
	YADKIN	\$70,885	26	-0.15%	21	\$40,983	60	8.37%	81	188	44	38,204	16.3%	2	2	41	41	41	50	2			
	YANCEY	\$148,920	87	-0.08%	23	\$36,440	36	11.05%	22	168	37	17,857	17.9%	1	1	37	37	37	47	2			

Nancy Fox (Rep. Pat McElraft)

From: Michael Wiggins (Rep. Jimmy Dixon)
Sent: Thursday, March 05, 2015 09:52 AM
To: Michael Wiggins (Rep. Jimmy Dixon)
Subject: <NCGA> House Appropriations, Agriculture and Natural and Economic Resources Committee Meeting Notice for Thursday, March 12, 2015 at 8:30 AM (Joint)
Attachments: Add Meeting to Calendar_LINC_ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Thursday, March 12, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: Senate Presiding

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 9:51 AM on Thursday, March 05, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Michael Wiggins (Committee Assistant)



Joint Committee on Appropriations, Agriculture and Natural and Economic Resources
Thursday, March 12, 2015 at 8:30 AM
Room 421 of the Legislative Office Building

MINUTES

The Joint Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:33 AM on March 12, 2015 in Room 421 of the Legislative Office Building. Representatives Dixon, Harrison, Langdon, McElraft, Pierce, Presnell, and B. Turner attended. Senate cancelled their attendance.

Representative Jimmy Dixon, Chair, presided.

Rep. Dixon calls meeting to order and then welcomes everyone.

He recognizes the Sgt at Arms and Pages. See Attach #1

Rep. Dixon recognizes the committee guest speakers for the day

See Attach #2 list

Rep. Dixon calls Sec. Skvarla to comment on the Governor's recommended Budget as it pertains to the Dept. of Commerce.

Sec. Skvarla discusses the transfer of the Dept. of Economic Development. He also shares Attach #3 from Department projections on budget.

Rep. McElraft makes statement applauding the job that Sec. Skvarla has done with the Dept. of Commerce.

Rep. Dixon then calls on David Smith, Chief Deputy Commissioner for Dept. of Agriculture.

Mr. Smith states that the Dept. of Ag is not in favor of Governor's recommendation to move Animal Welfare to the Dept. of Public Safety. They are in talks with Governor's office to prevent this move.

Dept. would like \$1 million Ag-Trust fund for infrastructure updates that are needed to animal labs, food and drug division and other updates on equipment. Ag provides \$78 Billion in revenue to the state and 640k jobs.

Rep. Dixon ask what was status of Dept. of Ag projections plan. They were being drafted.

Joy Hicks from the Dept. of Ag stated they want staffing request to be ready before N.F.T.A.

Begins not wait until NFTA has started and then try and staff they want to be pro- active.

Rep. Dixon ask if there were any more questions from members? None.

Rep. Dixon calls on Gordon Myers, Executive Director NC Wildlife Resources.

Gordon goes over the Governor's proposed budget as it relates to Wildlife. They are content with the \$2 Million dollar projection. They have reduced spending internally in Dept. over last 3 years. Support the Governor's budget.

Rep. Dixon calls on Jennifer Haigwood, Dept. of Administration and Government Affairs Director.

Dept. of Admin is in support of Governor Proposed Budget. They made request to the Governor for their Dept. and they were granted in Budget.

Rep. Dixon asks if there are any questions or comments from the members. Hearing none meeting adjourned.

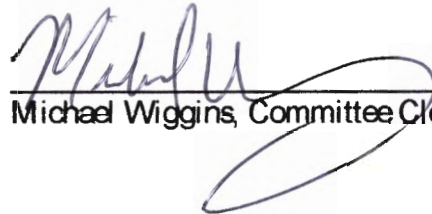


The following bills were considered: none

The meeting adjourned at 9:01am.



Representative Jimmy Dixon, Chair
Presiding



Michael Wiggins, Committee Clerk



House Committee on Agriculture and Natural and Economic Resources

Agenda

Thursday, March 12, 2015, 8:30 A.M.
Room 421, Legislative Office Building

Rep. Dixon, Presiding

1. Welcome and Opening Comments

Rep. Dixon

2. Response to Governor's Recommended Budget

John Skvarla, Secretary
Cecilia Holden, Chief of Staff
North Carolina Department of Commerce

David Smith, Chief Deputy Commissioner
North Carolina Department of Agriculture and Consumer Services

Gordon Myers, Executive Director
Wildlife Resources Commission

Jennifer Haigwood, Administration & Governmental Affairs Director
North Carolina Department of Labor

Attach
#2
Guest
Speaker's

3. Questions/ Adjourn

House Appropriations Committee on ANER

Rep. Dixon (Chair)
Rep. McElraft (Chair)
Rep. West (Chair)
Rep. Catlin (Vice Chair)
Rep. Pierce (Vice Chair)
Reps. Harrison, Langdon, Millis, Presnell,
Richardson, Turner, Wray, and Yarborough



Attach # 3

Summary of Projections and Recommendations

This report has been prepared pursuant to N.C. Gen. Stat. § 143B-437.55(e), by the Department of Commerce ("Commerce"), on behalf of the Economic Investment Committee (the "Committee"), which administers the **Job Development Investment Grant Program** (the "JDIG Program"). Its purpose is to provide the General Assembly with information on the minimum current funding level required for the upcoming fiscal year, necessary to honor the State's obligations under Community Economic Development Agreements with JDIG grantees (the "CEDAs").

The DOC's analysis has determined that up to \$67.3 million will be required to cover JDIG obligations in FY 2015-16, reflecting JDIG grantee calendar year 2014 performance, plus a few payments not yet made for 2011, 2012 or 2013 performance. This amount reflects reductions to the maximum 2014 annual liability established for these grants, reflected in the CEDAs, which reductions are based on Commerce's assessment of actual performance reports submitted by grantees. Tables detailing the maximum program liabilities, estimated disbursements, and estimated funds to be expended in FY 2015-16 are provided at the end of this report.

To date, in FY14-15, the JDIG program has paid \$39.8 million to JDIG grantees for performance in 2012 and 2013. In addition, the program expects to pay an additional \$1 million to grantees for 2013 performance prior to the end of the fiscal year, for total payments in FY14-15 of \$40.8 million.¹

Table 1 provides the maximum State liability over the life of all existing JDIG grants. Future grants to be made under the JDIG Program will increase these totals.

Background of JDIG Program

The JDIG Program is a performance-based economic development incentive program that provides annual grant disbursements for a period of up to 12 years, to new and expanding businesses based on a percentage of withholding taxes paid by new employees during each calendar year of the grant. The percentage of withholdings ranges from 10% to 75%. In adopting the JDIG Program in the 2001-2002 Session, the General Assembly intended "to stimulate economic activity and to create new jobs for the citizens of the State by encouraging and promoting the expansion of existing business and industry within the State and by recruiting and attracting new business and industry to the State." N.C. Gen. Stat. § 143B-437.50(1).

After extensive review and analysis of applications, and a determination that a company meets the required JDIG Program criteria, the Committee may make a JDIG award to a grantee, subject to an overall cap set by the General Assembly on future grant year liability, for the aggregate of grants made in a particular calendar year. The total amount paid out in any single grant year to all companies awarded a grant in the same calendar year cannot exceed \$15 million, which translates to a maximum potential liability of \$180 million over a 12-year grant period, for all businesses awarded a grant in the same calendar year.² Given the gradual "ramp up" of new jobs by each

¹ For additional payment details see the JDIG Annual Report, filed annually on April 30. <https://www.nccommerce.com/research-publications/incentive-reports>

² For 2006 only, the passage of HB 2744 increased the cap to \$30 million; however the maximum potential annual liability attributable to that year came to only \$18.95 million, resulting in maximum potential 12-year liability of



company, the fact that most companies do not receive a full 12-year grant term, and the fact that in most years the annual cap is never reached, the maximum State liability is typically far less than the \$180 million.

For grants that were awarded through 2006, for projects to be located in Tier 4 or 5 counties under the William S. Lee Tax credit program (Article 3A), 25% of every grant disbursement is required to be transferred into the Utility Account of the State's Industrial Development Fund (the "Utility Account") to help fund rural infrastructure, pursuant to N.C. Gen. Stat. § 143B-437.61.

As of January 1, 2007, the William S. Lee tax credit program was replaced by Tax Credits for Growing Businesses, commonly referred to as "Article 3J Credits." Article 3J reduced the current five-tier structure to three tiers. Under this tier structure, for projects located in Tier 3 counties, 25% of the total annual grant payment, and for projects located in Tier 2 counties, 15% of the total annual grant payment, must be transferred to the Utility Account.

For the purposes of this study, funds required to be transferred to the Utility Account are included as a part of the total grant liability reported. Thus, maximum liability figures provided herein include *both* the amount of the grant to be paid to each company and the amount to be transferred to the Utility Account for rural counties.

Payments under a CEDA are made annually, following each calendar year that is a grant year for the company, based on the company's compliance with performance requirements of the CEDA, as reported to Commerce by March 1 of each year. Typically, these payments will commence the 3rd quarter following the calendar year of performance. As noted above, for this funding cycle, the amount required reflects payments to be made commencing in FY 2015-16 for calendar year 2014, plus the remaining calendar year 2011, 2012 and 2013 payments, and thus these payments will commence with the start of the fiscal year beginning on July 1, 2015. This study and the table that is attached describe the fiscal impact of the JDIG Program based on maximum possible payments for each grant year.

Funding Analysis

As of March 17, 2015 the Committee had publicly awarded 201 grants. Of those grants, 105 are required to report for 2014 performance. Of these, approximately 80 are expected to be eligible for payments in FY 2015-2016. Typically there is some time lag between the awarding of grants and the beginning of operations; 20 of the 201 grantees are not required to have created jobs for the 2014 grant reporting year (and thus will not be eligible for payment in FY2015-2016), but will create program liabilities based on jobs created and retained in future years. 73 of the 201 grantees have terminated from the program, and 3 of the 201 grantees have completed their grant term.

In evaluating projected liability indicated in this study, it is important to emphasize that maximum liability is stated, based on the actual maximums possible under each award. Actual costs to the State are expected to be a lesser amount, as not all companies that are awarded grants will perform

\$188.34 million for the sum of all grants awarded in 2006. In addition, in 2013 SB 402 changed the cap for the FY2013-2015 fiscal biennium to \$22.5 million, and the cap for the period from July 1, 2015 to December 31, 2015 to \$7.5 million. Tables 2 and 3 provide the maximum State Liability over Calendar Year 2013 and the FY2013-2015 fiscal biennium.



at the maximum level. Businesses that miss their minimum job creation requirement may receive reduced grant payments for the year based on a weighted average demonstrating at least 80% compliance with jobs, wages, and investment requirements (for two years during the job ramp up period, at which point the company is required to be in full compliance in order to receive a payment). The CEDA also provides for termination of the grant after a period of non-performance.

um Liability for Existing Grants*

Grant Year														
2012	2013**	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		\$175,000												
	\$1,485,000	\$4,751,358	\$2,268,798	\$727,999	\$507,999	\$507,999								
	\$458,000	\$1,263,000	\$1,263,000	\$1,263,000	\$1,263,000	\$458,000								
		\$12,179,000	\$12,179,000	\$12,179,000	\$11,965,000	\$10,245,000	\$3,702,000							
	\$2,377,000	\$4,760,000	\$4,760,000	\$4,760,000	\$1,712,000	\$1,076,000	\$1,076,000							
		\$1,379,000	\$1,379,000	\$1,379,000	\$1,379,000	\$84,000								
	\$1,337,000	\$11,206,000	\$11,636,000	\$11,636,000	\$11,636,000	\$9,571,000	\$6,872,000	\$5,203,000	\$4,028,000	\$4,028,000				
100	\$1,107,000	\$8,949,000	\$9,787,000	\$9,787,000	\$9,787,000	\$9,787,000	\$8,915,000	\$6,366,000	\$5,287,000	\$3,277,000				
		\$5,054,000	\$5,721,000	\$4,784,000	\$5,007,000	\$5,225,000	\$5,443,000	\$4,732,000	\$3,340,000	\$2,799,000	\$1,103,000	\$1,103,000	\$1,103,000	\$1,103,000
	\$401,000	\$9,303,000	\$11,726,000	\$13,721,000	\$14,221,000	\$14,288,000	\$14,288,000	\$14,288,000	\$13,459,000	\$10,126,000	\$6,413,000	\$3,445,000	\$1,673,000	\$196,000
		\$9,485,000	\$16,421,000	\$18,706,000	\$19,963,000	\$20,228,000	\$20,228,000	\$20,085,000	\$19,785,000	\$19,162,000	\$17,524,000	\$15,759,000	\$15,619,000	\$3,933,000
		\$302,000	\$6,264,000	\$10,682,000	\$14,677,000	\$16,310,000	\$16,591,000	\$14,616,000	\$14,616,000	\$14,616,000	\$14,616,000	\$14,616,000	\$14,616,000	\$13,875,000
100	\$7,165,000	\$68,806,358	\$83,404,798	\$89,624,999	\$92,117,999	\$87,779,999	\$77,115,000	\$65,290,000	\$60,515,000	\$54,008,000	\$39,656,000	\$34,923,000	\$33,011,000	\$19,107,000

* Existing Grants does not include two pending terminations. Both terminations are expected to terminate from the program by December 31, 2015.

Calendar Year 2013 (Cap = \$15 million); and FY2013-2015 (Cap = \$22.5 million). Tables 2 and Table 3 break out the cap between 2013 calendar year and the 2013-2015 fiscal biennium.

liability for Calendar Year 2013 Grant Awards

Calendar Year 2013														
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Grant
\$8,827,000	\$12,966,000	\$13,831,000	\$14,317,000	\$14,344,000	\$14,344,000	\$14,201,000	\$13,901,000	\$13,278,000	\$11,640,000	\$10,833,000	\$10,693,000			\$15
\$8,827,000	\$12,966,000	\$13,831,000	\$14,317,000	\$14,344,000	\$14,344,000	\$14,201,000	\$13,901,000	\$13,278,000	\$11,640,000	\$10,833,000	\$10,693,000			\$15

ability for FY13-15 Biennnium Grants

FY2013-2015 Biennium														
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Grant
\$658,000	\$3,455,000	\$4,875,000	\$5,646,000	\$5,884,000	\$5,884,000	\$5,884,000	\$5,884,000	\$5,884,000	\$5,884,000	\$4,926,000	\$4,926,000	\$3,933,000	\$343,000	\$6
\$302,000	\$6,264,000	\$10,682,000	\$14,677,000	\$16,310,000	\$16,591,000	\$14,616,000	\$14,616,000	\$14,616,000	\$14,616,000	\$14,616,000	\$14,616,000	\$13,875,000	\$164,000	\$16
\$960,000	\$9,719,000	\$15,557,000	\$20,323,000	\$22,194,000	\$22,475,000	\$20,500,000	\$20,500,000	\$20,500,000	\$20,500,000	\$19,542,000	\$19,542,000	\$17,808,000	\$507,000	\$23



be made in FY15-16 for previous grant years	\$7,824,000
14 payments to be made in FY15-16	+ \$59,500,000
FY15-16 for JDIG payments	= \$67,324,000
Reserve as of 3/23/2015	(Cash) \$12,507,785
und per SL 2014-100 Section 15.13	(Ag Gas) - \$3,000,000
ation (budget code 19013)	+ \$63,045,357
r Payments	= \$72,553,142
r Payments	\$72,553,142
FY15-16 for JDIG Payments	- \$67,324,000
for FY15-16	= \$5,229,142



#3

Summary of Projections and Recommendations

This report has been prepared pursuant to N.C. Gen. Stat. § 143B-437.74(b), by the Department of Commerce ("Commerce"), which administers the **One North Carolina Fund** (the "OneNC Program"). Its purpose is to provide the General Assembly with information on the minimum current funding level required for the upcoming fiscal year, to implement the OneNC Program.

The DOC's analysis has determined that up to \$12 million will be required to be expended from now through FY 2015-2016, reflecting expected payment obligations to be incurred under OneNC grant agreements through 2015-2016 FY.

Background of the OneNC Program

The One North Carolina Fund (One NC) was created in 1993 to help North Carolina achieve its stated goal of economic growth through uniform regional prosperity. The fund helps the state achieve this goal by recruiting and expanding quality jobs in high value-added, knowledge-driven industries, and by providing "financial assistance to those businesses or industries deemed by the Governor to be vital to a healthy and growing State economy and that are making significant efforts to expand in North Carolina."

Statutorily, One NC grants may only be used for installation or purchase of equipment; structural repairs, improvements, or renovations to existing buildings to be used for expansion; construction of or improvements to new or existing water, sewer, gas or electric utility distribution lines, or equipment for existing buildings, or for new or proposed buildings to be used for manufacturing or industrial operations.

In order to be eligible for a One NC, the project seeking assistance must be competitive; that is, "but for" the receipt of the One NC, the project would not occur in North Carolina.

ESTIMATED FUNDS TO BE EXPENDED IN FISCAL YEAR 2015-2016	
Current balance of OneNC for upcoming disbursements for remainder of FY 14-15 as of 3-31-15	\$5,004,024.00
FY 15-16 recurring OneNC disbursements Budget	\$9,000,000.00
Total Funds Available for FY 15-16 =	\$14,004,024.00
Less - Estimated payments that will be made through FY 15-16	\$12,000,000.00
Excess funds (shortfall) for FY 15-16 =	\$2,004,024.00

VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-12-2015

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

John Hardin	NC Dept. of Commerce
Shannon Hobby	Commerce
John Skvarla	Commerce
Stewart Dickinson	Commerce
Alice Miller	NCDOC
Patricia Mitchell	NCDOC
John Long	NC DOC
Cholde	NC DOC
Bob Hambe	RPA
Whitney Christensen	Wood & Simpson P.A.



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-12-2015

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Gordon Myers	NCWRC
Ashton Gordon	NCWRC
N. David Smith	Agriculture
Joy Hildes	NCDA
Jennifer Hargwood	NCDA
Sarah Koonce	NCDA
Jack Brinson	NCDA
Kim Gerardo	Commerce
Josh Thrish	JDA
ANDY WALSH	SMITH ANDERSON

Committee Sergeants at Arms

NAME OF COMMITTEE AG/NER

DATE: 3-12-2015 Room: 421

House Sgt-At Arms:

1. Name: BILL BASS

2. Name: JOHN BRANDON

3. Name: MARK CONE

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____



Thursday, March 12
APPROPRIATIONS,
AG, & NER (JOINT)

Room
421

Time
8:30 am

Name	County	Sponsor
Claire Stevens	Iredell	John A. Fraley
Griffin Sullivan	Wake	Brig Gen (R) Gary Pendleton

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Wednesday, March 18, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Presiding, Rep. Pat McElraft
Topic: Utilities Commission and Agricultural Finance Authority

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 10:44 AM on Thursday, March 12, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



**Joint Appropriations Meeting of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Agenda

Wednesday, March 18, 2015, 8:30 A.M.
Room 421, Legislative Office Building

Rep. ~~Jimmy Dixon~~, Presiding

PAT MCELRAFT

1. Welcome and Opening Comments

Rep. Jimmy Dixon

2. Utilities Commission & Public Staff Introduction

Timothy Dale, Fiscal Analyst
Fiscal Research Division

3. Overview of the Utilities Commission & Public Staff

Chris Ayers, Executive Director
NC Utilities Commission Public Staff

4. Agricultural Finance Authority Introduction

Timothy Dale, Fiscal Analyst
Fiscal Research Division

5. Overview of Agricultural Finance Authority Loan Programs

Charles Walls, Loan Program Officer
Agricultural Finance Authority

6. Overview of Agricultural Finance Authority Bond Programs

Mary Nash Rusher, Bond Counsel
Hunton & Williams

7. Committee Discussion & Comments

House Appropriations Committee on ANER

Rep. Dixon (Chair)
Rep. McElraft (Chair)
Rep. West (Chair)
Rep. Catlin (Vice Chair)
Rep. Pierce (Vice Chair)
Reps. Harrison, Langdon, Millis, Presnell,
Richardson, Turner, Wray, and Yarborough

Senate Appropriations Committee on NER

Sen. Brock (Chair)
Sen. Cook (Chair)
Sen. Wade (Chair)
Sens. Alexander, Bryant, Clark, Lowe,
McGinnis, Rabin, Smith



House Committee on Appropriations, Agriculture and Natural and Economic Resources
Wednesday, March 18, 2015 at 8:30 AM
Room 421 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on March 18, 2015 in Room 421 of the Legislative Office Building. Representatives Dixon, Harrison, Langdon, McElraft, Millis, Pierce, Presnell, Richardson, B. Turner, West, Wray, and Yarborough attended.

There were 7 Senators present for the meeting.

Representative Pat McElraft, Chair, presided.

The meeting was called to order and the Chair welcomed everyone and thanked the staff, pages, and sergeant-at-arms for their help.

Timothy Dale was recognized to give an overview of the Utilities Commission and Public Staff. (See Attachment #1)

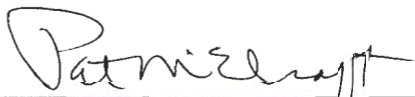
Timothy introduced Chris Ayers, Executive Director of NC Utilities Commission Public Staff, to come and expound what the Utilities Commission Public Staff is and to present their Legislative Proposal. Mr. Ayers had debate and discussion time. (See Attachment #2)

Timothy Dale talked next on the Agricultural Finance Authority.
Debate and Discussion time (See Attachment #3)

The Chair recognized Mr. Charles Wall, Agricultural Finance Authority, to come and give an Overview of Agricultural Finance Authority Loan Programs and Ms. Mary Rusher, Bond Counsel, came and gave an overview of the Agricultural Finance Authority Bond Programs. (See Attachment #4)

Committee Discussion and Comments

The meeting adjourned at 9:50 AM.



Representative Pat McElraft, Chair
Presiding



Nancy Fox, Committee Clerk



ATTENDANCE

Agriculture and Natural and Economic Resources

[illegible]



PAGES ATTENDING

Date: 3-18, 8:30

Committee: Joint: Natural & Eco. Resources Room: 421

PLEASE PRINT LEGIBLY!!!!

Page	Name	Hometown	Sponsoring Senator
1	Nicholas Oddo	Wake Forest	Barefoot
2	Gesche Berg	Charlotte	Senator Rucko
3			
4			
5			
6			
7			
8			
9			

Do not add additional names below the grid.

Pages: Please present this form to either the Committee Clerk at the meeting or a Sgt. at Arms.



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-18-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Louise Fitzgerald NCAFA

Stephanie Oyley NCAFA

Frank Bordeaux NCAFA

Kyra Higgins NCAFA

Charles Walls NCAFA

Sarah Kowha NCDL

Jennifer Haywood NCDL

Celia Cox OSBM

Jenny Schill NCAFA

Cindy Ohms CUOA

Dan Conrad NCVC



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-18-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Carr McLamb	Trotman Sanders
Richard C. Reich	NCDA & CS
Walt Gray	NCIC
Ryan Boyce	NCIC
DAVID BARNES	Electric Cities
Ha Nguyen	NCCCB
Gentry McCallie	NC Casework Network



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-18-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Pat Jeter	NC Utilities Commission
Dianna Downey	PSNWC
Chris Angus	PSNWC
Doug Lassiter	NCSTA
Edgar Miller	CTNC
Patricia Byflin	NC electric Cooperatives
Alice Miller	NCDOE
Shelly To	" " "
Shanna Hobby	Commerce
JAMES Jancil	CCJ
Manly Nash Rusher	Hunter: Williams/NCAFA



● Senate Sgt at Arms

Jt Appr-Ag-NER Rm 421 8:30 AM 3/18/2015

Steve Wilson

Jim Hamilton





Committee Sergeants at Arms

NAME OF COMMITTEE AG/NER

DATE: 3-18-2015 Room: 421

House Sgt-At Arms:

1. Name: BILL BASS

2. Name: JOHN BRANDON

3. Name: TERRY MCCRAW

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

Name: _____

Name: _____

Name: _____

Name: _____

Name: _____



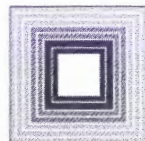
WHAT IS THE PUBLIC STAFF?

- Represents the Using and Consuming Public of North Carolina's public utilities
 - Intervenes in NCUC proceedings affecting rates or service
- Established in 1977

#

Budget Overview of the **Utilities Commission** & **Public Staff**

March 18, 2015



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

ATTACH
#1

Utilities Commission

- Origin dates to 1891 (Railroad Commission)
- Became Utilities Commission in 1933
- Governance (7-member Commission):
 - Governor appoints all members
 - Subject to confirmation by the General Assembly
- 66 FTEs
- Purpose: “Protect the public’s interest in receiving adequate (utilities) service at reasonable rates.”

- Utilities Commission presentation to Joint Leg. Commission on Energy Policy 12/3/2013

Public Staff

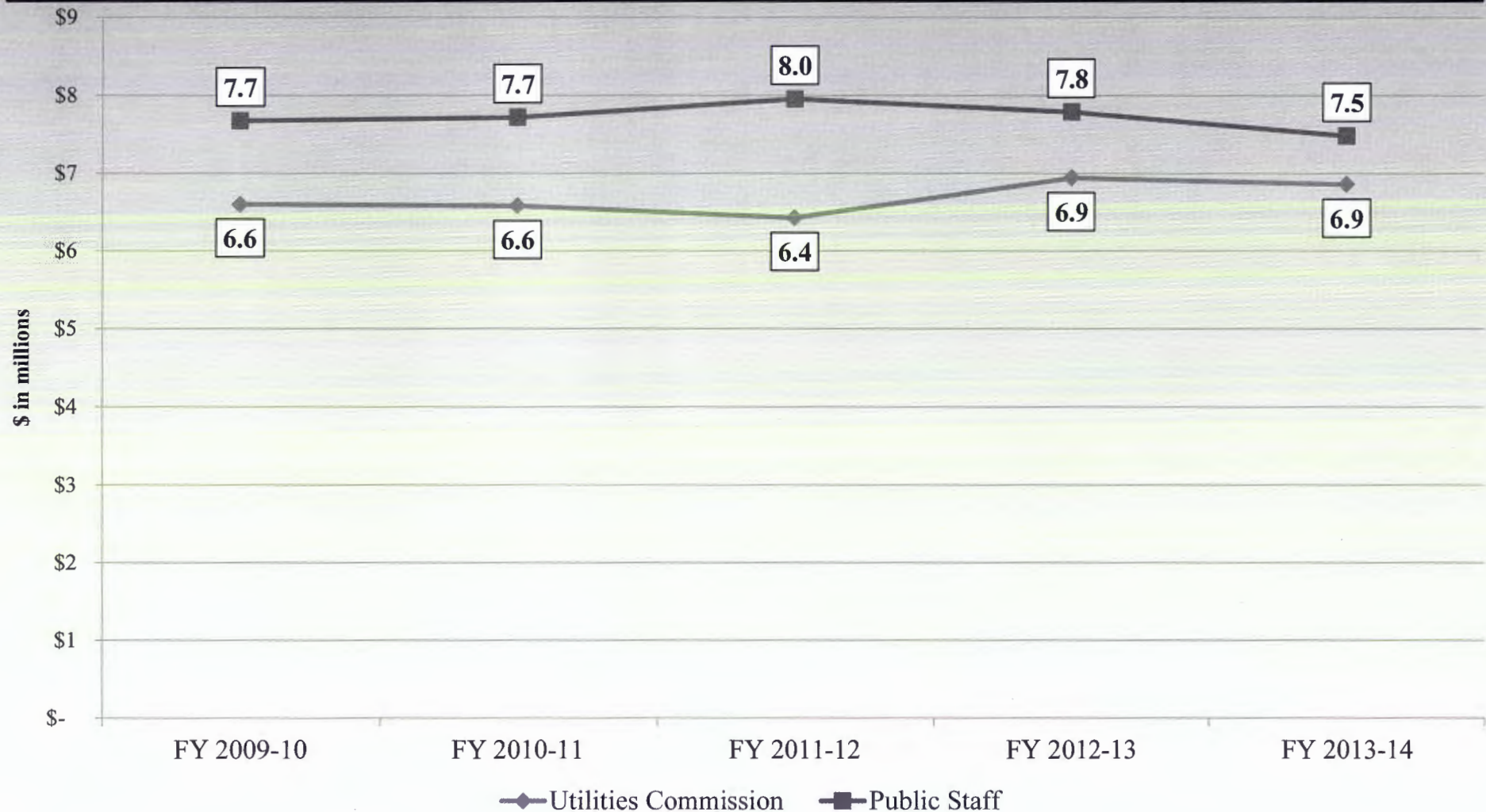
- Established in 1977
- Executive Director appointed by the Governor
 - Subject to confirmation by General Assembly
- 89 FTEs
- Purpose: “Represent the using and consuming public in (Utilities Commission) proceedings” -

- *Public Staff presentation to Joint Leg. Commission on Energy Policy 12/3/2013*

How Are They Funded?

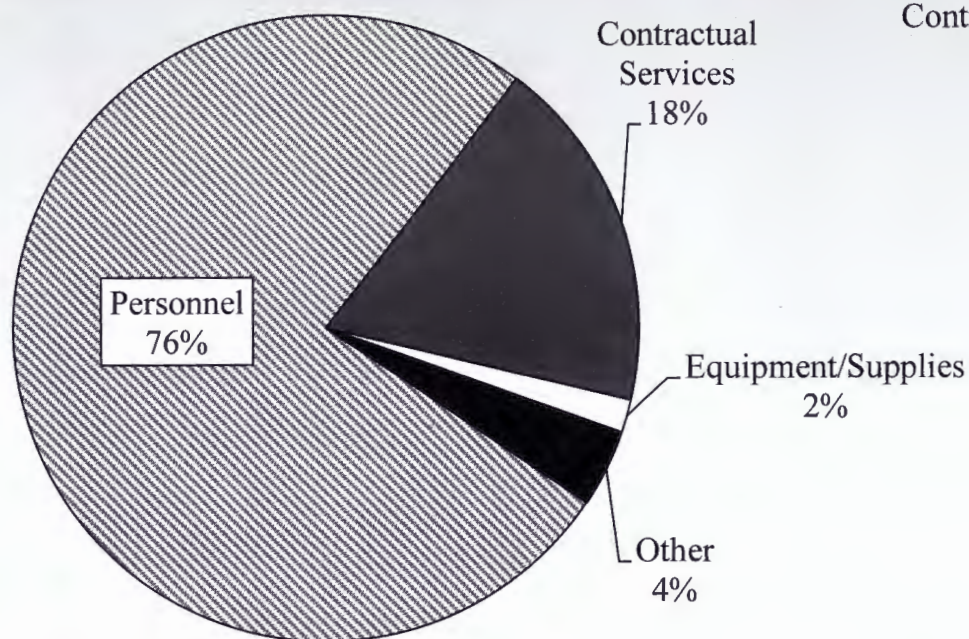
- Fully receipt-supported
- Primary revenue source – annual assessment on jurisdictional revenues of regulated entities
- Fee currently set at 0.135%
 - Set in Appropriations Act
- Other sources – Dept. of Energy grant (~\$340k), certain application fees (~\$40k), electric cooperative fee (\$200k)

5-Year Expenditure History (Actuals)

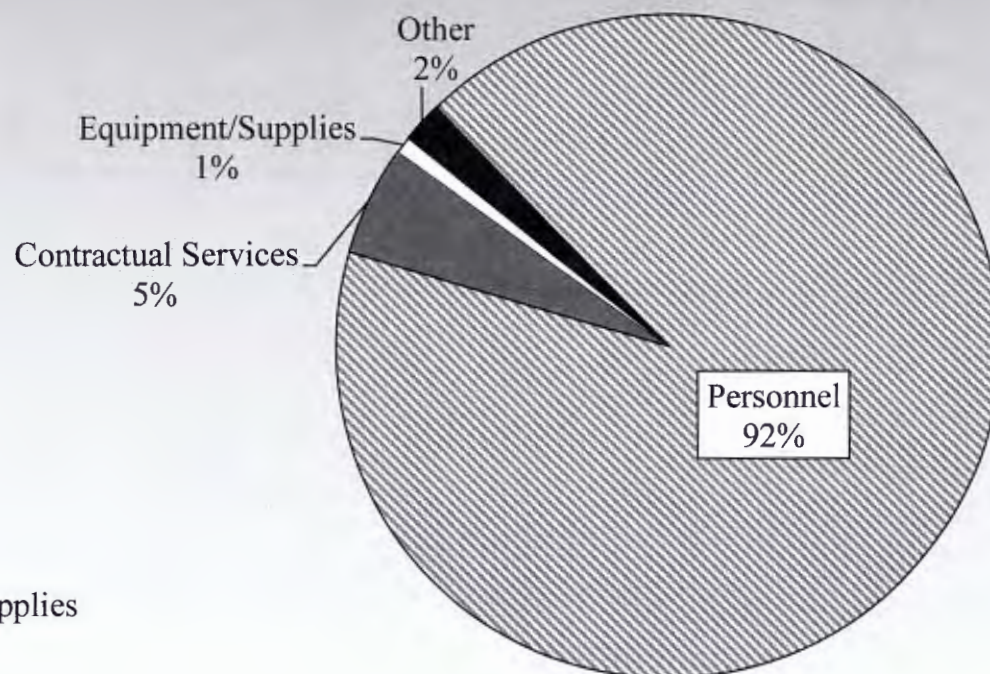


How Funds are Spent

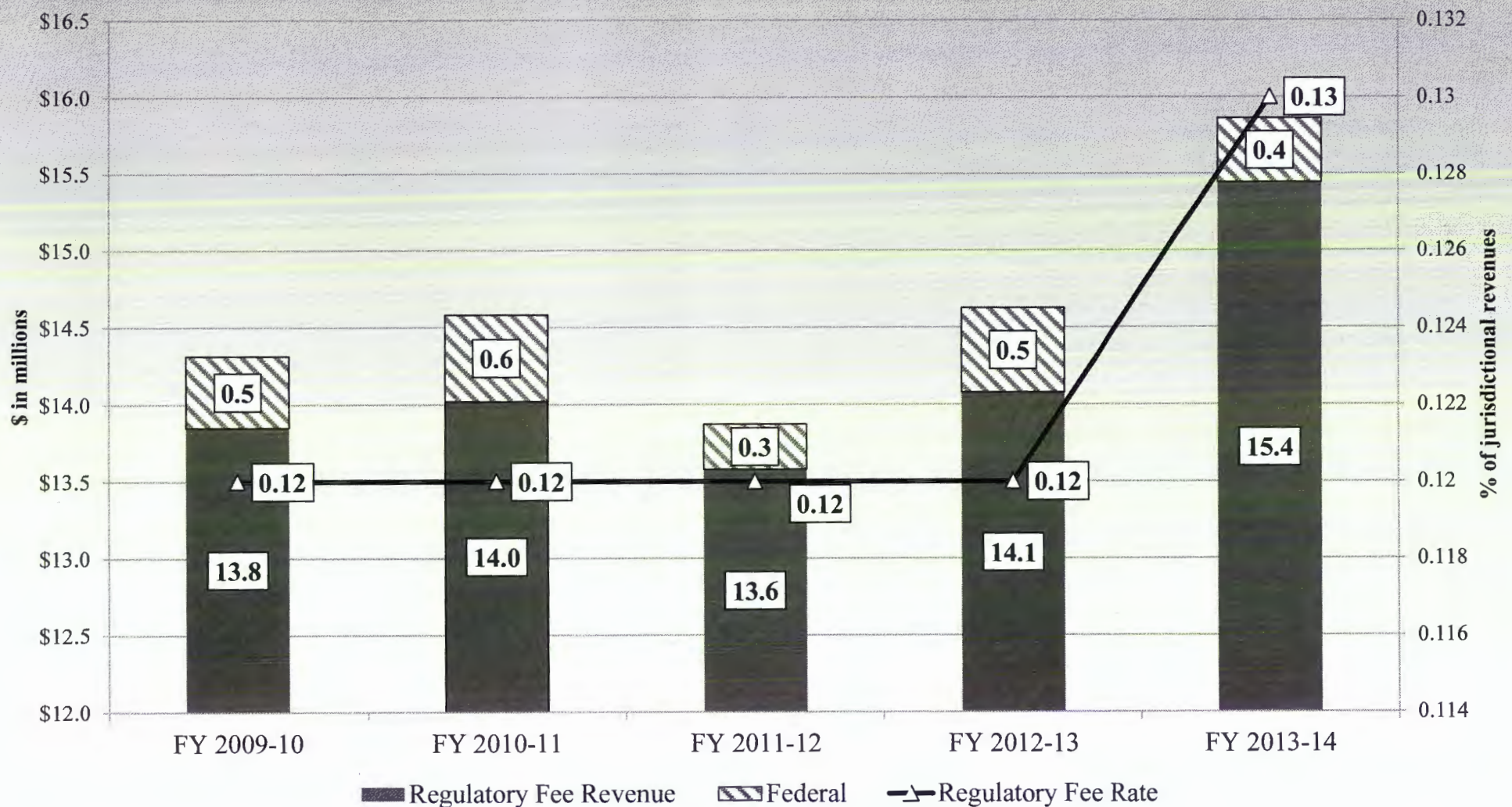
Utilities Commission



Public Staff



5-Year Receipt History (Actuals)



Recent Actions

S.L. 2009-451

- Sec. 14.19(e1) – directs that any cash balance in excess of 20% of the annual operating budget revert at end of fiscal year
 - Timing issue with quarterly payments
- Swept over \$12 million in cash balance

Recent Actions

S.L. 2014-59: Adjust the Utility Regulatory Fee

- Reduces the regulatory fee for “competitive” revenues derived from telecommunication providers
- Fee reduction will result in lost receipts for the Commission/Public Staff in the following amounts:
 - FY 2015-16 - \$1 million
 - FY 2016-17 - \$1.3 million
- Bill stated that regulatory fee would be increased in FY 2015-16 and FY 2016-17 to hold the Commission/Public Staff harmless

Recent Actions

S.L. 2014-122: Coal Ash Management Act of 2014

- Funds new positions in DENR and the Coal Ash Management Commission with regulatory fee surcharge
- Surcharge - 0.03% on revenues of utilities with coal ash surface impoundments
- Annual revenue - ~\$2.4 million

Key Takeaways

- 20% cash balance cap will pose operational issues if implemented due to payment timing
- Will receive less revenue due to S.L. 2014-59 unless General Assembly adjusts regulatory fee

Questions

Timothy Dale

Fiscal Analyst

timothyd@ncleg.net

919-733-4910



DIFFERENCES BETWEEN NCUC AND PUBLIC STAFF

- Independent agencies
 - Separate staffs, leadership and budgets
- NCUC does not direct or oversee the Public Staff's operations
- Public Staff appears as a party before the NCUC
 - Public Staff may appeal decisions to appellate courts
 - Public Staff subject to ex parte rules and cannot independently communicate with NCUC on pending matters
 - Public Staff does not participate in NCUC decision-making
- Staff roles
 - NCUC staff is an advisory staff
 - Public Staff is an audit/advocacy staff

WHAT IS THE PUBLIC STAFF?

- Represents the Using and Consuming Public of North Carolina's public utilities
 - Intervenes in NCUC proceedings affecting rates or service
- Established in 1977

**North Carolina Utilities Commission
Public Staff**

**Christopher J. Ayers
Executive Director**

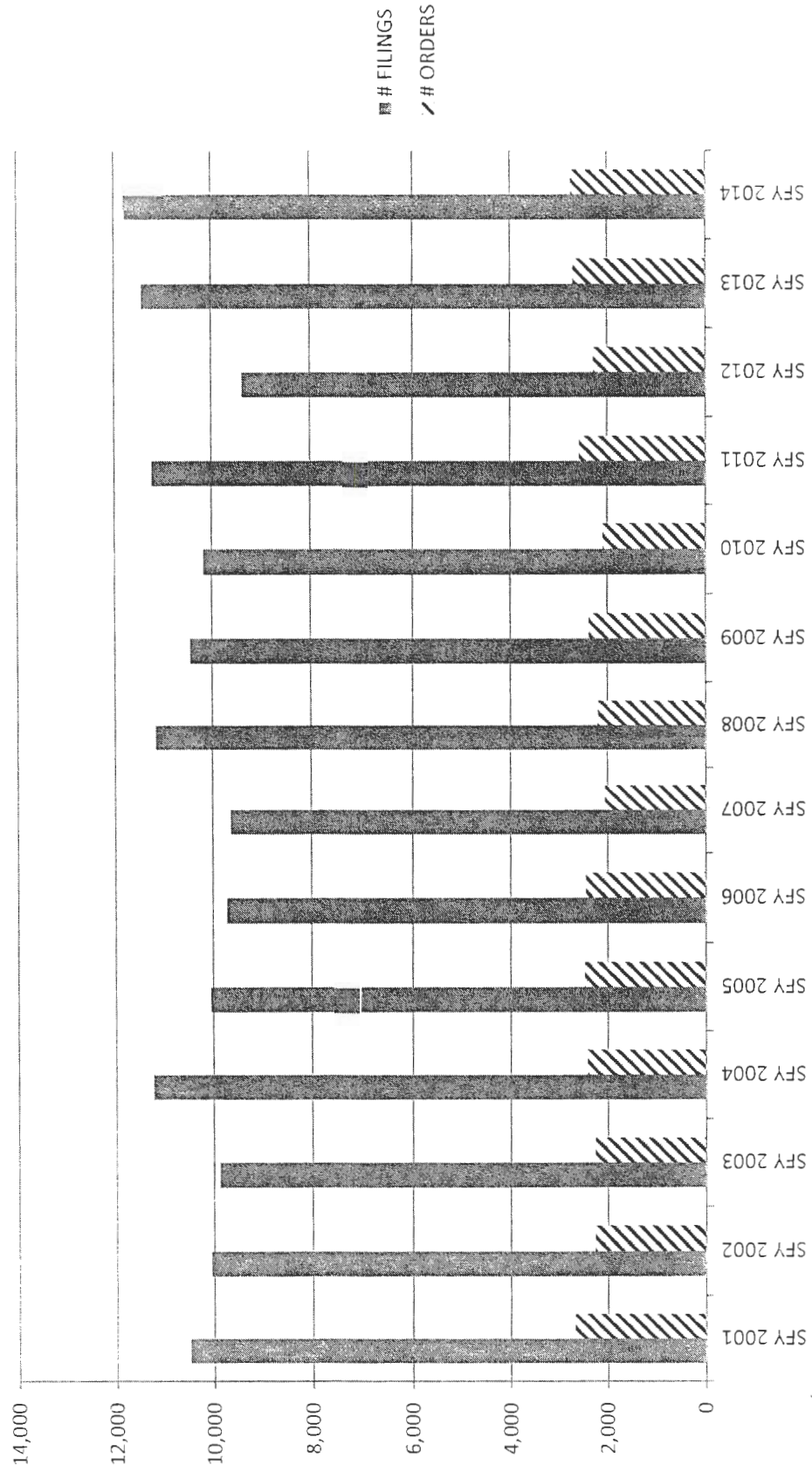
March 18, 2015

Attach,
#2

WHAT IS THE UTILITIES COMMISSION?

- State agency that regulates the rates and services of all public utilities in North Carolina
- Composed of seven members
- Purpose is to protect the public interest in receiving adequate utility service at reasonable rates

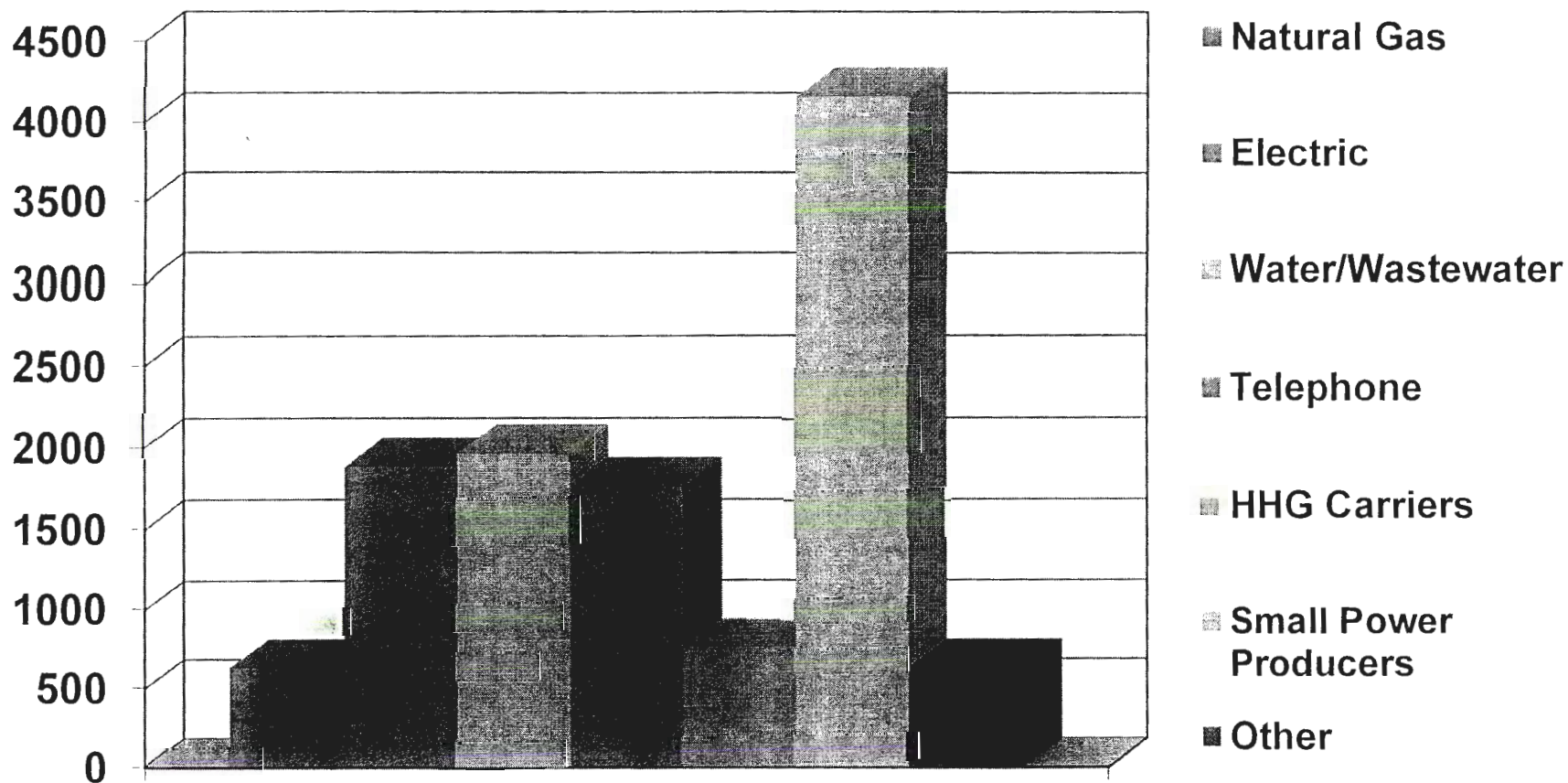
HISTORY OF FILINGS & ORDERS



** Electronic filings began to be received in November 2013

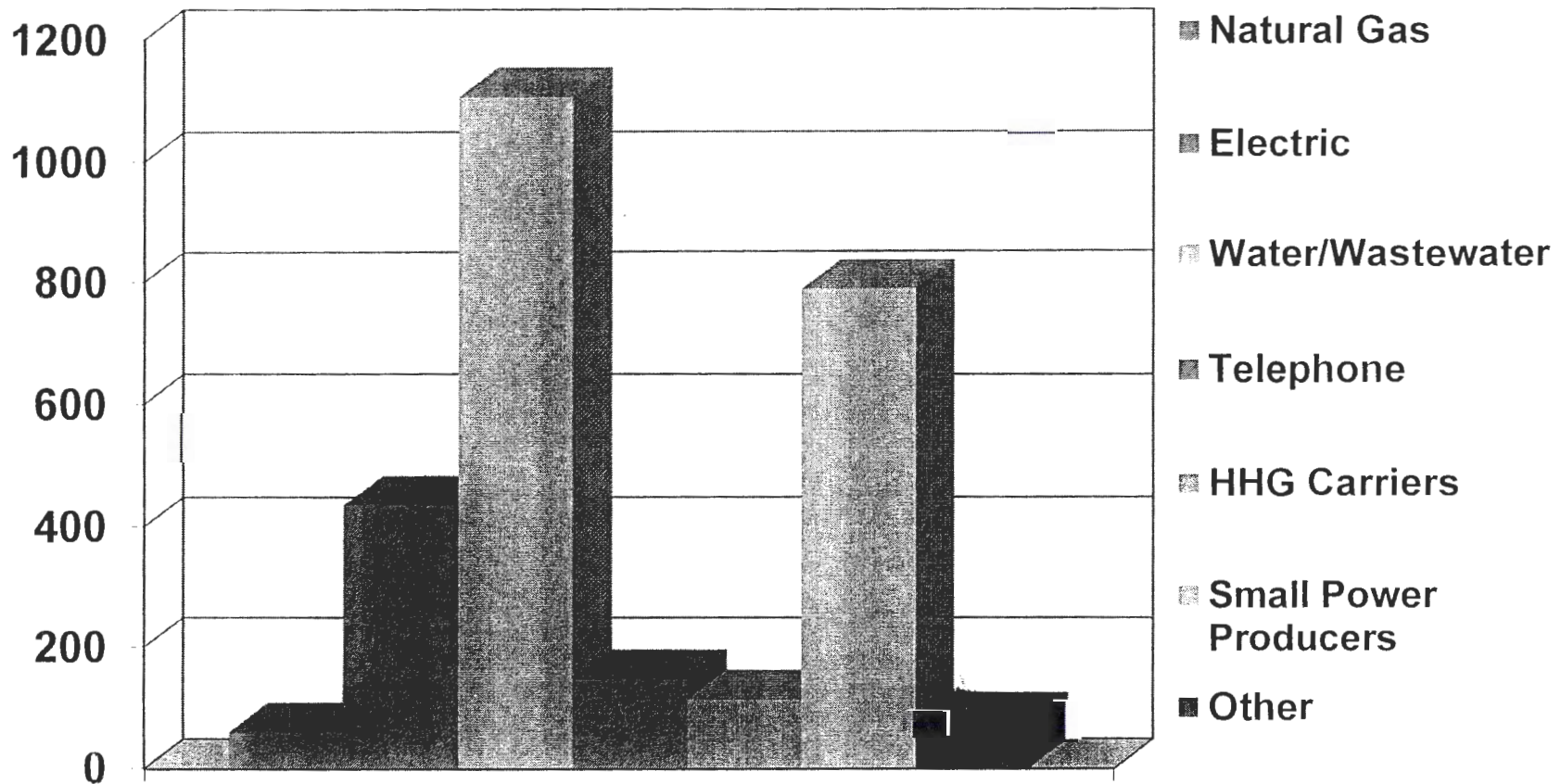
FILINGS BY INDUSTRY GROUP

(For the 12-Month Period Ending 6/30/14)



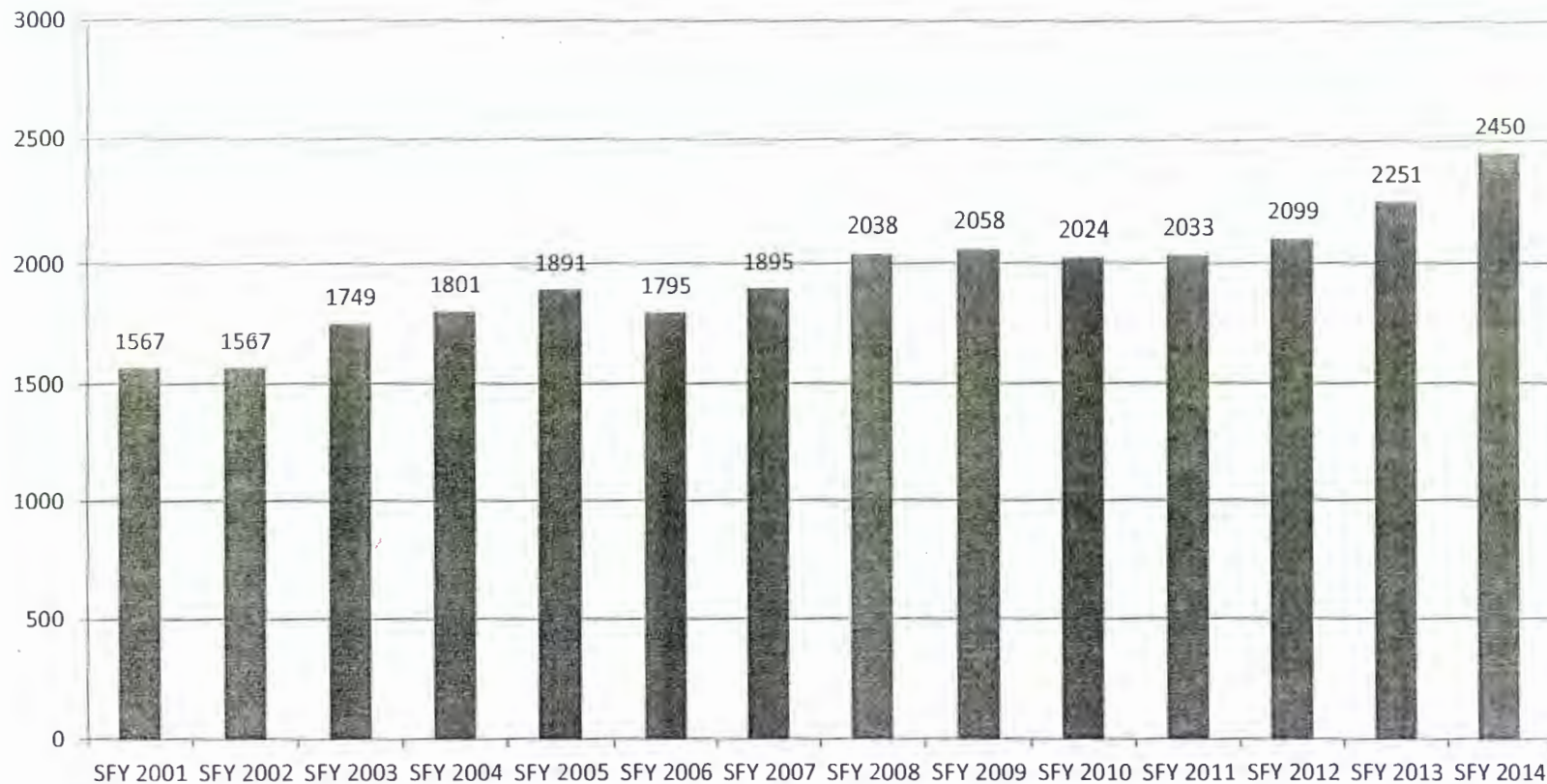
ORDERS BY INDUSTRY GROUP

(For the 12-Month Period Ending 6/30/14)



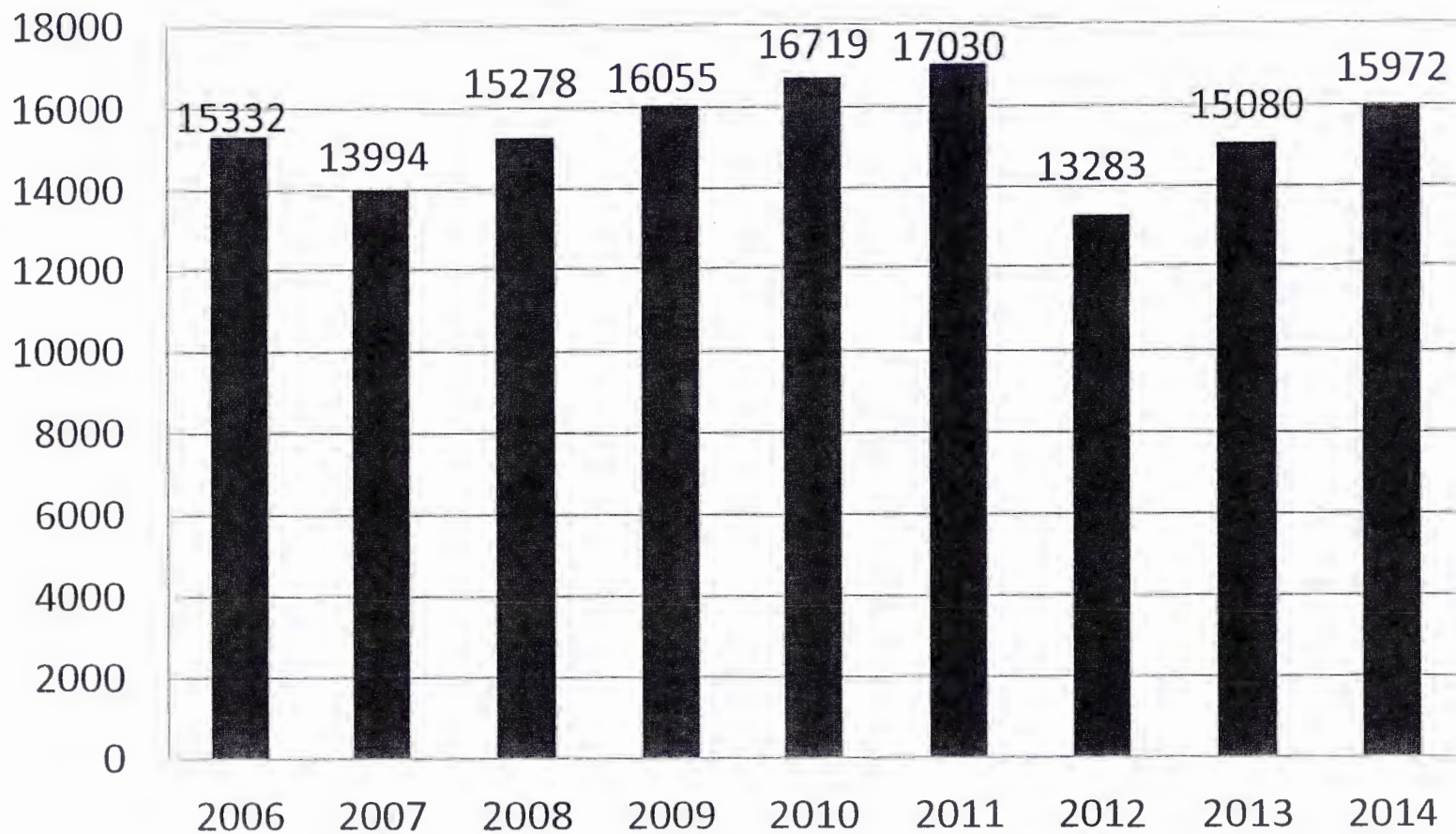
GROWTH IN REGULATED UTILITY COMPANIES – SFY 2001-2014

Number of Regulated Utility Companies



PUBLIC STAFF CONSUMER COMPLAINTS

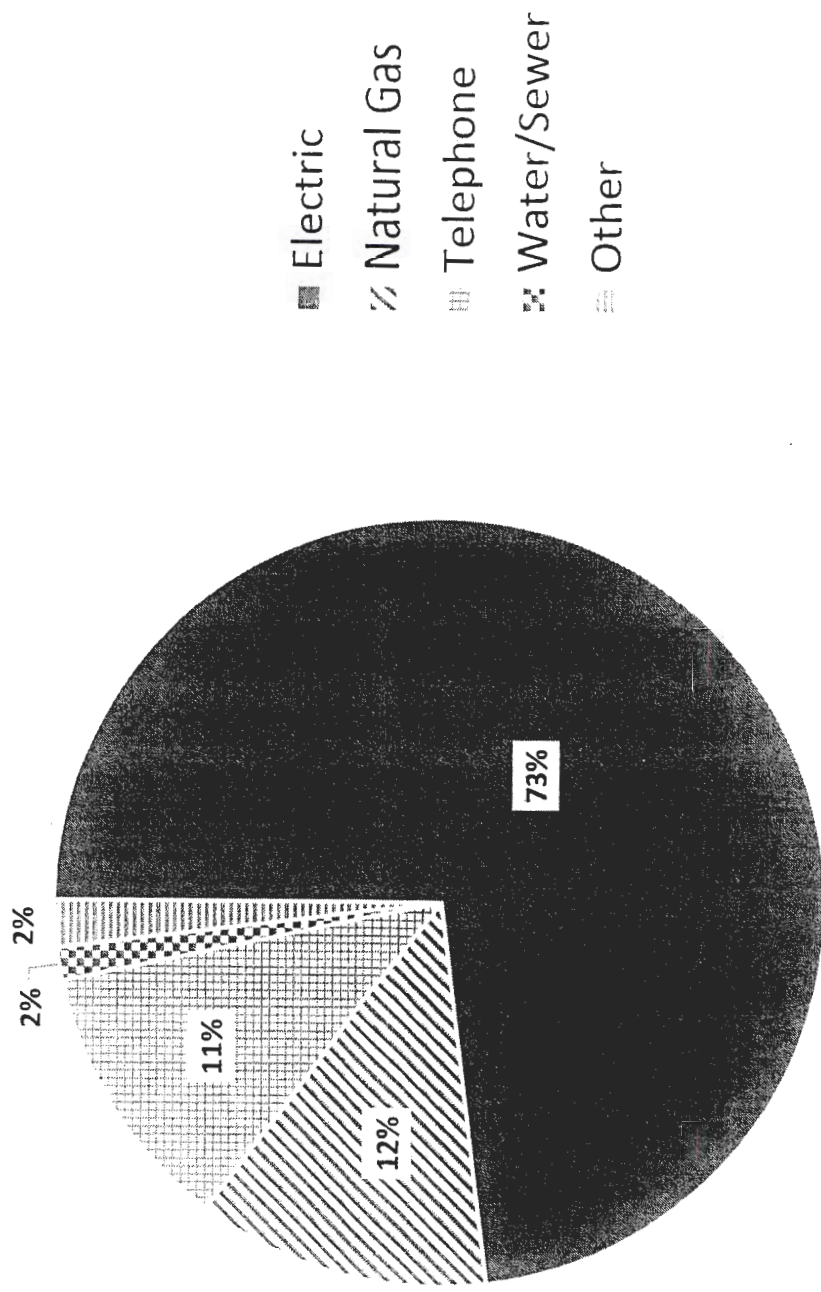
Annual Complaints Received



NCUC/PUBLIC STAFF FUNDING

- Do not receive appropriated funds
- Regulatory Fee established in the biennial budget by the General Assembly
 - Current Regulatory Fee established at 0.135%
 - SFY 2013-14 Regulatory Fee Revenue: \$15,440,000
- Fee receipts allocated between NCUC and Public Staff
- NCUC and Public Staff budgets are separate

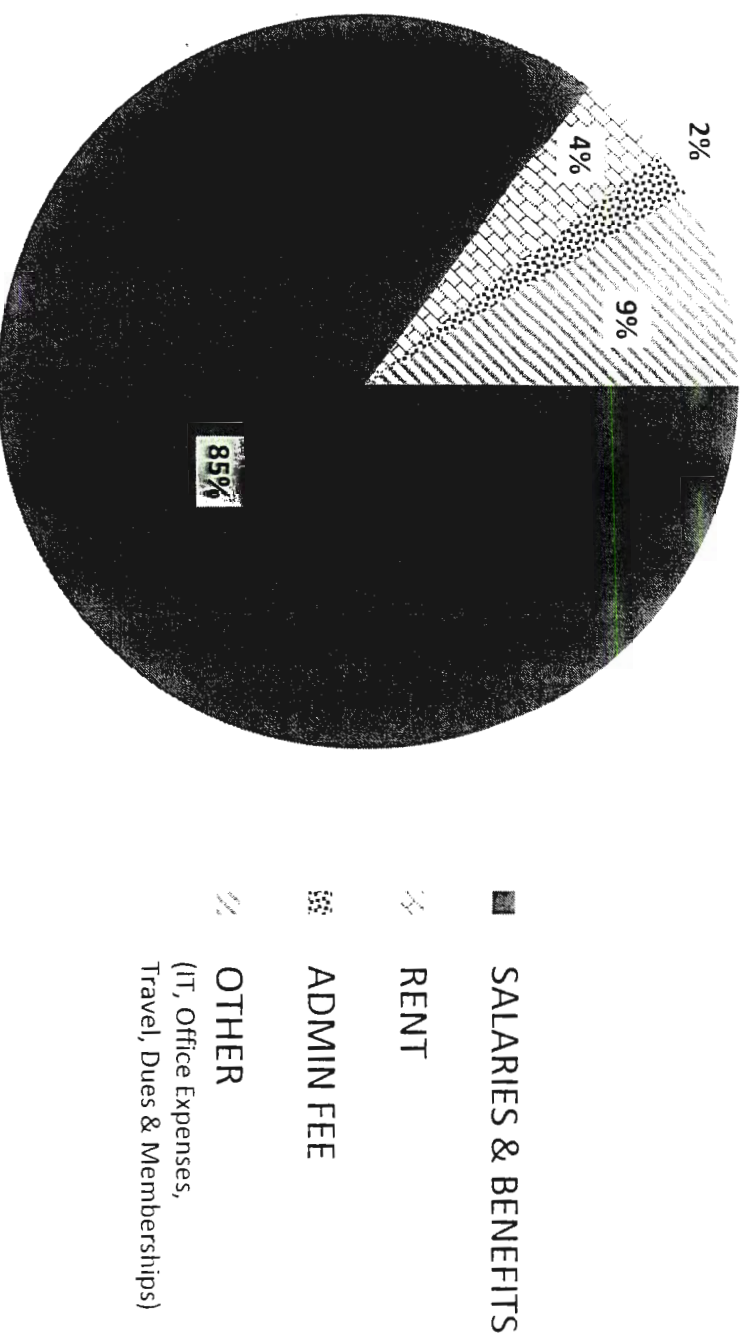
RECEIPTS BY UTILITY INDUSTRY



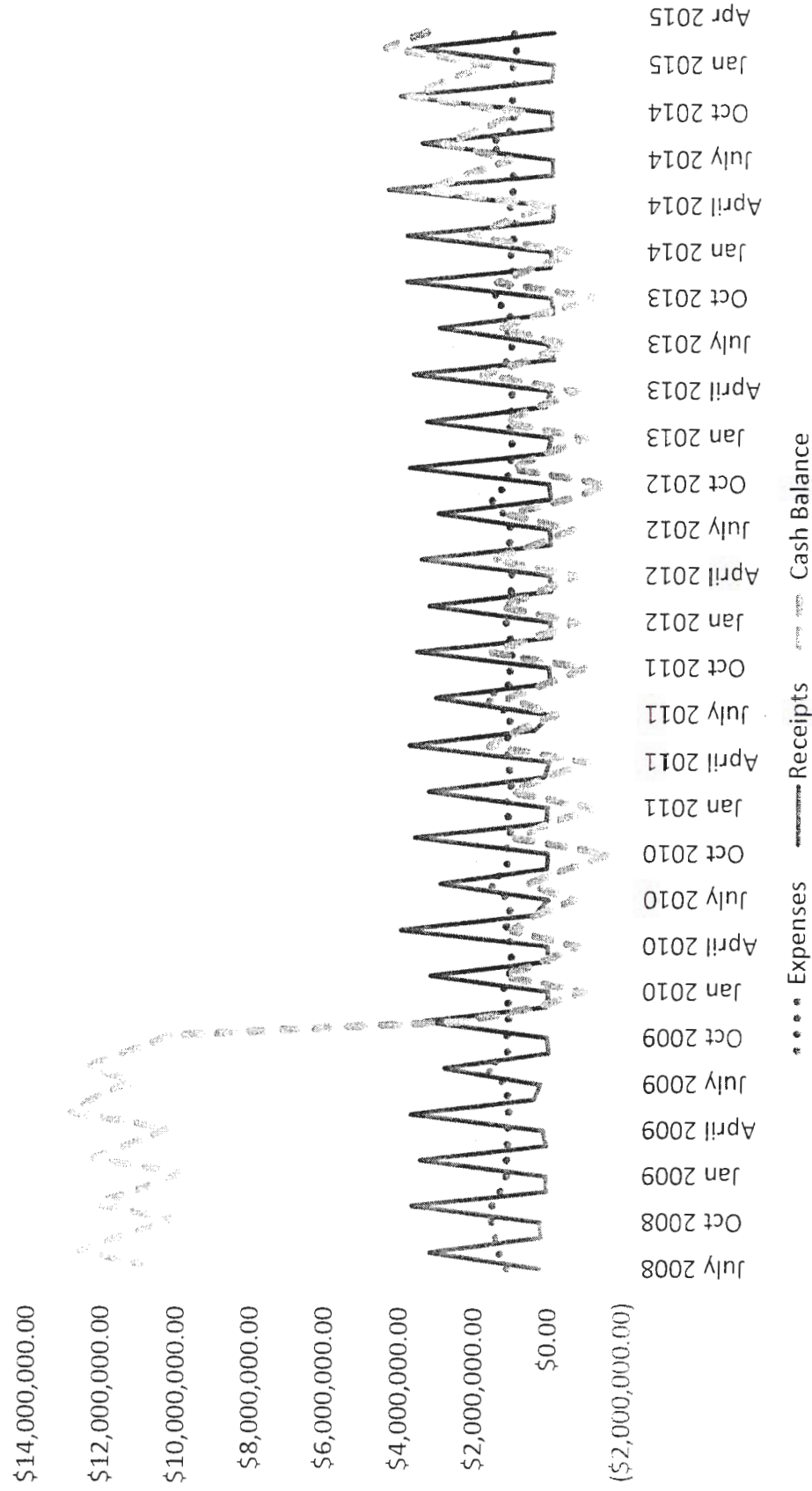
NCUC/PUBLIC STAFF EXPENDITURES

SFY 2014

ALLOCATION OF DOLLARS SPENT



NCUC/PUBLIC STAFF EXPENSES, RECEIPTS & CASH BALANCES: SFY 2008 - 2015



Session Law 2014-59 (HB 1052)

- Reduced the Regulatory Fee for certain telecommunication companies:
 - Section (h) companies move from 0.135% to 0.06% in July 2015 and 0.04% in July 2016.
 - Section (m) companies move from 0.135% to 0.05% in July 2015 and 0.02% in July 2016.
- Results in approximately **\$993,000** annual shortfall beginning July 1, 2015
- Results in approximately **\$1,324,000** annual shortfall beginning July 1, 2016

Notes: Data from LRC Committee on the Assessment of Regulated and Non-Regulated Industry Utility Fees (Mar 2014).

Section (h) companies move from 0.135% to 0.06% in July 2015 and 0.04% in July 2016.

Section (m) companies move from 0.135% to 0.05% in July 2015 and 0.02% in July 2016.

Session Law 2014-59 (HB 1052)

Stated that the Regulatory Fee:

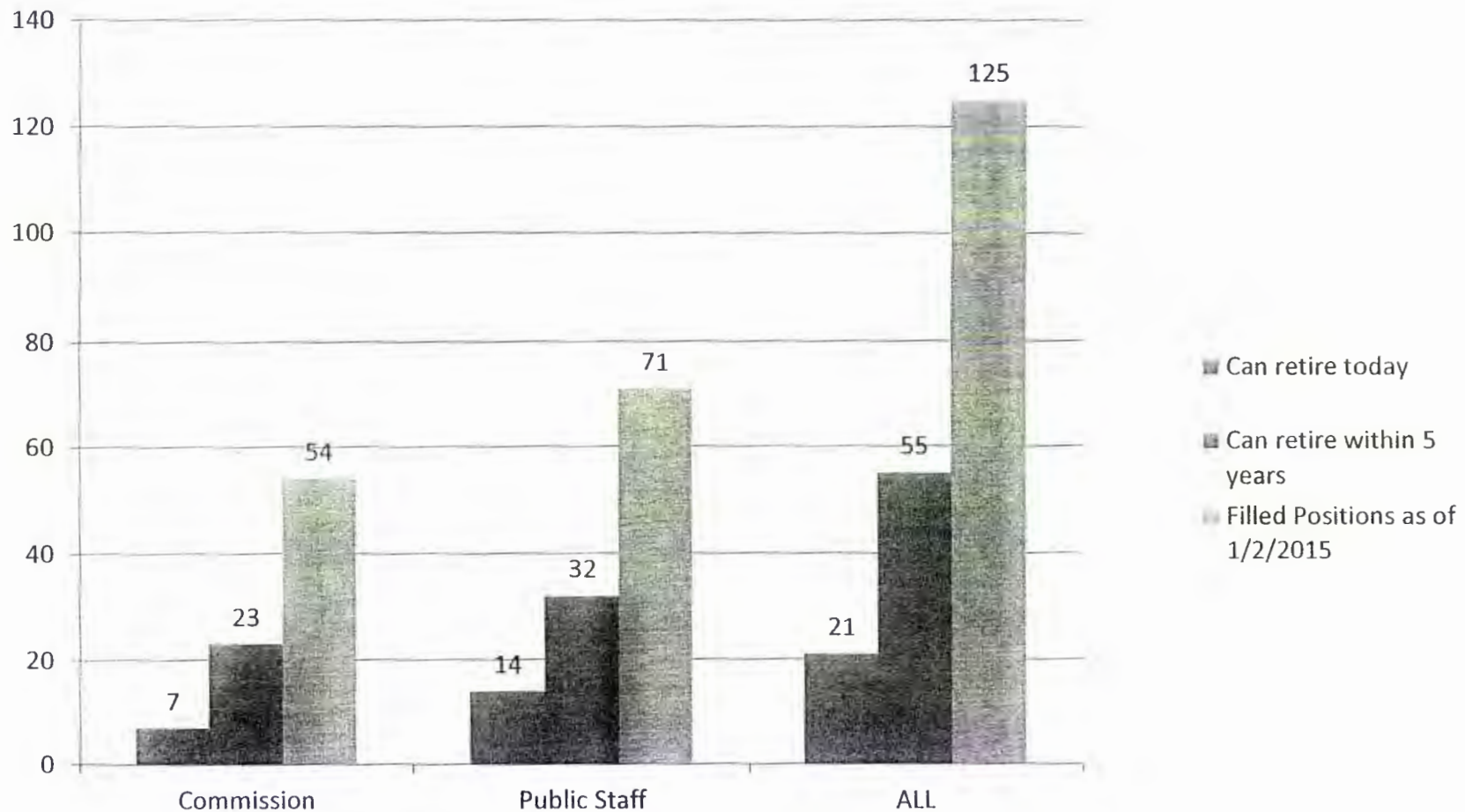
“shall be adjusted to reflect the decrease in the total regulatory fee collected as a result of Sections 2 and 3 of this act and shall be set to ensure the total regulatory fee collected for each fiscal year is at least an amount sufficient to defray the cost of operations of the Commission and Public Staff for the upcoming fiscal year, including a reasonable margin for a reserve fund.”

Fiscal note estimate to maintain the current level funding:

2015: Increase of 0.01% \approx \$990,000 \rightarrow Total fee of 0.145%

2016: Increase of 0.003% \approx \$330,000 \rightarrow Total fee of 0.148%

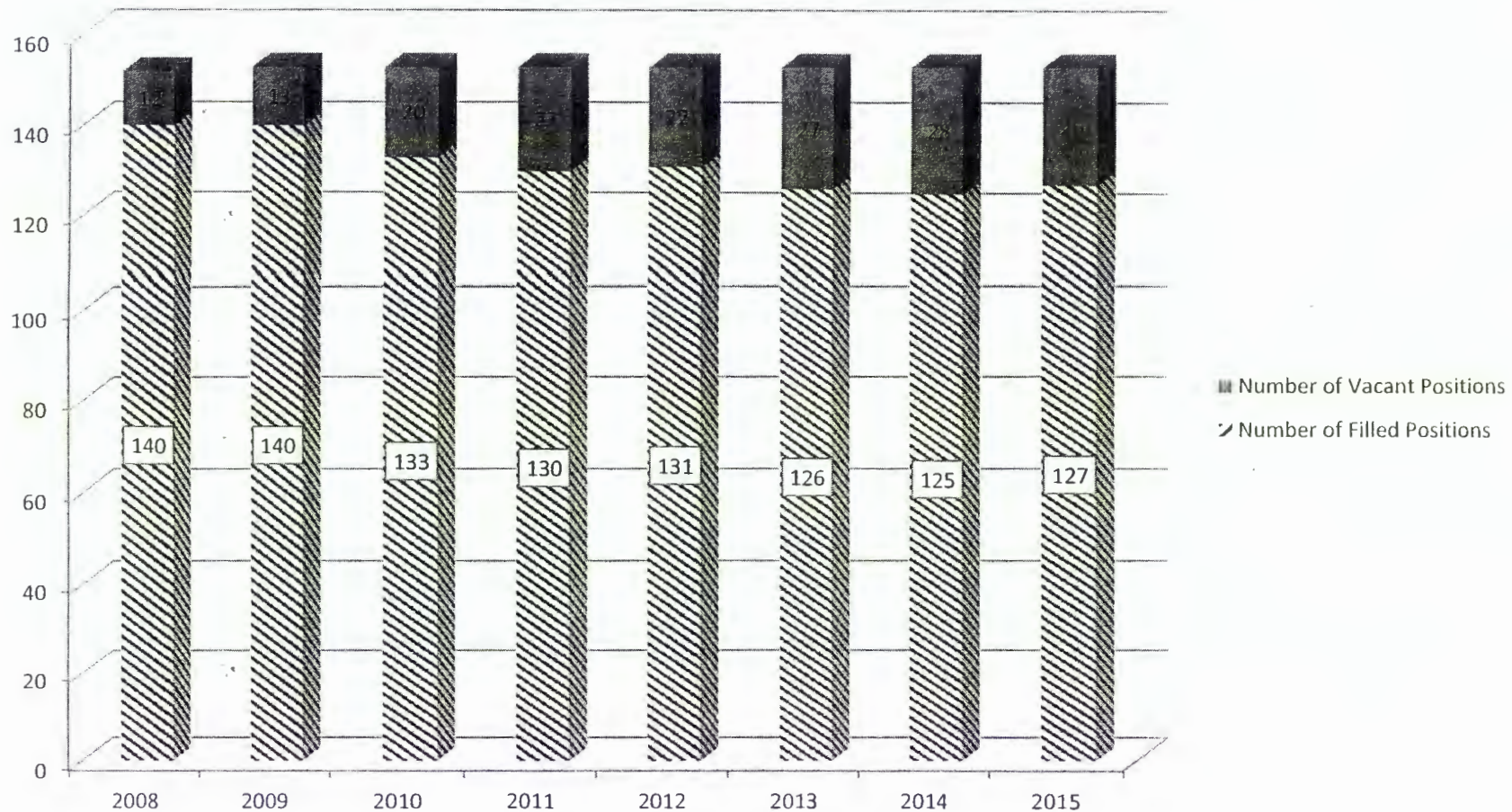
SUCCESSION PLANNING FOR SENIOR STAFF OF COMMISSION & PUBLIC STAFF



CURRENT RETIREMENT PAYOUT LIABILITIES

	NCUC	Public Staff	Total
Eligible for Immediate Retirement	\$120,003	\$228,517	\$348,520
Eligible for Retirement Within 1 Year	\$189,796	\$340,377	\$530,173
Eligible for Retirement Within 5 Years	\$290,996	\$448,504	\$793,500

NCUC/PUBLIC STAFF POSITIONS FILLED & VACANT FYE JUN 2008 – PRESENT



** SFY 2009-2010 is when \$12M in cash balance was taken from the Commission

LEGISLATIVE PROPOSAL

- Establish Regulatory Fee at 0.148%
 - Holds revenue at current level following HB 1052 fee reductions
- Establish a 6-month operating reserve cap
 - Eliminate existing 20% cap
 - Avoids negative cash flow resulting from quarterly receipts
- Require NCUC to adjust Regulatory Fee in first quarter, as necessary, to comply with legislative budget parameters
 - Automatic trigger requiring NCUC to lower Regulatory Fee when reserve cap is exceeded
 - Subject to State Budget Act and the certified budget approved by the General Assembly

#3

Overview of the Agricultural Finance Authority

ATTACH-
#3

March 18, 2015



FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

Purpose

“To alleviate the shortage of capital and credit available for investment in agriculture, for domestic and export purposes, at interest rates within the financial means of persons engaged in agricultural production and agricultural exports”



Background

- Created in 1986 – G.S. 122D
- Governance (10-member Authority):
 - Commissioner of Agriculture (or designee) – (Ex-officio)
 - Governor – 3
 - Senate President Pro Tempore – 3
 - Speaker of the House – 3
- 5 FTEs

What Can They Do?

- Purchase or sell agricultural loans
- Issue debt for authority activities
- Issue debt for agricultural operations
- Provide funds/loans to financial institutions to provide agricultural loans
- Purchase insurance on agricultural loans

What Do They Do?

Two Primary Functions

- 1) Issue Loans to Agribusinesses/ Farmers
(typically w/ USDA risk guarantee support)
- 2) Conduit debt issuer
 - i. Tax-exempt bonds
 - ii. Qualified Energy Conservation Bonds (QECCBs)

Funding History

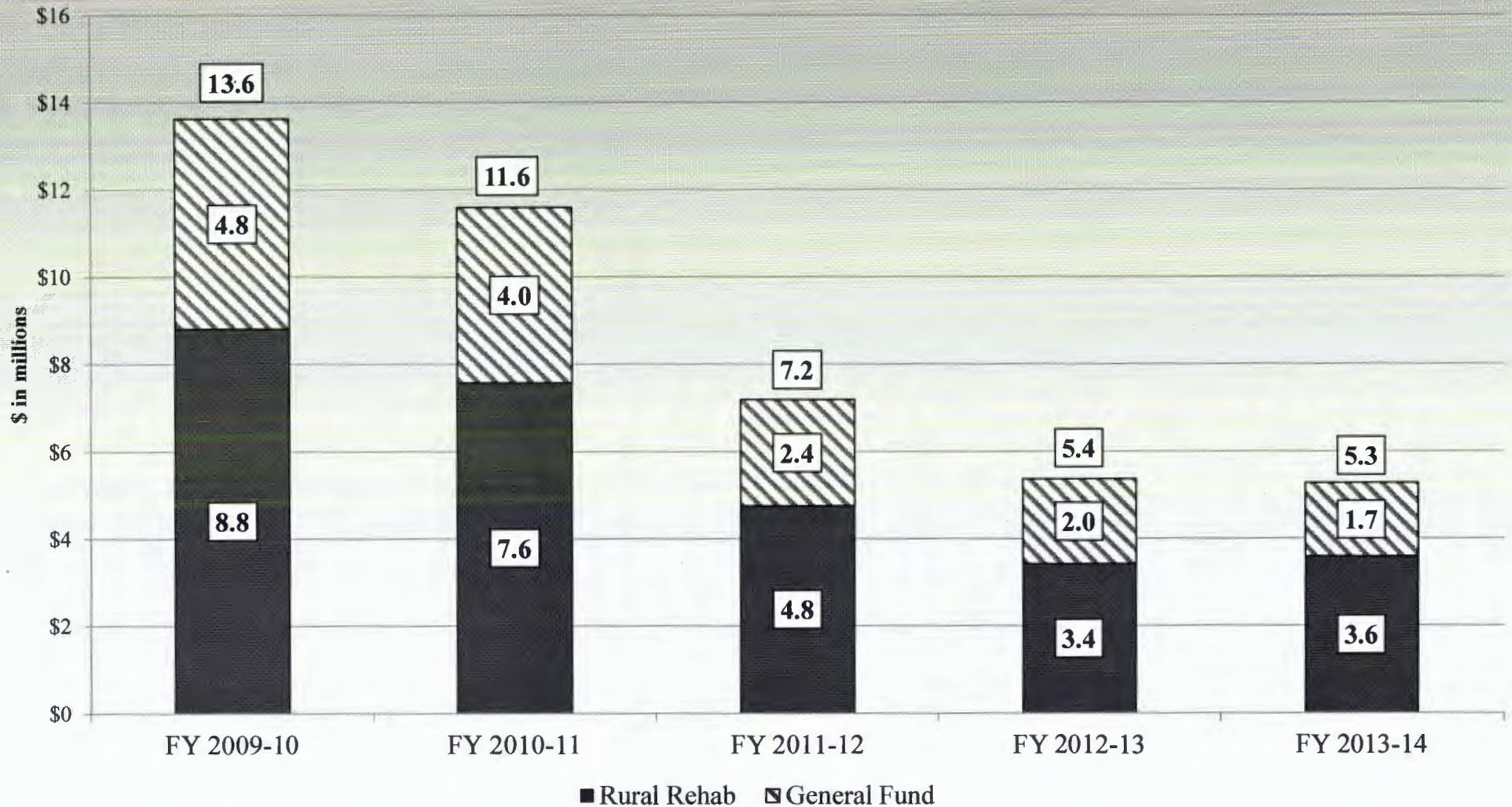
- General Fund Appropriations:
 - \$2.2 million – FY 1986-87
 - \$200,000 – FY 1995-96
 - \$129,400 – FY 2001-02
- Rural Rehab. Corp. Transfer – FY 2001-02
 - Received \$8.8 million in assets from Rural Rehab. Corp. (balance includes funds/notes receivable)
 - Federal funds to benefit rural areas



Current Funding Sources

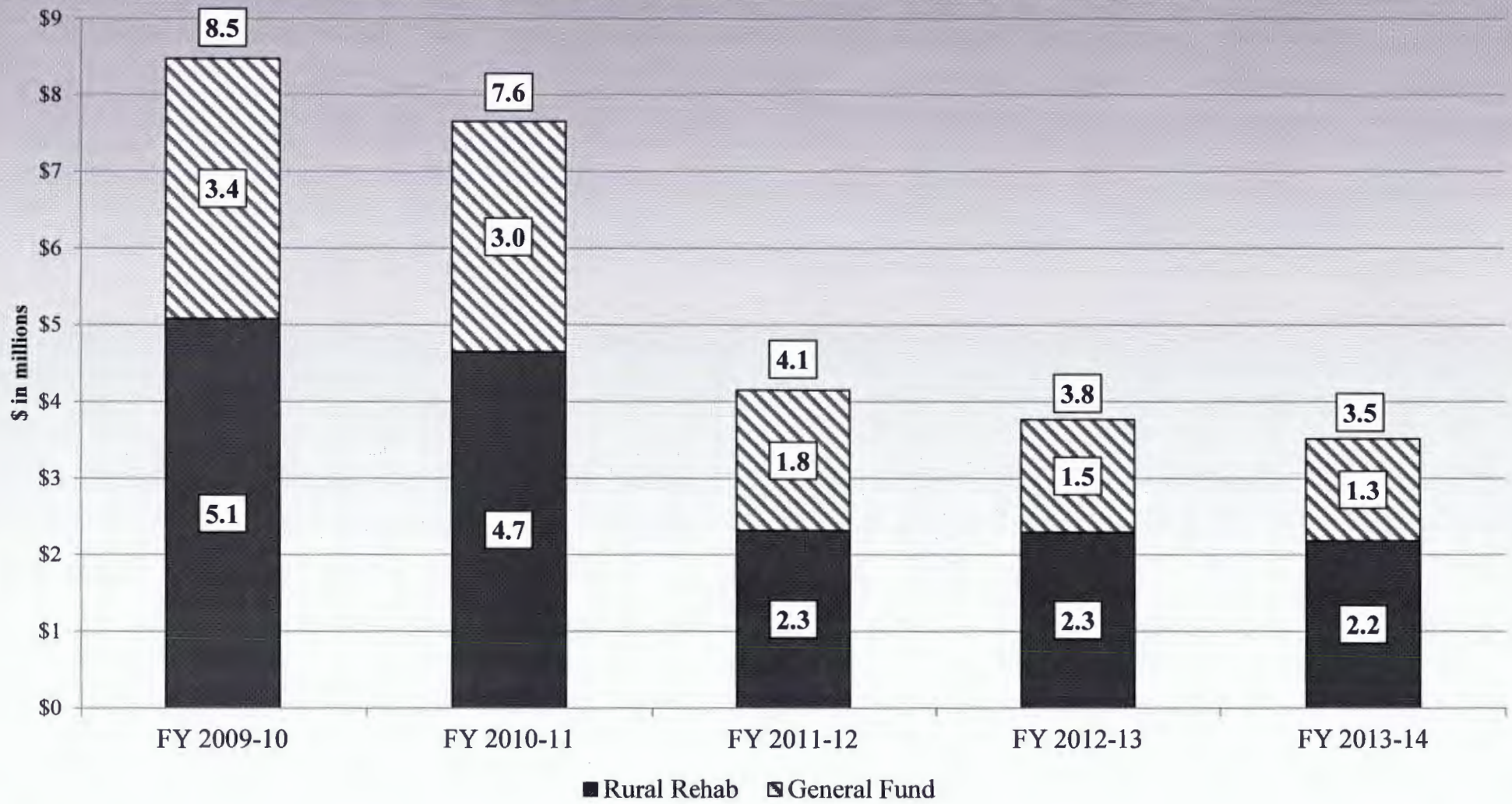
- Loan application and initiation fees
- Bond issuance fees
- Loan interest
- Sale of loans in secondary market
- Interest income on Authority funds

Total Loans Outstanding

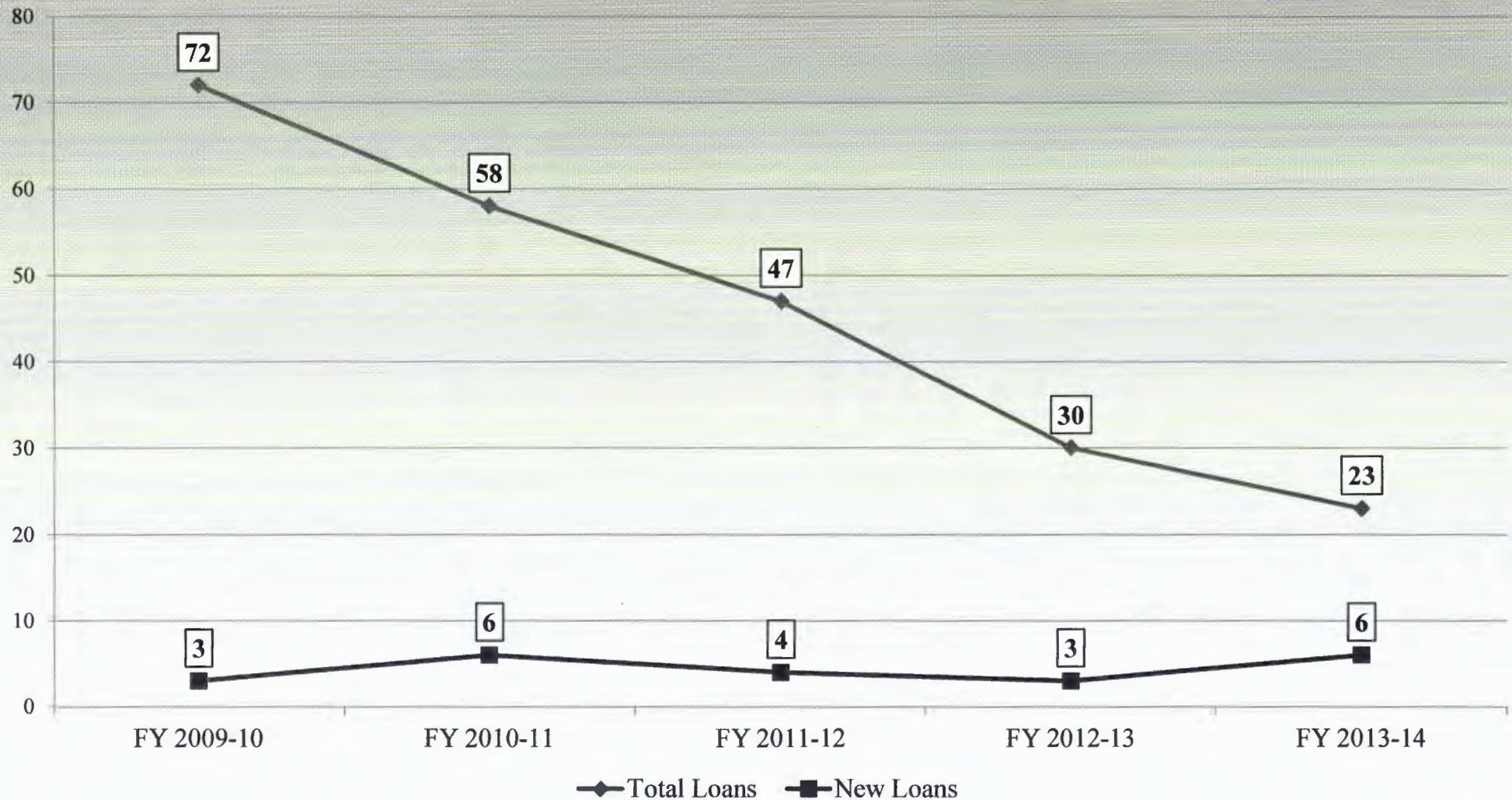


Net Loans Outstanding

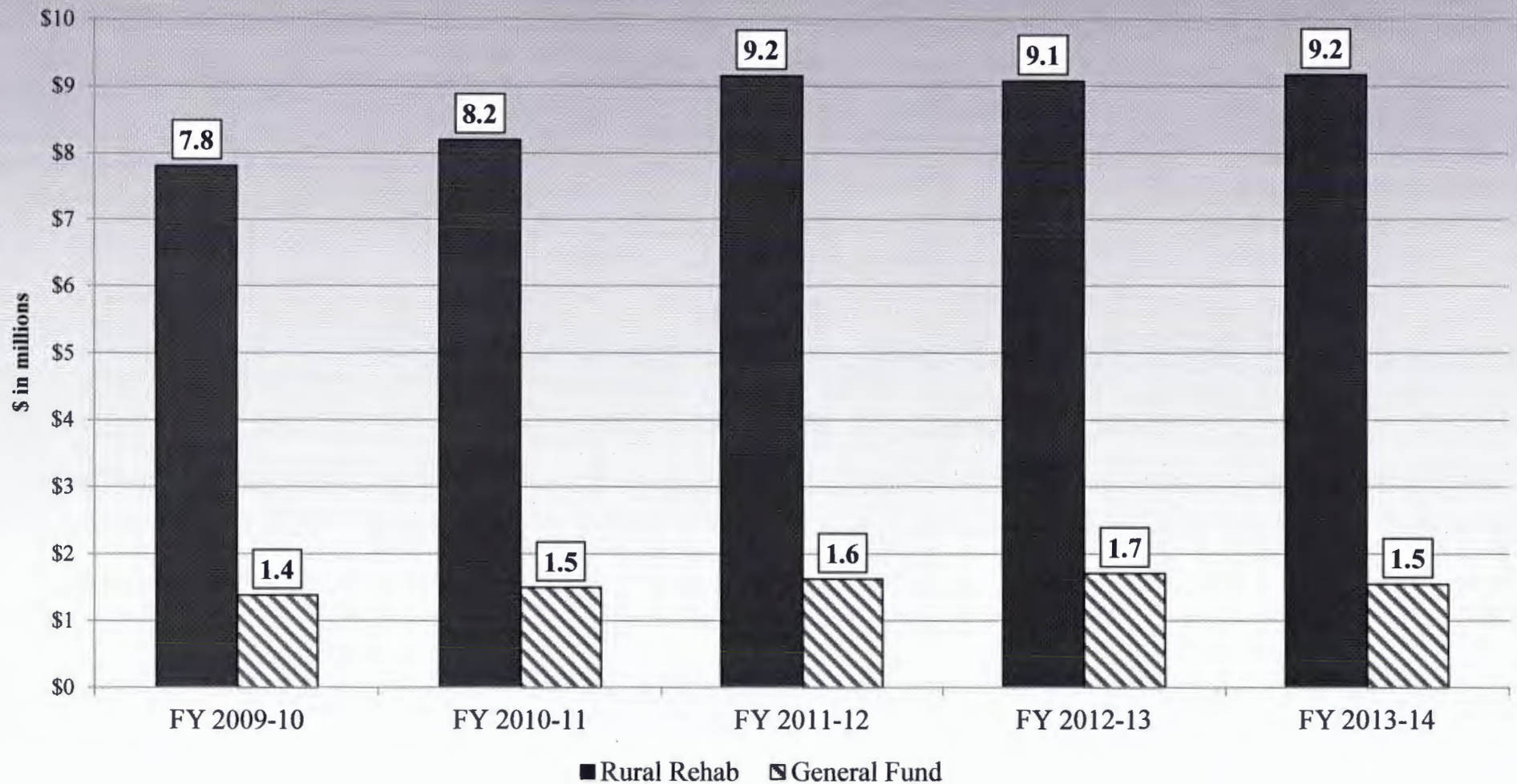
(Total Loans – Investor Owned = Net)



Total Loans v. New Loans

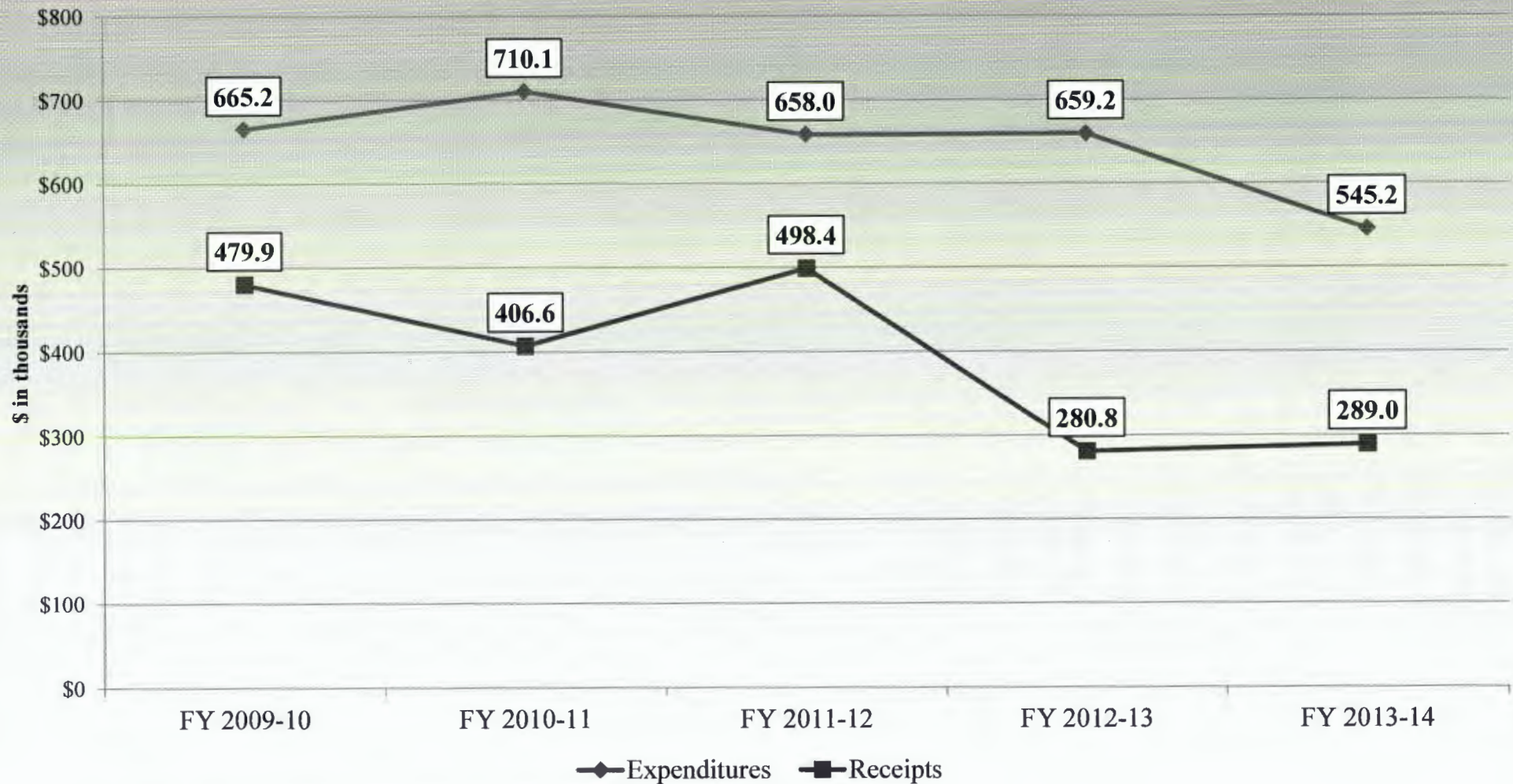


Historical Fund Balance



Operating Budget History

(Actuals)



* Figures exclude the loss or recovery of bad debt

Key Takeaways

- Public interest in current programs lower than historical experience
- Operating losses impact future funding available
- High interest in QECCBs, but limited capacity remaining

Committee Considerations

- Will future demand support the continued operation of the Authority?
- Should the Authority's purpose be expanded to increase interest?
- Should funds be repurposed to other priorities?

Questions

Timothy Dale

Fiscal Analyst

timothyd@ncleg.net

919-733-4910





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Attach- # 4

4

North Carolina Agricultural Finance Authority

Mission Statement

The North Carolina Agricultural Finance Authority (NCAFA) was established by the North Carolina General Assembly to provide credit to agriculture in local areas where it is not available at reasonable rates and terms. The mission applies to all aspects of agriculture; farming, processing, manufacturing and exporting.

Operating Procedure

Essentially operating as the North Carolina 'Agricultural Bank' NCAFA originates, services, and finances loans in the agricultural sector that would otherwise not be made. Using federal guarantees and secondary markets, state funds are leveraged with minimal risk of loss. Agricultural Development Bonds (tax-exempt) are issued for agribusiness firms.

NCAFA Finance Programs

A. Series I Farm Real Estate Loans

- **Program Began:** 1988
- **Target Group:** Farmers having difficulty qualifying for conventional loans
- **Description:** Loans can be used to purchase real estate (land, buildings, and improvements); up to 15-year term for as much as 95 percent of appraised value; interest rate is prime plus 1.75 percent variable; NCAFA must be able to obtain guarantee from USDA-Farm Service Agency (FSA) on loan; NCAFA is lender and services loan.

B. Beginning Farmer Loan Program (Series II)

- **Program Began:** 1993
- **Target Group:** Young farmers beginning land ownership
- **Description:** NCAFA loans 60 percent of need to farmers who obtain 30 percent from FSA's down-payments loan program; farmer makes 10 percent down payment; interest rate is prime plus 3/4 percent variable.

C. "Ag Start" Beginning Farmer Loans

- **Program Began:** 1997
- **Target Group:** Beginning Farmers
- **Description:** Joint farm real estate lending program with Farm Credit Services (North Carolina) (FCS); NCAFA makes 50 percent of loan with FSA guarantee subordinated to FCS loan.

D. Farm Facilities Disaster Loans

- **Program Began:** 1998
- **Target Group:** Farmers sustaining damage to farm buildings and structures due to natural disasters.
- **Description:** NCAFA makes low interest loans to repair farm buildings and structures. Non-recurring State appropriation.

E. Agribusiness Loans

- **Program Began:** January 2000
- **Target Group:** Agribusinesses that are providing value added processing or support for other facets of agriculture.
- **Description:** Loans typically have a loan guarantee provided by Rural Development, USDA.

F. Agricultural Development Bonds

- **Program Began:** 1995
- **Target Group:** All agribusinesses
- **Description:** NCAFA serves as the issuer of tax-exempt bonds (state and federal), the proceeds of which are loaned to small business involved in processing and manufacturing agricultural products (such as cotton gins, feed mills and meat processing facilities); NCAFA has statewide bond authority. Borrower benefits from lower interest costs from federal and state tax exemption.

G. Green Community Program – Qualified Energy Conservation Bonds

- **Program Began:** 2011
- **Target Group:** Developers of renewable energy projects on farm land, including solar, bio mass facilities (including agricultural waste to energy facilities)
- **Description:** NCAFA serves as the issuer of bonds or loans, the proceeds of which are loaned to renewable energy developers; NCAFA has statewide bond authority. Borrower benefits from lower borrowing costs because purchaser of bond/loan gets a tax credit or borrower receives federal subsidy in lieu of the tax credit.

H. Solid Waste Disposal Bonds

- **Program Began:** 2000
- **Target Group:** Farmers, agribusinesses seeking financing for disposal techniques for agricultural waste and agribusiness byproducts
- **Description:** NCAFA serves as the issuer of solid waste disposal bonds, which are tax-exempt (state and federal), the proceeds of which are loaned to farmers and/or agribusinesses to finance waste disposal facilities and waste to energy facilities that use agricultural waste or waste generated by agribusiness. NCAFA has statewide bond authority. Borrower benefits from lower interest costs from federal and state tax exemption

LOAN PROGRAM ACCOMPLISHMENTS

The "farm loan" program continues to benefit from the use of the "Reserve for Farm Loans" that was established as a trust fund at the outset for NCAFA. During the years, several additions were made to the reserves bringing them to a cumulative total of **\$2,300,000 since formation in 1986**. Since FY2001-2002 NCAFA has not received any additional General Fund appropriations.

North Carolina Agricultural Finance Authority Report as of January 7, 2015 CURRENT PORTFOLIO

Present Portfolio Outstanding Principal (NCAFA)	\$ 5,660,778
Present Portfolio Outstanding Principal (NCRRC)	\$ 158,272
Present Portfolio Outstanding Principal (Small Family)	\$ 41,111

HISTORY

June 1987 thru January 7, 2015

Total Direct Loans	\$64,189,895
Participating Credit	\$12,619,438
Total Originations	\$76,809,331

Recent Loans:

Although it has been difficult to find new borrowers who can qualify for loans NCAFA is processing \$4,157,000 in loans which will be closed in Fiscal Year 2015. This will be a total of \$4,977,680 in loans for Fiscal Year 2015. This is an increase from Fiscal Year 2014 by 436%. Fiscal year 2014 had an increase from Fiscal Year 2013 of 170%.

These loans will be sold in the secondary market after they have been closed. NCAFA will have a total of \$5,966,000 to sell. Loans sold in the secondary market have been averaging selling at 10% above par.

Potential Losses:

NCAFA currently has no troubled loans.

NORTH CAROLINA AGRICULTURAL FINANCE AUTHORITY
GREEN COMMUNITY PROGRAM FOR RENEWABLE ENERGY

The North Carolina Agricultural Finance Authority (the "Authority") has established a loan program to promote the development and implementation of renewable energy resources on agricultural land across the State of North Carolina (the "State") in order to encourage alternative use of agricultural property and to promote energy conservation and renewable energy production in conjunction with agricultural activities (the "Program"). The Program will assist applicants to finance "green" energy conservation projects that are located on, or otherwise have a strong nexus to, agricultural land or agricultural activity. Under the Program, the Authority will issue qualified energy conservation bonds ("QECBs") under section 54D(e)(4) of the Internal Revenue Code of 1986, as amended (the "Code"), and use the proceeds to make agricultural loans under Chapter 122D of the North Carolina General Statutes (the "Act") in order to finance qualified energy conservation projects (as defined in the Code and related Internal Revenue Service publications). This program is intended to be a "green community program" under § 54D(f)(1)(A)(ii) of the Code, as interpreted in IRS Notice 2012-44 issued in June, 2012 (the "Notice").

Green Community Program. Under the Code and the Notice, the purpose of a "green community program" is to promote the purposes of energy conservation, energy efficiency, or environmental conservation initiatives relating to energy consumption, broadly construed. A green community program must involve a loan (or other repayment mechanism) or grant program that is broadly available to members of the general public, including individuals or businesses. A green community program need not affect the entire geographical area or all the residents and businesses within the jurisdiction of the entity that implements the program, so long as the program broadly benefits the general public, residents or businesses in the affected area of the State.

The Authority is creating this green community program in order to provide financing throughout the State for persons and entities who are installing and operating qualified conservation projects on agricultural land. Any person or entity who meets the criteria set forth in this Program description and the application is eligible to participate. The requirements that a Project must meet in order to qualify for consideration in the Program are set forth below.

Qualified Conservation Purposes. In order to be considered for approval, a Project must meet the requirements of a "green community program," and promote the purposes of energy conservation, energy efficiency, or environmental conservation initiatives relating to energy consumption, broadly construed. The Authority will consider applications for loans to finance such projects that include distributed generation initiatives or rural development involving the production of electricity from renewable energy and other qualified conservation purposes.

The types of projects that the Authority will consider financing include the following:

- Rural development involving the production of electricity from renewable energy sources (as further defined in Section 45(d) of the Code), including:
 - Wind energy facilities

- Closed loop biomass facilities
 - Open-loop biomass facilities
 - Geothermal facilities
 - Solar energy facilities
 - Small irrigation power facilities
- Distributed Generation Initiatives (involving the generation of electricity from multiple renewable energy sources)
- Research facilities to support research in the following areas:
 - Development of cellulosic ethanol or other non-fossil fuels
 - Technologies for the capture and sequestration of carbon dioxide produced through the use of fossil fuels
 - Increasing the efficiencies of existing technologies for producing non-fossil fuels
 - Automobile battery technologies and other technologies to reduce fossil fuel consumption in transportation
- Demonstration projects located on agricultural land and designed to promote the commercialization of:
 - Green building technology
 - Conversion of agricultural waste for use in the production of fuel or otherwise
 - Advanced battery manufacturing technologies
 - Technologies to reduce peak use of electricity, or
 - Technologies for the capture and sequestration of carbon dioxide emitted from combusting fossil fuels in order to produce electricity

Agricultural Nexus. Once an applicant has determined that its project promotes a “qualified conservation purpose,” in order to be included in the Program the applicant must also demonstrate that the Project has a significant nexus to agriculture, defined for this purpose as “the commercial production, storage, processing, marketing, distribution or export of any agronomic, floricultural, horticultural, viticultural, silvicultural or aquacultural crop including, but not limited to, farm products, livestock and livestock products, poultry and poultry products, milk and dairy products, fruit and other horticultural products, and seafood and aquacultural products.” NCGS §122D-3(2). Such a nexus could be demonstrated by locating the Project on land that is leased from an owner who is also using the land for agricultural purposes, or the pursuit of some form of agriculture on the same land, or use of agricultural products or by-products as part of green energy production.

Description of the Program. The Authority intends to make the Program available across the State to any person or entity who meets the qualifications for a loan from the Program. The Authority does not intend to lend its own funds to Participants; rather, the Authority intends to

apply to the North Carolina Federal Tax Reform Allocation Committee ("TRAC") for an allocation of qualified energy conservation bond authority that the Authority will then use to allow loans to qualified applicants to be qualified as QECBs under the Code. The participant is responsible for locating a lender who is willing to underwrite a loan to the participant for the project, or to place the loan in the financial marketplace. Note that any placement of the debt is limited to banks, insurance companies, or "qualified institutional buyers" within the meaning of Rule 144A of the Securities Exchange Act of 1934, as amended. THE QECBS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NORTH CAROLINA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, INCLUDING THE AUTHORITY, BUT SHALL BE PAYABLE SOLELY FROM THE REVENUES AND OTHER FUNDS PROVIDED UNDER THE PROPOSED AGREEMENTS WITH THE APPLICANT.

If an applicant is approved to participate in the Program, the Authority will sub-allocate a portion of the allocation of QECB authority to that participant, and the loan obtained by the participant will be eligible to be treated as a qualified tax credit bond under Section 54D of the Code. At the participant's election, the Authority will designate the QECB relating to that participant's project as a direct payment bond under Section 6431 of the Code, which will entitle the participant to a payment from the United States Treasury of an amount equal to the lesser of the interest rate actually paid with respect to the loan, and 70% of the lesser of the interest actually paid and the interest that would have been paid if the interest were calculated at the rate shown on the qualified tax credit web page (<https://www.treasurydirect.gov/GA-SL/SLGS/selectQTCDDate.html>) on the date the bonds are sold (or the date on which the bank and the participant sign a binding agreement if a private placement).

Green Community Program. Because the Program is a green community program under Section 54D of the Code, defined as a program to make loans, grants or other repayment mechanisms to public and private entities to finance qualified conservation purposes, bonds or debt obligations issued or entered into as part of a green community program are not treated as private activity bonds for purposes of §54D(e)(3) (which otherwise limits the amount of allocation for privately owned projects to 30% of total allocation).

Application process. An applicant for a loan through the Program must complete the attached application. Particular attention should be given to providing information as to how the Project qualifies as a "qualified conservation purpose" under Section 54D of the Code and IRS Notice 2009-29, and the nexus between the Project and agriculture.

Upon receipt and satisfactory review of the application, the staff of the Authority will give tentative approval to the Project, as evidenced by an approval letter that will include authorization for the participant to reimburse itself for Project expenditures from the proceeds of the QECB, as required by the Code. The Authority's acceptance of a Project for inclusion in the Program is not an endorsement of either the feasibility of the Project or the validity of its financial operations. The Authority will then allocate a portion of the QECB allocation it has already received for the Program to the Project, or, if it does not have any available QECB allocation, include the Project in the amount requested for the Program in its next request for allocation to TRAC. The Authority will cooperate with the Borrower and the participant in the

closing of the loan. The participant will have 120 days following receipt of allocation to close the loan, unless a shorter or longer period is required or allowed by TRAC.

By submitting an application, the applicant agrees (a) to provide to the Authority all information which it reasonably needs in connection with the issuance and sale of the QECBs including, without limitation, descriptions of and information regarding the Project or any part thereof, and any other information regarding the activities of the applicants as may be reasonably requested by the Authority or TRAC, including any certificates, representations or other evidence required thereby, and (b) to indemnify, defend and hold the Authority harmless against any loss or damage to property or injury or death of any person or persons occurring in connection with the financing, constructing, equipping or operation of the Project, including attorneys' fees.

Fees. The Authority will charge each participant a fee equal to 1% of the aggregate amount of the loan closed for that participant under the Program. Such fee will be due prior to or at the closing of the loan, and may be paid from loan proceeds to the extent permitted by the Code. The participant will be required to pay all of the Authority's fees and out-of-pocket expenses relating to the Bonds and the Project, including in particular the reasonable fees and expenses of the Authority's counsel and bond counsel, and the fees charged by any underwriter, placement agent or lender in connection with the QECB or the project.

BOND PROGRAM ACCOMPLISHMENTS

Since the program's initiation in 1995 NCAFA has issued **\$54,322,711** in **tax exempt** and **Qualified Energy Conservation Bonds (QECB)** to agribusiness in North Carolina.

	<u>Bond Purpose & County</u>	<u>Bond Amount</u>	<u>Date of Issue</u>
Tax Exempt Bond Program			
1	Cotton Gin Craven Co.	\$3,240,000	5/20/1995
2	Cotton Gin Duplin Co.	\$1,600,000	9/14/1995
3	Cotton Gin Beaufort Co.	\$3,000,000	4/30/1996
4	Cotton Gin Wilson Co.	\$3,370,000	5/30/1996
5	Lumber Drying Davidson Co.	\$2,000,000	4/21/1997
6	Ham Processing Lenior Co.	\$7,000,000	4/1/1998
7	Cotton Gin Hyde Co.	\$5,400,000	3/25/1999
8	Lumber Processing Pasquotank County	\$6,000,000	10/5/2000
9	Cotton Gin Wayne County	\$3,700,000	10/4/2001
10	Cotton Gin Pitt County	\$4,500,000	12/4/2001
11	Cotton Gin Chowan County	\$3,400,000	12/6/2001
12	Solid Waste Compost Manufacturing Chatham County	\$3,600,000	12/17/2003
	Total Tax Exempt	\$46,810,000	

<u>Bond Purpose & County</u>	<u>Bond Amount</u>	<u>Date of Issue</u>
----------------------------------	--------------------	----------------------

Qualified Energy Conservation Bond Program (QECB)

13	Avery Solar Project O2 Energies, Inc.	\$1,997,711	3/20/2012
14	Maybery Solar Project O2 Energies, Inc.	\$2,215,000	5/15/2012
15	Sandy Cross Solar Project O2 Energies, Inc.	\$1,200,000	8/29/2012
16	Progress Solar Project O2 Energies, Inc.	\$2,100,000	2/6/2013
	Total QECB	\$7,512,711	

ADB Tax Exempt and QECB Combined Total \$54,322,711

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Thursday, March 19, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Presiding: Rep. Roger West
Topic: Agriculture

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 10:51 AM on Thursday, March 12, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Joint Committee on Appropriations, Agriculture and Natural and Economic Resources
Thursday, March 19, 2015 at 8:30 AM
Room 421 of the Legislative Office Building

MINUTES

The Joint Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:34 AM on March 19, 2015 in Room 421 of the Legislative Office Building. Representatives Dixon, Harrison, Langdon, Millis, Pierce, Presnell, Richardson, B. Turner, West, and Yarborough attended. Senators Brock, Cook, Wade, Alexander Jr., Clark, McInnis, Jane Smith attended.

Representative Roger West, Chair, presided.

The following bills were considered: None/ Discussion of Dept. of Agriculture & Consumer Services.

Rep. West welcomes everyone and introduces the Paiges and Sgt at Arms. See attach #1 & 2

Rep. West calls on Tim Dale from Fiscal Research to give overview of Dept. of Ag & Consumer Services.

Tim goes over the Department of Ag and Consumer Services. See Attachments 3 thru 5.

Overview material for both

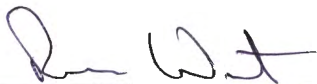
Joy Hicks from the Dept. of Ag is called on to give a more in depth look at some of the Departments areas of biggest funding. Forestry Services is by far the largest division in the Department

Research labs (Forestry) are all across the state because we have different soil, climate, weather etc..

Touch on Administrative Division, State Fair, Farmers Markets, Ag Centers, CCAP and Spade and Neuter Programs.

Rep. West ask for comments. There were none so we Adjourned.

The meeting adjourned at 9:37am.



Representative Roger West, Chair
Presiding



Michael Wiggins, Committee Clerk



**Joint Appropriations Meeting of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Agenda

Thursday, March 19, 2015, 8:30 A.M.
Room 421, Legislative Office Building

Rep. Roger West, Presiding

1. Welcome and Opening Comments

Rep. Roger West

2. Overview of the Department of Agriculture and Consumer Services (DACS)

Timothy Dale, Fiscal Analyst
Fiscal Research Division

3. Committee Discussion & Comments

House Appropriations Committee on ANER

Rep. Dixon (Chair)
Rep. McElraft (Chair)
Rep. West (Chair)
Rep. Catlin (Vice Chair)
Rep. Pierce (Vice Chair)
Reps. Harrison, Langdon, Millis, Presnell,
Richardson, Turner, Wray, and Yarborough

Senate Appropriations Committee on NER

Sen. Brock (Chair)
Sen. Cook (Chair)
Sen. Wade (Chair)
Sens. Alexander, Bryant, Clark, Lowe,
McGinnis, Rabin, Smith



Committee Sergeants at Arms

NAME OF COMMITTEE AG/NER

DATE: 3-19-2015 Room: 421

House Sgt-At Arms:

1. Name: BILL BASS

2. Name: JOHN BRANDON

3. Name: MARK CONE

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: STEVE WILSON

2. Name: JIM HAMILTON

3. Name: _____

4. Name: _____

5. Name: _____

1. The first part of the document is a list of the names of the persons who were present at the meeting. The names are listed in alphabetical order.

2. The second part of the document is a list of the topics that were discussed at the meeting. The topics are listed in alphabetical order.

3. The third part of the document is a list of the actions that were taken at the meeting. The actions are listed in alphabetical order.

Thursday, March 19
APPROPRIATIONS
AG & NER (JOINT)

Room
421

Time
8:30 am

Name

County

Sponsor

Kateleigh Johnson

Harnett

David R. Lewis



SENATE PAGES ATTENDING

COMMITTEE: Joint: Nat'l & Eco. Resources ROOM: 421

DATE: 3-19 TIME: 8:30

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!....or else!

Page Name	Hometown	Sponsoring Senator
1. Gesche Barg	Charlotte	Ruch
2. Ge Sha BARG		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Do not add names below the grid.

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



VISITOR REGISTRATION SHEET

AG/NER

(Committee Name)

3-19-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY</u>
Ha Nguyen	NCCOB
Kara Weishaar	SA
Emily Ellis	Treasurer's Office
Paul Sherman	NCFB
Steven Pennington	Commerce - LEAD
Tom Bean	EDF, NCSEA
Al Brodwin	NCWRC
Elizabeth Bisc	BD
Wendy Chiswick	Wendy Chiswick
Fredrick Allen	Ofc of Sen Blue

VISITOR REGISTRATION SHEET

AGNER

Name of Committee

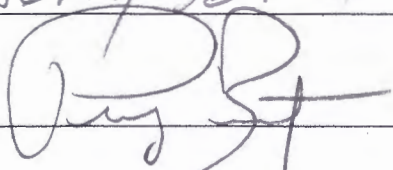
3-19-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

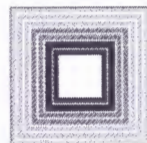
Will Morgan	TNC
Jerry Schill	NCFR
	MWC
Jennifer Hargrave	NC DOL
Sarah Kuncie	NC DOL
Joy Hedges	NC DA ECS
Doug Lassiter	NC STA
Matthew Dockham	NC DENR
Carl McLamb	Troutman Sanders
Steve Gaurin	Woodsward Science Museum
Crosby McKinn	NC Geographic Network



Overview of the Department of Agriculture & Consumer Services (DACCS)



March 19, 2015



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Outline

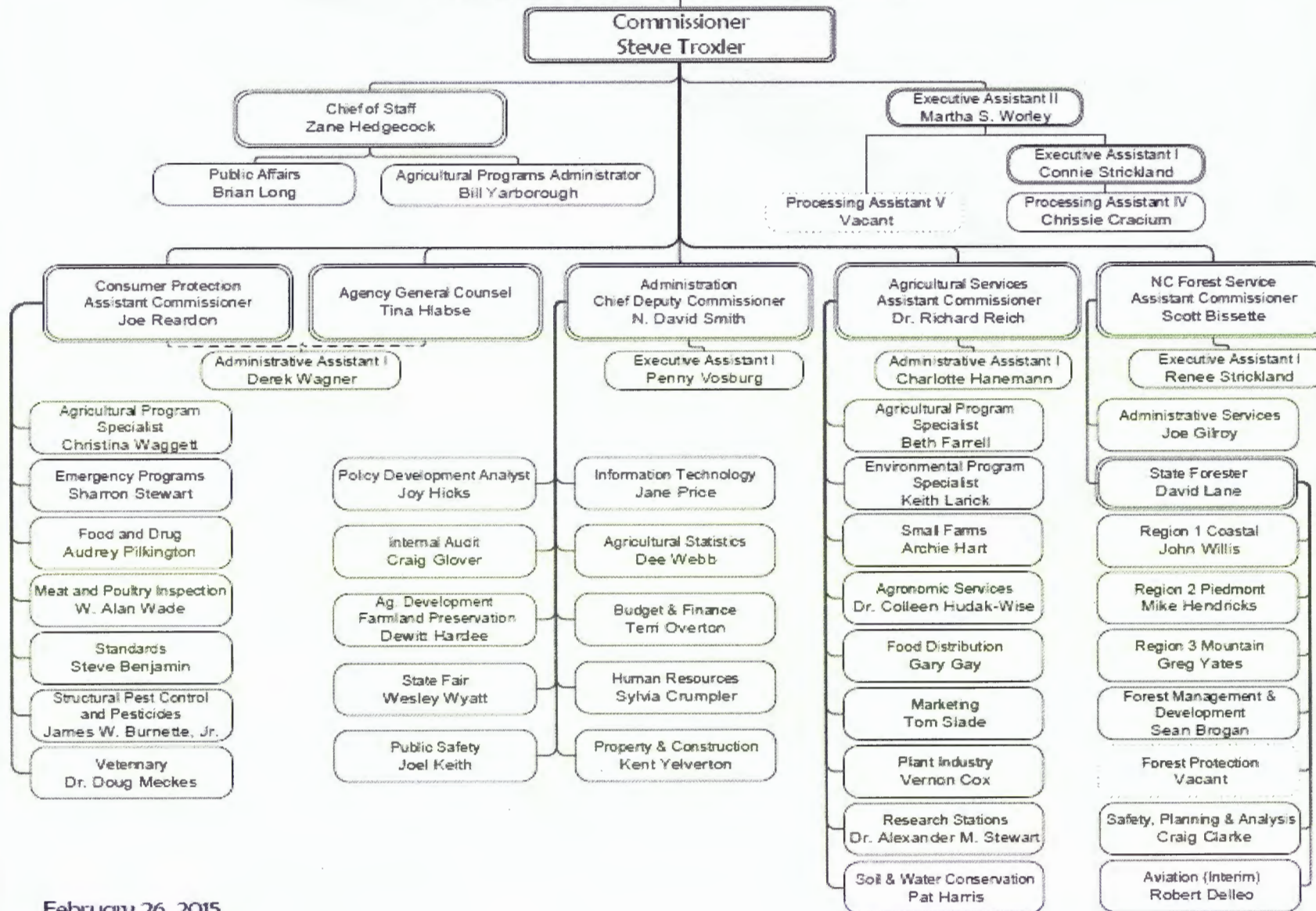
- Overview of the Department
 - Mission
 - Organizational Structure
 - Budget History & Trends
 - Revenue Sources
 - Governor's Budget
- Division Summaries
 - Programs/Funding
- Key Takeaways

Mission Statement

“To provide services that promote and improve agriculture, agribusiness and forests; protect consumers and businesses; and conserve farmland and natural resources for the prosperity of all North Carolinians.”

NORTH CAROLINA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

North Carolina Board of Agriculture



February 26, 2015

Organizational Structure



Recent NCGA Actions

FY 2013-14

- Provided additional marketing funds - \$1.5 million R
- Provided funding to support Forest Service operations - \$350,000 R
- Provided additional funds for aircraft maintenance - \$500,000 NR
- Provided funding to continue operation of the Southeastern NC Ag Center - \$362,230 R
- Transferred bioenergy development initiative from Biofuels Center - \$900,000 R in FY 2013-14, \$1.5 million R in FY 2014-15

Recent NCGA Actions

FY 2013-14 (cont.)

- Provided funding to purchase new equipment on research stations - \$2.5 million NR in each year of biennium
- Provided funding to continue operation of the Tobacco Trust Fund - \$2 million R
- Provided recurring funding to the AgWRAP program - \$500,000 R

Recent NCGA Actions

FY 2013-14 (cont.)

- Management flexibility reduction – (\$1.6 million) in FY 2013-14, (\$1.5 million R) in FY 2014-15
- Reduced General Fund support of Farmland Preservation Trust Fund with TVA Settlement Funds – (\$1 million NR) in each year of the biennium
- Established \$4 soil testing fee during “peak season” (December 1 – March 31)

Recent NCGA Actions

FY 2014-15

- Provided additional funding to ADFPTF for military buffers - \$1 million NR
- Provided additional funding to AgWRAP - \$1 million NR
- Provided funding to NCSU to study Plant Science/Food Processing initiatives - \$600,000 NR

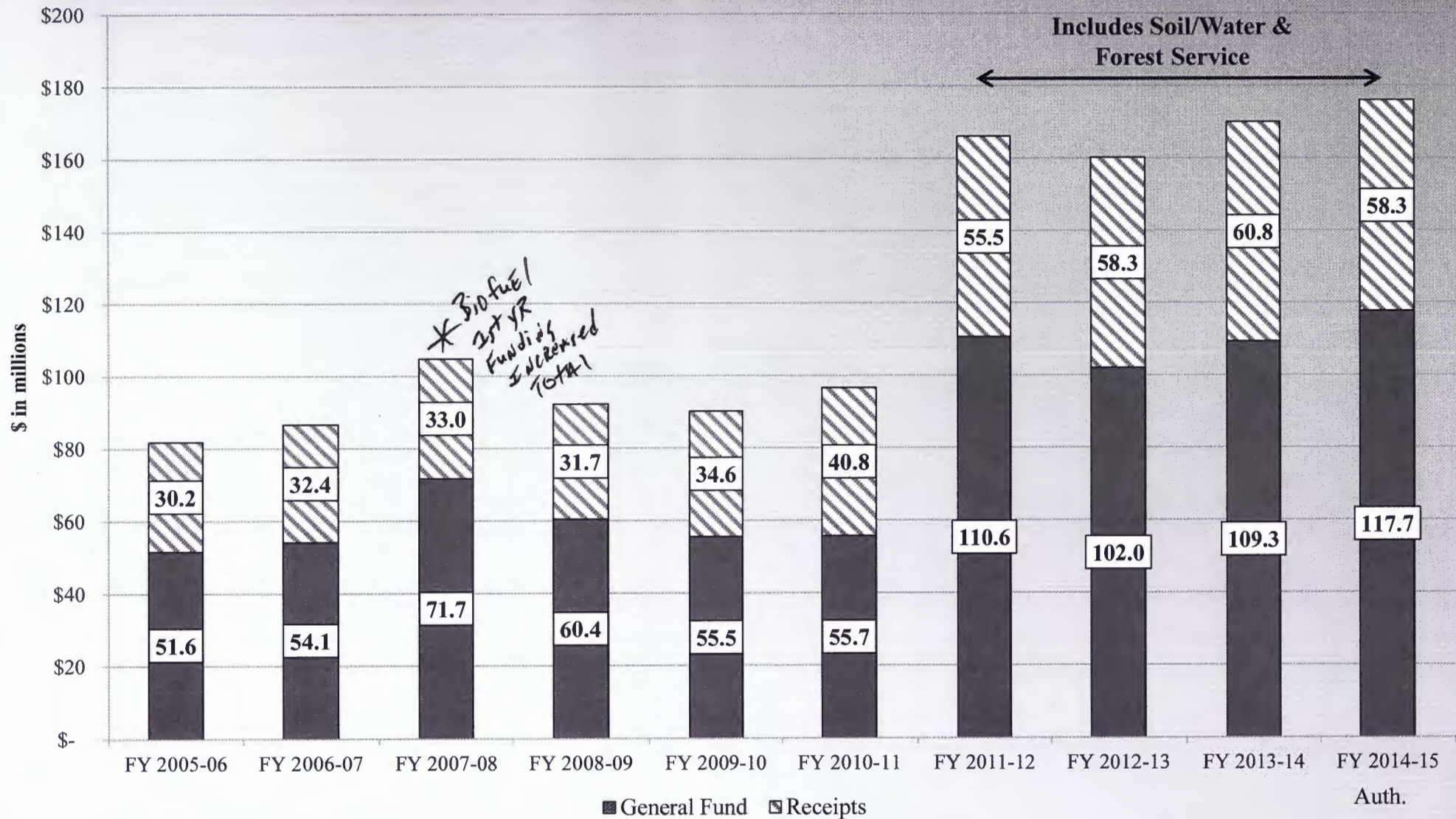
Recent NCGA Actions

FY 2014-15 (cont.)

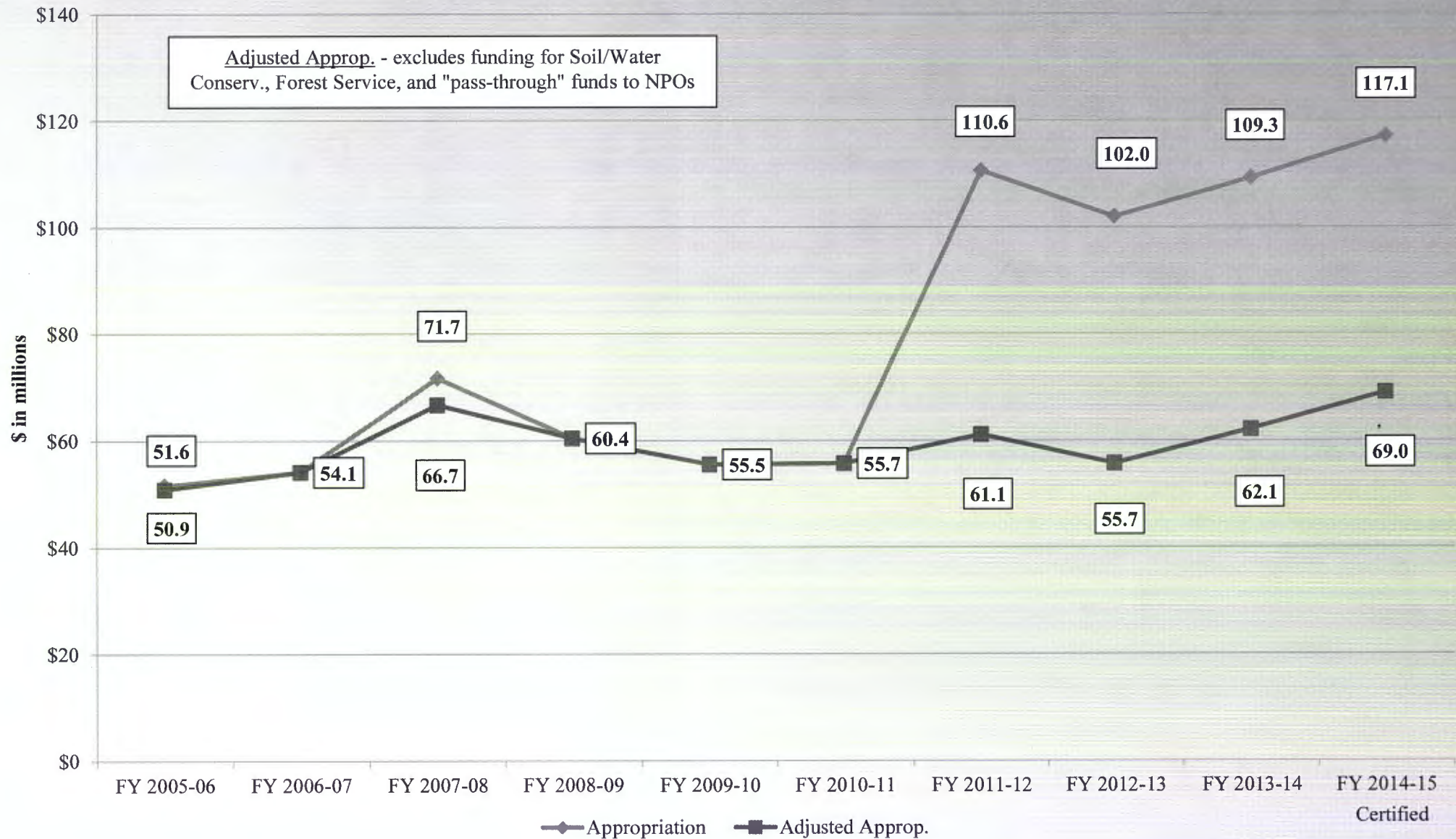
- Management flexibility reduction – (\$1,356,590 R)
- Reduced funding to Forest Service and directed Ag Board to establish fees for Forestry Management Plans – (\$761,750 R)
- Budgeted additional research station receipts – (\$200,000 R)
- Swept cash balances from certain special funds – (\$1.45 million NR)

10-Year Budget History

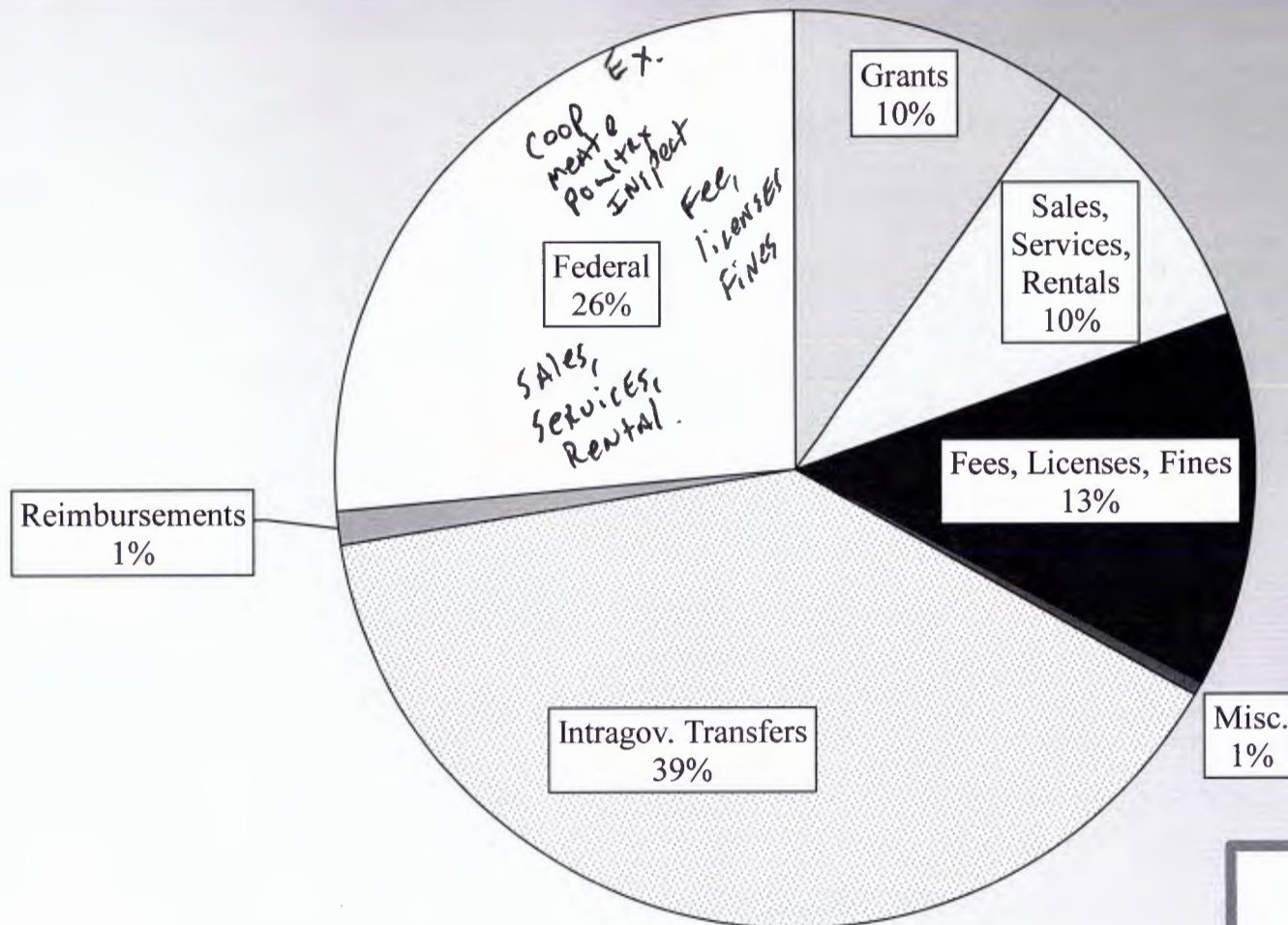
(Actuals)



DACS 10-Year Budget History (Appropriation & Adjusted Approp.)



Revenue Sources



Total Receipts
\$60.8 million

Governor's Base Budget

Less than FY 2014-15 Certified Budget due to:

- Removal of nonrecurring expansion:
 - AgWRAP - \$1 M
 - ADFPTF - \$1 M
 - Research Stations Equipment - \$2.5 M
 - NCSU Transfer (Initiative Studies) - \$600,000
- Removal of nonrecurring reductions:
 - Bioenergy Program - \$438,583
 - ADFPTF - \$1 M

Governor's Recommended Budget

Reductions

None

* Expansion

ADFPTF - \$1 million NR in FY 2015-16

Transfer

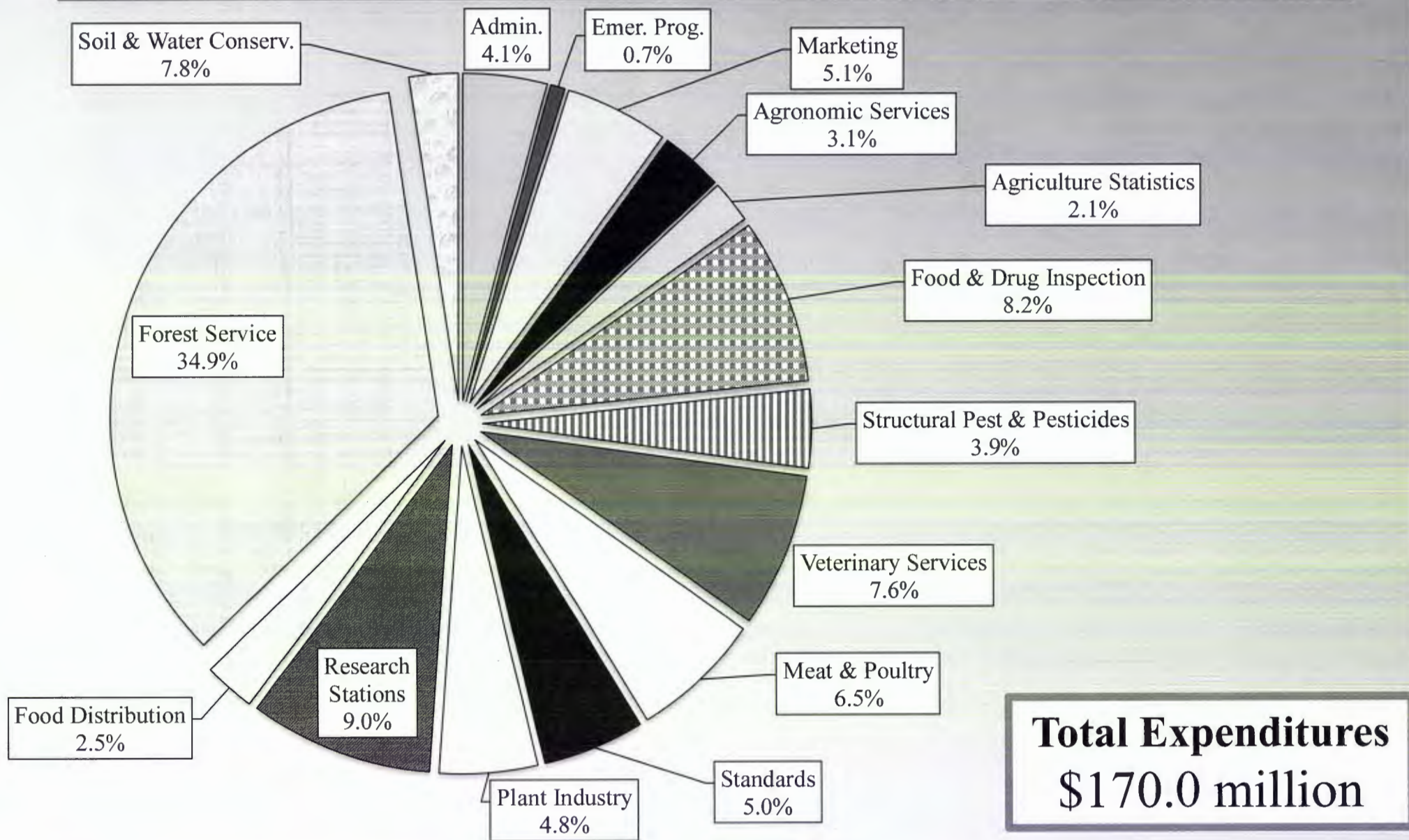
Animal Welfare Section to DPS - \$658,892 R; 10 FTEs

Division Overviews

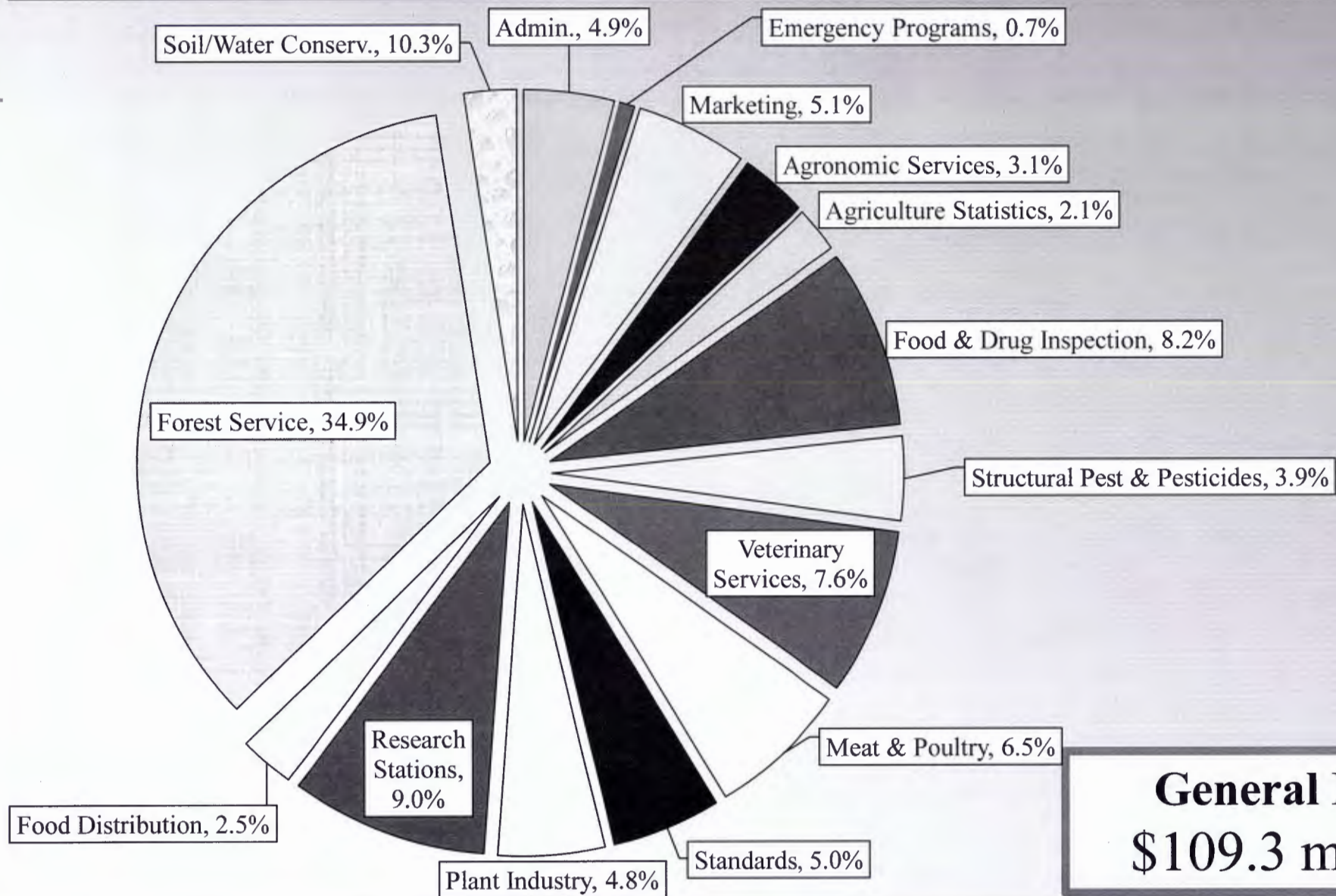
Division Level Budget Summary

Program/Division	FY 2013-14 Actuals (\$ in thousands)			FY 2014-15 Certified Budget (\$ in thousands)			Positions (FY 2014-15 FTE's)
	Requirements	Receipts	General Fund Appropriation	Requirements	Receipts	General Fund Appropriation	
Administration	\$ 6,737	\$ 1,404	\$ 5,333	\$ 7,117	\$ 1,157	\$ 5,960	75.8
Agriculture Statistics	3,022	565	2,457	3,278	812	2,466	39.0
Marketing	11,208	3,110	8,098	10,047	1,866	8,181	94.0
Agonomic Services	4,427	1,294	3,133	4,536	1,299	3,237	57.0
Plant Industry	6,470	3,233	3,237	6,880	2,766	4,114	88.8
Food Distribution	5,465	3,268	2,197	3,709	1,453	2,256	46.0
Research Stations	17,429	4,303	13,126	17,011	3,683	13,328	166.0
Structural Pest and Pesticides	4,840	4,769	71	5,033	4,286	747	70.8
Food & Drug	11,763	3,722	8,041	11,721	2,773	8,948	150.0
Veterinary Services	11,498	2,366	9,132	11,419	2,072	9,347	140.0
Meat and Poultry Inspection	7,127	3,556	3,571	8,054	4,050	4,004	119.0
Standards	6,250	5,363	887	6,625	5,703	922	92.0
Emergency Programs	1,866	461	1,405	1,940	432	1,508	13.0
Soil & Water Conservation	12,851	1,612	11,239	16,588	4,481	12,107	44.2
Forest Service	54,688	18,816	35,872	56,776	20,464	36,312	640.4
Reserves & Transfers	4,388	2,922	1,466	6,148	1,933	4,215	0.0
Total	\$ 170,028	\$60,766	\$ 109,261	\$ 176,883	\$59,228	\$ 117,655	1,836

FY 2013-14 Total Expenditures



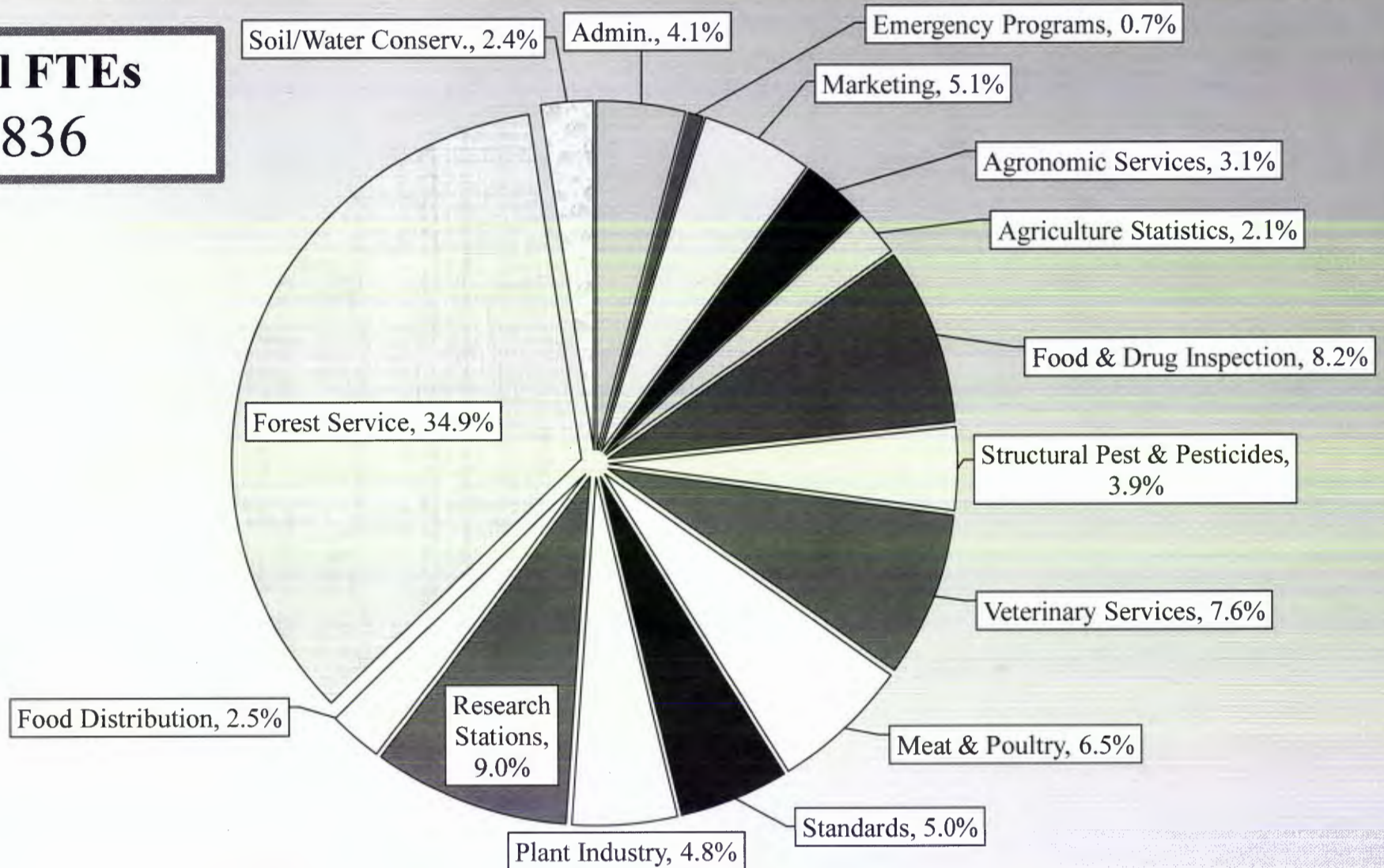
FY 2013-14 General Fund Appropriation



General Fund
\$109.3 million

Position Counts

Total FTEs
1,836



Division Overview

Commissioner

```
graph TD; Commissioner[Commissioner] --> Agricultural[Agricultural Services]; Commissioner --> Consumer[Consumer Protection]; Commissioner --> Forest[Forest Service]; Commissioner --> Administration[Administration];
```

**Agricultural
Services**

**Consumer
Protection**

**Forest
Service**

Administration



Administration

Composed of the following functions:

- Administrative Services:
 - Human Resources
 - Legal
 - IT
 - Policy/Government/
Affairs
 - Internal Audit
 - Budget/Finance
 - Property and Construction
- Agriculture Statistics
- Reserves/Transfers

FY 2013-14 (in millions)	
Expenditures	\$ 14.1
Receipts	4.9
Appropriation	9.3
Positions	114.8

Administration

Notable Special Fund

State Fair

- Enterprise fund - fully receipt supported
- Fees collected from admissions, event rental fees, etc.
- Cash balance used for repair and renovations of fairgrounds
- FY 2013-14:
 - Receipts - \$17.9 million
 - Expenditures - \$16.6 million
 - Cash balance at 6/30/14 - \$3.6 million

Division Overview

Commissioner

**Agricultural
Services**

**Consumer
Protection**

**Forest
Service**

Administration



Agricultural Services Divisions

- Agronomic Services ** Soil / plants, insight on helping Farmers crop.*
- Marketing
- Plant Industry
- Food Distribution
- Research Stations
- Soil and Water Conservation

Agronomic Services

Analyzes soil, plant, solution, and waste samples to predict input needs, diagnose problems and provide recommendations.

Agronomic Service Areas

- Soil Testing
- Plant Tissue, Waste, & Solution Analysis
- Nematode Assay
- Field Staff (14 FTEs)

FY 2013-14

(in millions)

Expenditures	\$ 4.4
Receipts	1.3
Appropriation	3.1
Positions	57

Agronomic Services

Revenue Sources

- Fertilizer Assessment - \$.65/ton
 - DACS - \$.50/ton – Agronomics receives ~\$.31/ton
 - NCSU Agriculture Foundation - \$.15/ton
- Lime Assessment - \$.50/ton – Agronomics receives ~\$.34/ton
- Sample Fees
 - Soil - \$4 during “peak-season”
 - Nematode - \$3 (\$10 non-NC)
 - Plant, Waste, Solution - \$5 (\$25 non-NC)
- \$200 expedited soil testing (36 samples, 2 week turnaround)
2013-14 increased by Gen. Ass.

Marketing

- Agribusiness marketing assistance
- International marketing development
- Host regional events highlighting NC agricultural products
- Voluntary grading/certification services
- Ag Centers & Farmers Markets



FY 2013-14 (in millions)	
Expenditures	\$ 11.2
Receipts	3.1
Appropriation	8.1
Positions	94

Ag Centers & Farmers Markets

Agricultural Centers

Self-Supporting

- WNC – Fletcher

General Fund Supported

- Southeastern –
Lumberton
- Sen. Bob Martin -
Williamston

Farmers Markets

Self-Supporting

- State – Raleigh
- Piedmont Triad –
Colfax

General Fund Supported

- WNC – Asheville
- Charlotte Regional –
Charlotte

Plant Industry

Two main responsibilities:

1. Ensure seed and fertilizer meet prescribed standards and are properly labeled
2. Protect plants from pests

Division enforces multiple NC laws related to:

- Fertilizer
- Lime
- Pests
- Vegetables
- Honeybees
- Weeds

FY 2013-14

(in millions)

Expenditures	\$ 6.5
Receipts	3.2
Appropriation	3.2
Positions	88.8

Plant Industry

Plant Conservation Program

- Identify endangered, threatened or special concern plants
- Determine if limits or regulations on a plant are needed
- Develop, establish and coordinate conservation programs for endangered species and threatened species of plants
- ✕• FY 2013-14 – General Assembly replaced support from Natural Heritage Trust Fund with General Fund

Food Distribution



- Distributes USDA donated commodities to eligible USDA programs
- Administers the Farm to School program
- Two distribution facilities
 - Salisbury
 - Butner

FY 2013-14 (in millions)

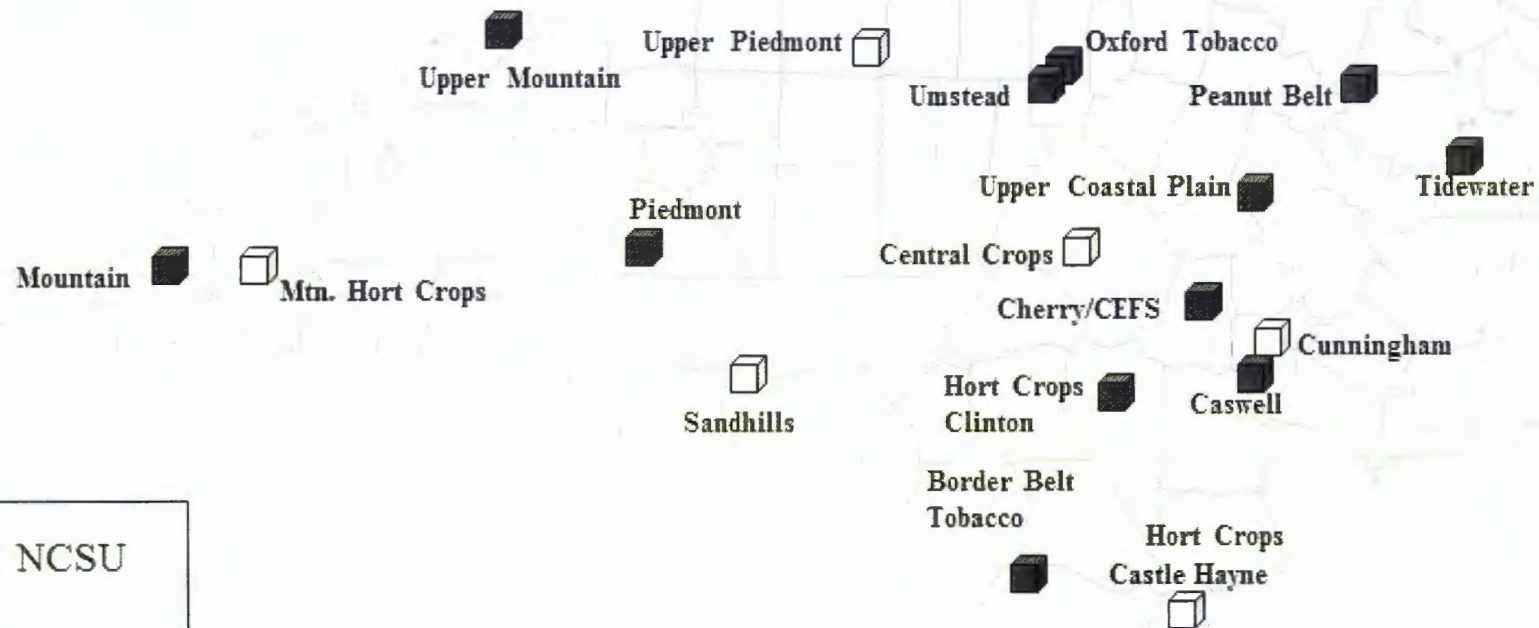
Expenditures	\$ 5.5
Receipts	3.3
Appropriation	2.2
Positions	46

Research Stations

- Operate 12 of the State's 18 Research Stations
 - 6 operated by NCSU
- Research primarily performed by NCSU/NC A&T researchers
- Day-to-day activities necessary to conduct research performed by DACS

FY 2013-14 (in millions)	
Expenditures	\$ 17.4
Receipts	4.3
Appropriation	13.1
Positions	166

Research Stations



 NCSU

 DACS

Soil and Water Conservation

- Administers voluntary, incentive-based programs to encourage landowners to adopt soil and water conservation strategies
- Provide coordinating, administrative, and program support to 96 local soil and water districts

FY 2013-14 (in millions)	
Expenditures	\$ 12.9
Receipts	1.6
Appropriation	11.2
Positions	44.2

Soil and Water Conservation

Primary programs:

- Agriculture Cost-Share Program
- Agricultural Water Resources Assistance Program
- Community Conservation Assistance Program
- Conservation Reserve Enhancement Program

Division Overview

Commissioner

```
graph TD; Commissioner[Commissioner] --> Agricultural[Agricultural Services]; Commissioner --> Consumer[Consumer Protection]; Commissioner --> Forest[Forest Service]; Commissioner --> Administration[Administration];
```

**Agricultural
Services**

**Consumer
Protection**

**Forest
Service**

Administration



Consumer Protection Programs

- Emergency Programs
- Food and Drug Inspection
- Meat and Poultry Inspection
- Standards
- Structural Pest Control/Pesticides
- Veterinary Services

Emergency Programs

Program designed to assist agribusinesses in the event of:

*works
Emergency
Management*

- Natural disaster
- Disease outbreak
- Terrorist attack
- Other Force Majeure

**Enforces G.S. 106-520.3A –
Aedin's Law**

FY 2013-14 (in millions)	
Expenditures	\$ 1.9
Receipts	0.5
Appropriation	1.4
Positions	13

Food and Drug

Regulate entities that store, manufacture, produce or distribute:

- Food
- Dairy
- Animal feed
- Medical gas
- Drugs

Constable Lab - ISO 17025 – Highest level of certification received for accuracy/quality of lab findings.

FY 2013-14 (in millions)	
Expenditures	\$ 11.8
Receipts	3.7
Appropriation	8.0
Positions	150

Food and Drug

Do Inspect

- Grocery Stores
- Distribution Facilities
- Seafood Markets
- Feed Mills
- Convenience Stores
- Eggs
- Grade "A" Milk
- Antifreeze

Do Not Inspect

- Meat Processing Facilities
- Restaurants



Meat and Poultry Inspection

Enforce state and federal laws to ensure meat and poultry production is safe for consumption.



FY 2013-14 (in millions)	
Expenditures	\$ 7.1
Receipts	3.6
Appropriation	3.6
Positions	119

March 19, 2015

Meat and Poultry Inspection

Key Facts

- 1 of 27 state administered programs
- 50% USDA receipt supported
- Daily inspections of facility (State and Talmadge-Aiken)
- Inspection of each animal (pre and post mortem)
- Random sampling of slaughtered animals to test for harmful pathogens

Standards

Responsible for testing all commercial weighing and measuring devices to ensure accuracy.



FY 2013-14 (in millions)	
Expenditures	\$ 6.3
Receipts	5.4
Appropriation	0.9
Positions	92

Standards

What do they inspect?

- Motor/Liquid Fuels
 - Quality
 - Measurement accuracy
- Scales
- Register Scanners
- Other (Lottery balls, grain moisture meters, etc.)

Structural Pest Control/Pesticides

Oversees pest control industry by licensing commercial operators, reviewing pesticide labels, and administering State and federal laws regulating the industry.



FY 2013-14 (in millions)	
Expenditures	\$ 4.8
Receipts	4.7
Appropriation	0.1
Positions	70.8

Structural Pest Control/Pesticides

Certifies, licenses, and monitors:

- Insecticide, rodenticide, and fungicide used in NC
- Commercial applicators
- Farmers/public operators
- Pesticide dealers
- Bedding manufacturers/sanitizers

Pesticide Law of 1971:

Article 52, GS 143

Structural Pest Control Law:

Article 4C, GS 106



Veterinary Services

Focus on three programs related to animal well-being:

- Animal Health
 - Monitor disease and interstate transportation of animals
- Animal Welfare
 - Animal Shelter facilities
 - Boarding Kennels
 - Other
- Animal Disease
 - Respond to disease outbreaks

FY 2013-14 (in millions)	
Expenditures	\$ 11.5
Receipts	2.4
Appropriation	9.1
Positions	140



Veterinary Services

Responsibilities:

- Inspect shelters, kennels, pet shops
- Diagnose suspicious animal deaths
- Quarantine and destroy diseased animals
- License livestock dealers
- Inspect records of animals entering or leaving NC
- Monitor disease outbreak in other states and respond accordingly

Division Overview

Commissioner

**Agricultural
Services**

**Consumer
Protection**

**Forest
Service**

Administration



Forest Service

- 3 regions - 13 regional districts
- Local offices in each county
 - County supports 30-40% of the operating costs of the local office
 - Reimbursement rate agreed upon between NCFS & County

FY 2013-14 (in millions)	
Expenditures	\$ 54.7
Receipts	18.8
Appropriation	35.9
Positions	640.4

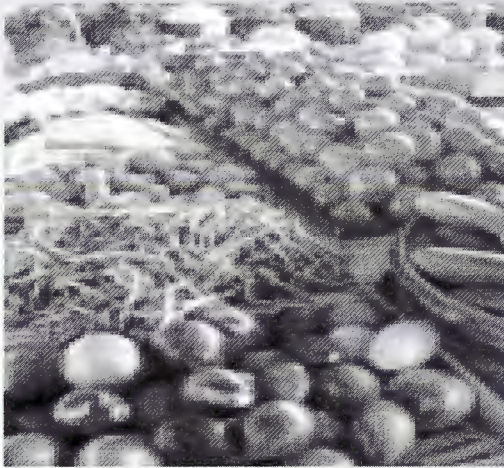
Forest Service

Responsibilities Include:

- Protect 18.3 million acres of forestland
- Regulate/permit controlled burns
- Provide assistance to other states to fight major wildfires
- Provide landowners with forestry technical assistance
- Operate 7 educational state forests
- Operate nursery for sales/ forest development

Key Takeaways

- Large, diverse agency
- Budget level remained relatively flat over time
- Employees are geographically spread throughout the State due to nature of responsibilities



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733-4910

Questions?

Attach #1

North Carolina

**Department of Agriculture and Consumer Services
(DACS)**

Handbook
On

Grants, Loans, and Other Financial Assistance
Provided by the Department

March 2015

Purpose

This document is intended to provide legislators with summary level information regarding various types of financial assistance provided by the Department of Agriculture and Consumer Services (DACS).

Notes

Readers should consider the following when reviewing this document:

- As this report intends to provide a comprehensive list of financial assistance programs administered by DACS, funding sources will vary by program,
- Much of the information is self-reported by the agency, especially administrative requirements and grant demand,
- Annual funding levels are primarily dependent on funding provided by the General Assembly or Congress,
- Depending on cash flow and funding source, the funding history displayed will vary between receipts and expenditures in an attempt to most accurately represent the program,
- This report does not address non-discretionary programs that fund specific organizations or programs as directed by the General Assembly (e.g. FFA Foundation, Commodity Assessments),
- This report does not include ceased programs or programs that received nonrecurring funding for a specific purpose (e.g. TVA environmental mitigation grants, equipment for NCSU), and,
- The Tobacco Trust Fund and Agriculture Finance Authority are contained in the DACS budget, but their oversight is provided from their respective Board of Trustees.

Prepared by: Fiscal Research Division, NC General Assembly
(919) 733-4910

Special Thanks: Staff from the Department of Agriculture and Consumer Services who provided information for this report

TABLE OF CONTENTS

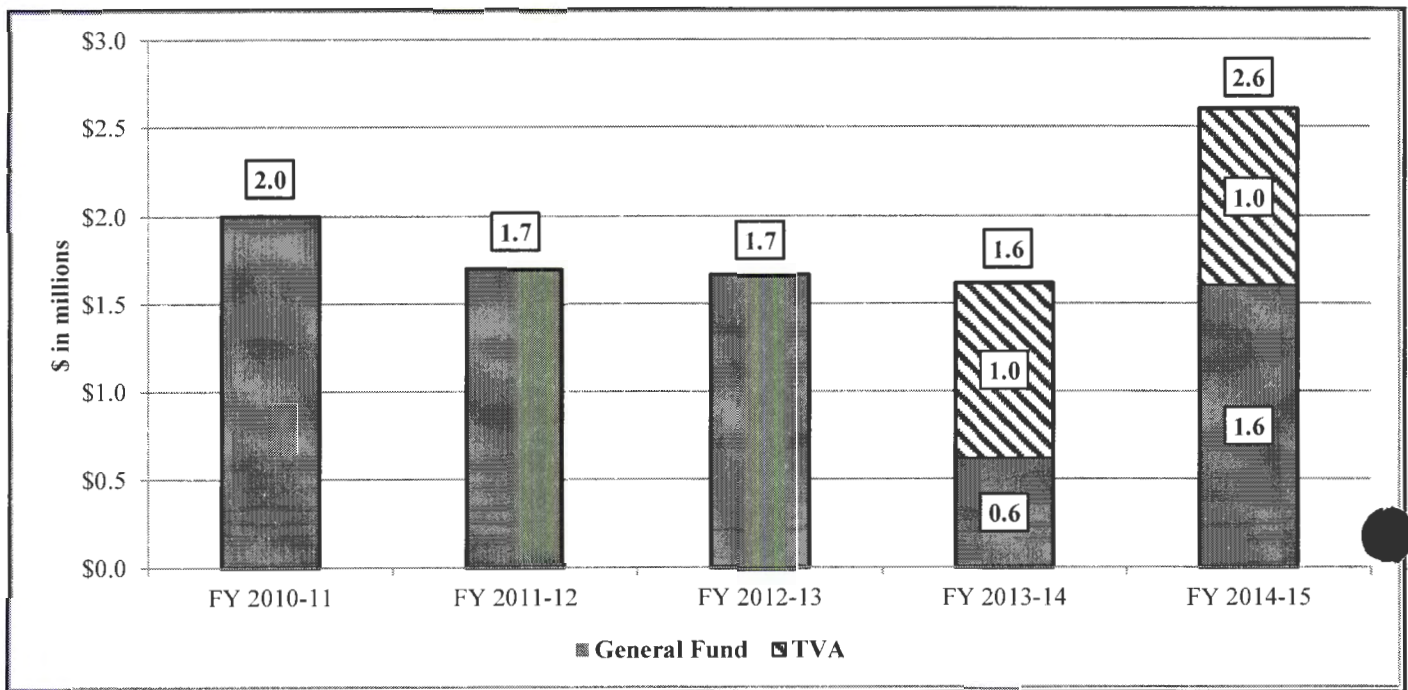
<u>FINANCIAL ASSISTANCE PROGRAM</u>	<u>PAGE #</u>
ADMINISTRATION/RESERVES	1
✕ AGRICULTURAL DEVELOPMENT AND FARMLAND PRESERVATION TRUST FUND (ADFPTF)	2
AGRICULTURAL FINANCE AUTHORITY (AFA)	4
✕ TOBACCO TRUST FUND (TTF)	6
 MARKETING	 8
ORGANIC CERTIFICATION PROGRAM	9
SPECIALTY CROP BLOCK GRANT	11
 FOOD DISTRIBUTION	 13
FINANCIAL ASSISTANCE TO TAX-EXEMPT ORGANIZATIONS	14
 FOREST SERVICE	 16
FIRE DEPARTMENT ASSISTANCE PROGRAM	17
FIREWISE MITIGATION GRANT PROGRAM	19
✕ FOREST DEVELOPMENT PROGRAM (FDP)	21
FOREST LEGACY PROGRAM	23
SOUTHERN PINE BEETLE PREVENTION PROGRAM	25
URBAN AND COMMUNITY FORESTRY GRANT PROGRAM	27
 RESEARCH STATIONS	 29
BIOENERGY DEVELOPMENT PROGRAM	30
 SOIL AND WATER CONSERVATION	 32
✕ AGRICULTURE COST-SHARE PROGRAM (ACS)	33
✕ AGRICULTURAL WATER RESOURCES ASSISTANCE PROGRAM (AGWRAP)	35
COMMUNITY CONSERVATION ASSISTANCE PROGRAM (CCAP)	37
CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP)	39
 STRUCTURAL PEST CONTROL AND PESTICIDES	 41
PESTICIDE ENVIRONMENTAL TRUST FUND (PETF)	42
 VETERINARY	 44
✕ SPAY AND NEUTER PROGRAM	45

ADMINISTRATION / RESERVES

Agricultural Development and Farmland Preservation Trust Fund (ADFPTF) (www.ncadfp.org)

- **Created** – 2005 (First substantive funding provided in FY 2007-08)
- **Statutory Authority** - G.S. 106-744
- **Purpose** - To encourage the preservation of qualifying agricultural, horticultural and forestlands to foster the growth, development and sustainability of family farms.
- **Allocation of Funds** - Funds may be used to:
 - 1) Purchase agricultural conservation easements
 - 2) Public and private enterprises that promote profitable and sustainable family farms
 - 3) Fund conservation easements to bring or maintain active production of farmland
 - 4) Costs of administering the program
- ✱ **Eligibility** - Any of the following are eligible to receive grants from the Trust Fund:
 - ✱ 1) Counties;
 - 2) Nonprofit conservation organizations.
- **Grant Cycle** – The program receives applications annually between October and December. Awards are made annually during the summer.
- **Governance** – 19-member Advisory Committee; 16-members are ex-officio, one farmer each appointed by the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives. [G.S. 106-744(g)]
- **Source of Funding** – General Fund appropriations. In the 2013-15 biennium, \$1 million in Tennessee Valley Authority Settlement funds were used each fiscal year to offset nonrecurring General Fund funding reductions.
- **Grant Demand** – Over the three most recent fiscal years, the program has received an annual average of 42 applications requesting a total of \$5.8 million in funding. Over the same time period, the program has funded an annual average of 21 projects totaling \$2.1 million.
- **Range of Grant Awards** – Depends on project, but grants ranged from \$7,000 to \$375,000 in FY 2013-14.
- **Grant Terms** – Counties and nonprofits must typically match at least 15-30% of the grant award from ADFPTF. Tier 1 counties that have a county-wide farmland protection plan do not have to match grant funds from ADFPTF.

- **Administrative Costs** – Funded from the amount available for the program. In FY 2013-14 2 FTE's supported the program with administrative costs totaling \$135,266.
- **Reporting Requirement** – Annually by October 1 to GovOps, ERC, and the Appropriations Subcommittees on NER.
- **Funding History** –



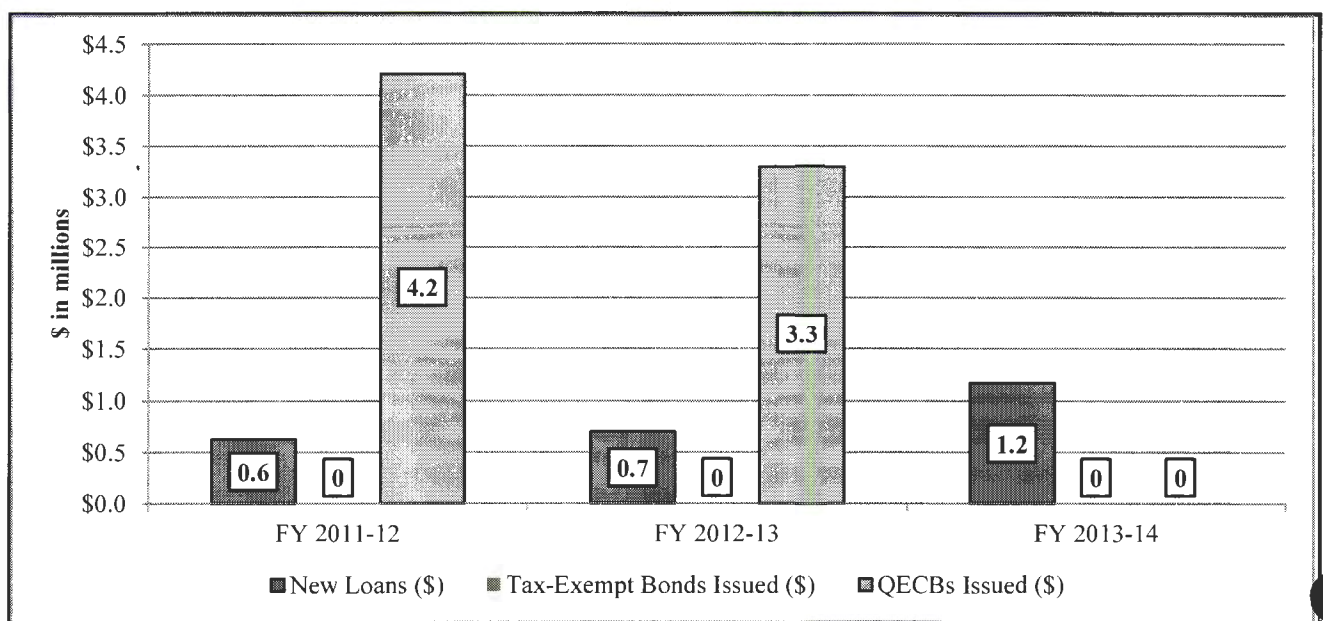
Agricultural Finance Authority (AFA)
(<http://www.ncagr.gov/agfinance/>)

- **Created** – 1986
- **Statutory Authority** - G.S. 122D
- **Purpose** – Statutory purpose contained in G.S. 122D-2: To alleviate the shortage of capital and credit available for investment in agriculture, for domestic and export purposes, at interest rates within the financial means of persons engaged in agricultural production and agricultural exports.
- **Assistance Types** – Loans, Tax-Exempt Bonds, Federal Qualified Energy Conservation Bonds (QECBs).
- **Allocation of Funds** - Funds may be used for:
 - 1) Purchase or sale of agricultural loans
 - 2) Loans made to financial institutions to provide agricultural loans
 - 3) Insurance on agricultural loans
 - 4) Loans made directly to agricultural operations
 - 5) Bonded indebtedness of the Authority
 - 6) Administrative expenses

In practice, the Authority uses the majority of funds available to make agricultural loans that qualify for risk-guarantee support from the Farm Services Agency (FSA) of the US Department of Agriculture. In the event of default, FSA will reimburse the AFA up to 90% of the defaulted loan amount.

- **Eligibility** - Any agribusiness or individual meeting AFA and FSA requirements may apply for an agricultural loan. Any agribusiness operating in the State may request tax-exempt debt issuances. Any individual or business expanding renewable energy production may request QECB debt issuances.
- **Loan/Bond Cycle** – Loan and bond issuance applications accepted throughout the year.
- **Governance** – 10-member Authority. Appointments: Commissioner of Agriculture (ex-officio), Governor -3, President Pro Tempore of the Senate - 3, Speaker of the House of Representatives – 3. [G.S. 122D-4]
- **Source of Funding** – Loan programs were initially capitalized with federal funds and General Fund appropriations. Now all funding derives from loan repayments, loan sales, interest income and fees generated from loans/debt issuances.
- **Loan Demand** – Over a three year period, the AFA received an average of 6.3 loan applications requesting a total of \$2.5 million in loans. Over the same period, the AFA funded an average of 4.3 loans at a total of \$830,000. FY 2014-15 has seen increased interest with the Authority anticipating awarding approximately \$5 million in loans.

- **Tax-Exempt Bond Demand** – Over a three year period, the AFA received an average of 3 tax-exempt bond applications requesting to issue an annual total of \$108.6 million. These applications have been approved, but have not been executed.
- **QECB Demand** - Over a three year period, the AFA received an average of 4.3 QECB applications requesting an average total of \$15.8 million in issuances. Over the same period, the AFA executed an annual average of 1.3 QECBs at an average total of \$2.5 million.
- **Range of Loan Amounts** – Depends on project, but loans ranged from \$2,032 to \$1,067,020 in FY 2013-14.
- **Range of Tax-Exempt Bond/QECB Amounts** – No bonds have been issued in the most recent 5-year period. No QECB's were issued in FY 2013-14, however the average issuance since inception is approximately \$1.5 - \$2.5 million.
- **Loan Terms** – The terms of the loan (term, interest rate, etc.) varies depending on the applicant and the type of loan being requested.
- **Tax-Exempt Bonds/QECB Terms** – Recipient agribusiness is fully responsible to bondholders for repayment according to the bond repayment schedule.
- **Administrative Costs** – The AFA is supported by 5 FTEs and FY 2013-14 administrative costs totaled \$545,212.
- **Reporting Requirement** – Operations and activities report required annually within six months after the end of the fiscal year to the Governor and the General Assembly. Audited financial statements required within sixty days of submission of activities report to the Governor and General Assembly.
- **Funding History** –



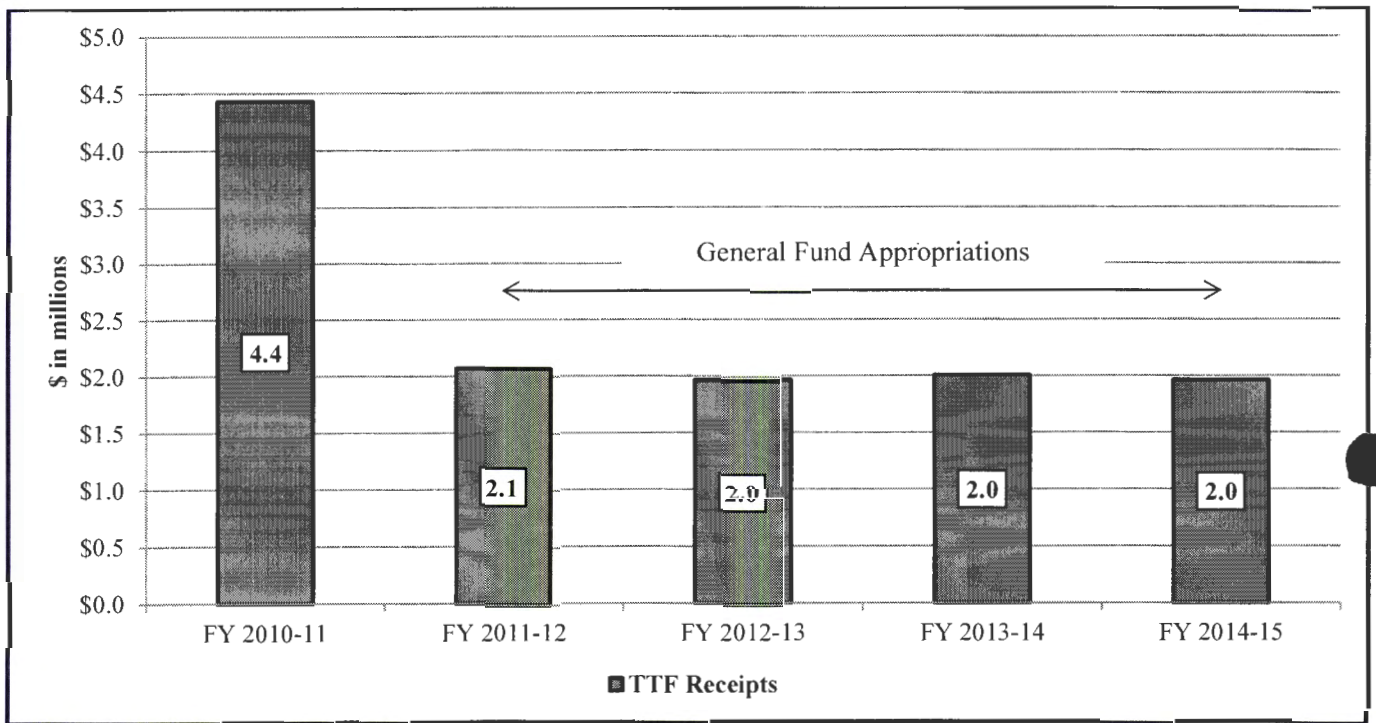
Tobacco Trust Fund (TTF) **(www.tobacotrustfund.org)**

- **Created** – 2000
- **Statutory Authority** - G.S. 143, Article 75
- **Purpose** – Statutory purpose contained in G.S. 143-715. From the TTF: “To assist current/former tobacco farmers, former quota holders, persons engaged in tobacco-related businesses, individuals displaced from tobacco-related employment, and tobacco product component businesses in NC that have been affected by the adverse effects of the Master Settlement Agreement (MSA).”
- **Allocation of Funds** - Funds may be used for:
 - 1) Compensatory programs that directly or indirectly benefit tobacco producers, allotment holders, and persons engaged in the tobacco industry.
 - 2) Qualified agricultural programs that benefit the tobacco-related economy and communities impacted by the MSA.

Most funding has historically been provided to support agricultural programs. Funds are disbursed following awards made by the TTF Commission.

- **Eligibility** - Any individual or organization may apply for funding from the TTF.
- **Grant Cycle** – Grant cycle typically opens annually at the beginning of each calendar year. Awards are made in late summer to early autumn.
- **Governance** – 18-member Commission. Membership is equally appointed by the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives. [G.S. 143-717]
- **Source of Funding** – General Fund appropriations. Prior to FY 2011-12, TTF received a portion of the State’s annual MSA payment.
- **Grant Demand** – Over a three year period, the TTF received an annual average of 43.7 applications requesting an average total of \$8.3 million. Over the same period, the TTF awarded an annual average of 17.7 grants providing an average total of \$2.1 million.
- **Range of Grant Awards** – Depends on project, but grant awards ranged from \$5,000 to \$513,515 in FY 2014-15.
- **Grant Terms** – Recipients must meet various grant requirements contained in Chapter 57 of Title 2 of the Administrative Code.

- **Administrative Costs** – G.S. 143-717(i) limits administrative expenses to the lesser of 2.5% of the Fund's annual receipts, or \$1 million. S.L. 2013-360, Sec. 13.5 modifies the allowable administrative costs from the Fund to \$350,000. FY 2013-14 administrative costs totaled \$346,294.
- **Reporting Requirement** – Annually by November 1 to GovOps and the Appropriations Subcommittees on NER. Recipients must report to the Commission periodically and submit a final report.
- **Funding History** –



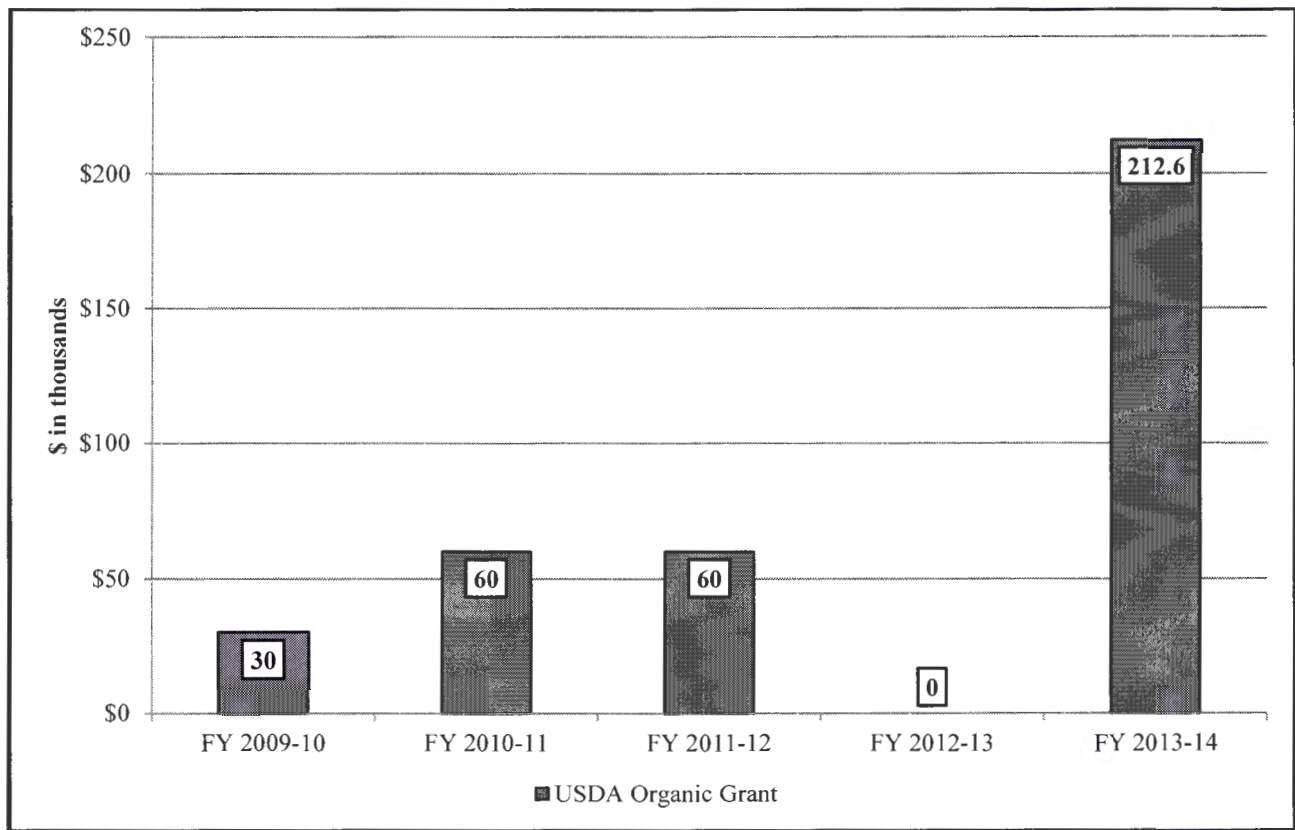
MARKETING

Organic Certification Program

(<http://www.ncagr.gov/markets/commodit/horticul/ncorganics/>)

- **Created** – 2005
- **Statutory Authority** – N/A
- **Purpose** – To assist farmers and handlers/processors by providing financial assistance to receive organic certification through the National Organic Program.
- **Allocation of Funds** - Funds may be used to reimburse organic farmers and handlers/processors the lesser of 75% or \$750 of the cost to receive USDA certification as an organic farmer or handler/processor. There are four categories of organic certification: crop, livestock, wild crop, and handler/processor. An applicant can be reimbursed for each category of certification they obtain.
- **Eligibility** – Only state agriculture agencies may apply for Organic Cost-Share funds. Any farmer or processor may request reimbursement from DACS.
- **Grant Cycle** – DACS applies for an allocation from the program whenever the USDA makes funding available. Once funding is awarded to DACS, certified organic operations can apply for reimbursement of expenses incurred and paid between October 1 and September 30 of the grant year cycle. DACS begins accepting applications once USDA provides funding. DACS accepts applications until December 1 of each year that funds are provided.
- **Governance** – DACS staff reviews applications and awards reimbursements to eligible applicants.
- **Source of Funding** – Funding is provided by the US Department of Agriculture and funded through the Farm Bill.
- **Grant Demand** – Over a three year period, excluding FY 2012-13 due to no federal funding provided, DACS received an average of 119 applications and funded an average of 118.
- **Range of Grant Amounts** – Depends on project, but awards ranged from \$338 to \$1,500 in FY 2013-14.
- **Grant Terms** – N/A
- **Administrative Costs** – FY 2013-14 administrative costs totaled \$10,491 and no FTE positions supported the program.
- **Reporting Requirement** – No report is due to the General Assembly. DACS must submit a final report to the USDA by December 31.

• **Funding History –**



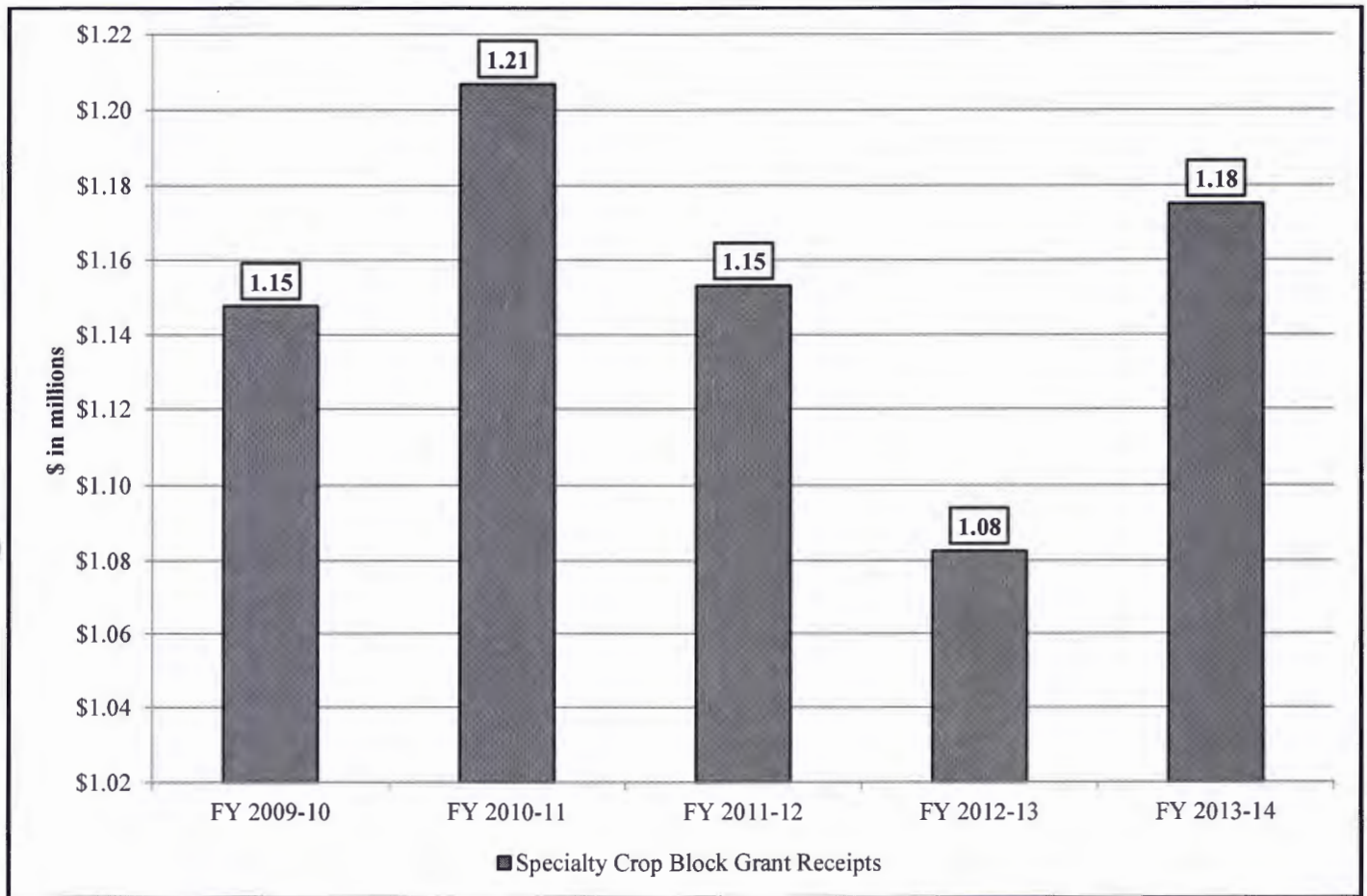
Specialty Crop Block Grant (SCBG) (www.ncspecialtycropgrant.org)

- **Created** – 2008
- **Statutory Authority** – N/A
- **Purpose** – To enhance the competitiveness of specialty crops. Specialty crops are defined as fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture).
- **Allocation of Funds** - Funds may be used for:
 - 1) Food safety projects that reduce foodborne threats
 - 2) Reduce threats from pests and diseases
 - 3) Research projects
 - 4) Crop-specific projects

The State receives a base allocation, plus an additional amount based on the most recent information on specialty crop cash receipts in the State.

- **Eligibility** – Only state agriculture agencies may apply for SCBG funds from the USDA. SCBG funds are subgranted to nonprofit groups and government agencies for specialty crop projects as part of the State's application to the USDA.
- **Grant Cycle** – Grant applications are due to DACS annually during the early-spring. DACS typically submits the State-plan to the USDA annually in July.
- **Governance** – An application review committee organized by DACS reviews applications and recommends awards to be included in the SCBG State plan. DACS then submits the State plan to the USDA for funding.
- **Source of Funding** – Funding is provided by the USDA from Congressional appropriations through the Farm Bill. NC's annual share of the program is approximately \$1.2 million.
- **Grant Demand** – Over a three year period, DACS received an average of 34.7 applications requesting \$2.9 million. Over the same period, DACS funded an average of 19 applications with the total awarded averaging \$1.1 million.
- **Range of Grant Amounts** – Depends on project, but grants ranged from \$25,000 to \$181,007 in FY 2013-14.
- **Grant Terms** – Funding is provided from the USDA on a reimbursement basis.

- **Administrative Costs** – FY 2013-14 administrative costs totaled \$93,550 with 1.5 FTE positions.
- **Reporting Requirement** – No report is due to the General Assembly. DACS periodically reports program information to USDA.
- **Funding History** –

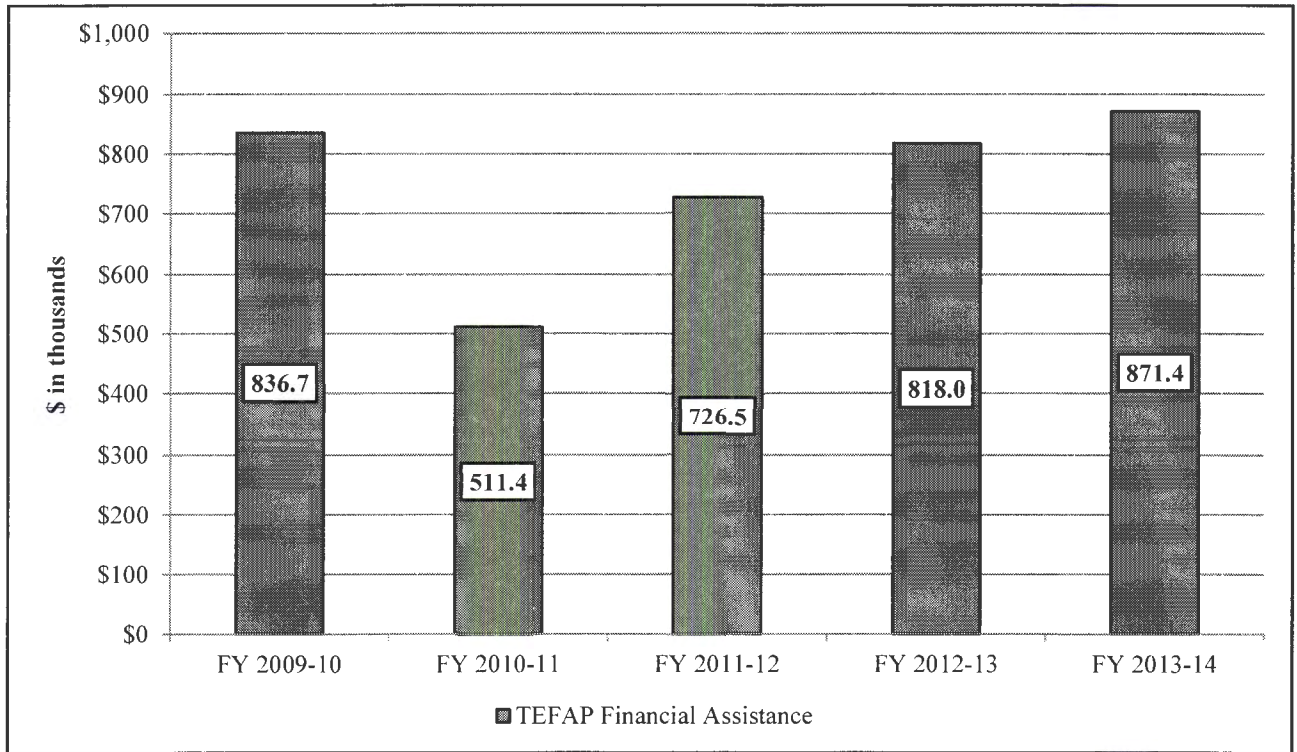


FOOD DISTRIBUTION

Food Distribution Financial Assistance (<http://www.ncagr.gov/fooddist/>)

- **Created** – 1981
- **Statutory Authority** – N/A
- **Purpose** – To provide support to recipient agency for administration necessary to distribute USDA donated food.
- **Allocation of Funds** – Funding is allocated amongst eligible nonprofits based on the lesser of total dollar value of food distributed or actual cost incurred. Total funding level made available is based on funding provided by USDA and allocation made by DACS.
- **Eligibility** – The Department determines eligibility for awarding financial assistance. Only nonprofits are eligible to receive administrative assistance and must enter into an annual contract with DACS.
- **Grant Cycle** – Funding is disbursed to eligible nonprofits on a monthly or quarterly basis, depending on the nonprofit's distribution schedule.
- **Governance** – Department staff review and approve nonprofit organizations that are eligible to receive financial assistance. Staff also determines the level of financial assistance to provide, based on funding availability and allocation methodology developed by staff.
- **Source of Funding** – Funding is provided from The Emergency Food Assistance Program (TEFAP) administered by the US Department of Agriculture.
- **Grant Demand** – Over a three year period, the annual average number of organizations requesting funds was 21 and the average total amount requested was \$3.5 million. The program was able to fund all organizations, but the amount funded was an annual average of \$805,297.
- **Range of Grant Amounts** – Depends on organization, but grants ranged from \$2,082 to \$276,837 in FY 2013-14.
- **Grant Terms** – Recipients must enter into annual agreement with DACS prior to receiving funding.
- **Administrative Costs** – One FTE supports the program and the FY 2013-14 administrative costs totaled \$66,395.
- **Reporting Requirement** – No report is required to the General Assembly. Recipients must report award to NC Grants.

- Funding History –

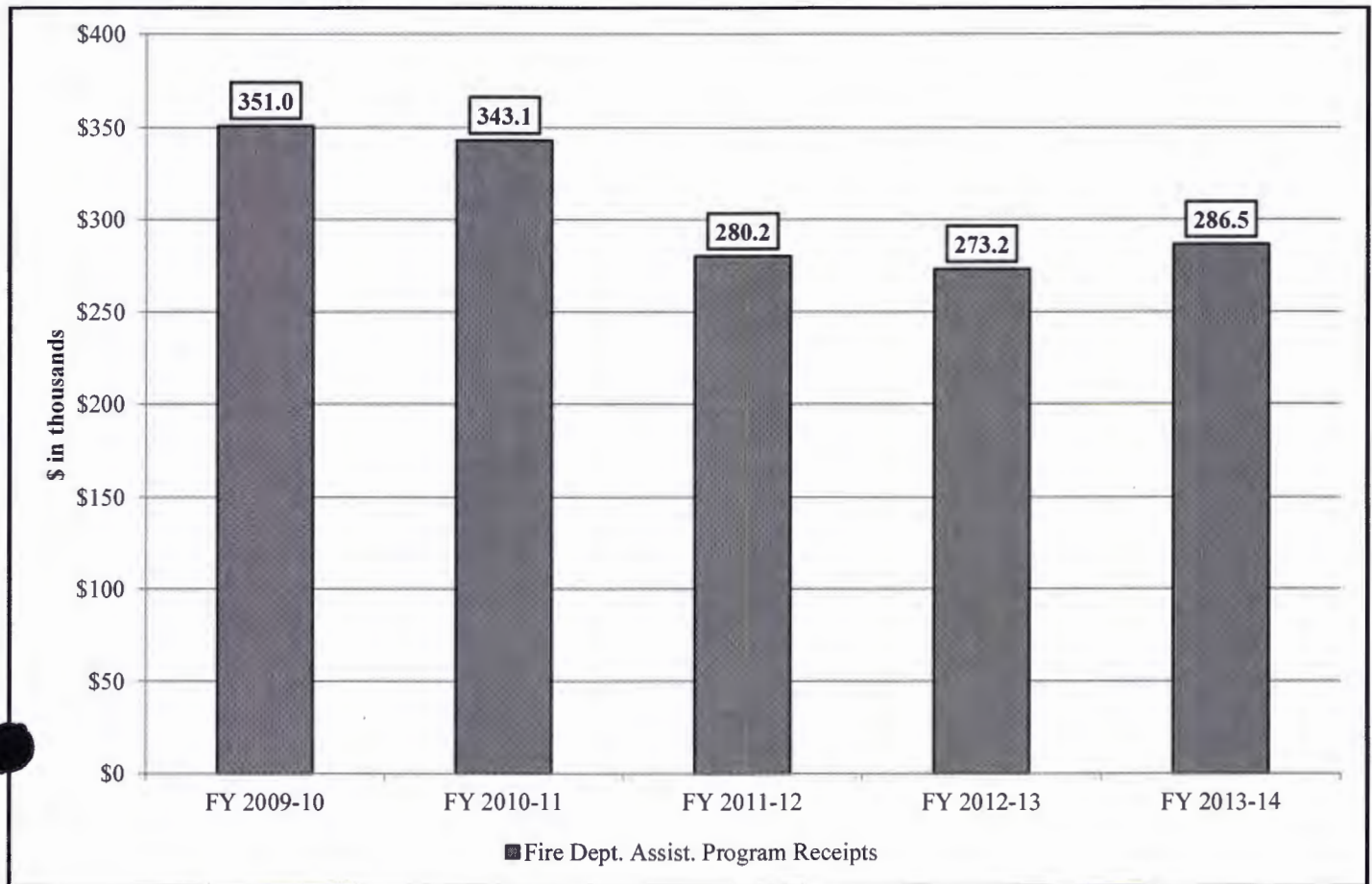


FOREST SERVICE

Fire Department Assistance Program
(<http://ncforestservice.gov/publications/FC0112.pdf>)

- **Created** – 2001
- **Statutory Authority** – N/A
- **Purpose** – To assist fire departments purchase personal protective equipment for fighting wildland fires.
- **Allocation of Funds** – The program provides numerous areas of support for fire departments. Financial assistance is provided via cost-share awards to fire departments for certain wildland firefighting personal protective equipment. Cost-share provided is 50% of the equipment costs up to a maximum award of \$1,200.
- **Eligibility** – Fire department must serve a population of less than 10,000 people.
- **Grant Cycle** – Applications are received in early to mid-summer of each year. Awards are made approximately 30 days following the application deadline.
- **Governance** – Applications are reviewed and awards are made by DACS staff.
- **Source of Funding** – Funding is provided from the USDA – Forest Service.
- **Grant Demand** – Over a three year period, the Department received an average of 165.3 applications requesting \$158,082. Over the same period, the Department funded an average of 160.7 projects at an annual total of \$125,403.
- **Range of Grant Amounts** – Awards ranged from \$73 to \$1,200 in FY 2013-14.
- **Grant Terms** – Projects begin on September 1 and must be completed by July 31 of the following year.
- **Administrative Costs** – FY 2013-14 administrative costs totaled \$136,000 to support 1.8 FTE positions.
- **Reporting Requirement** – Periodic reports are submitted to the USDA – Forest Service

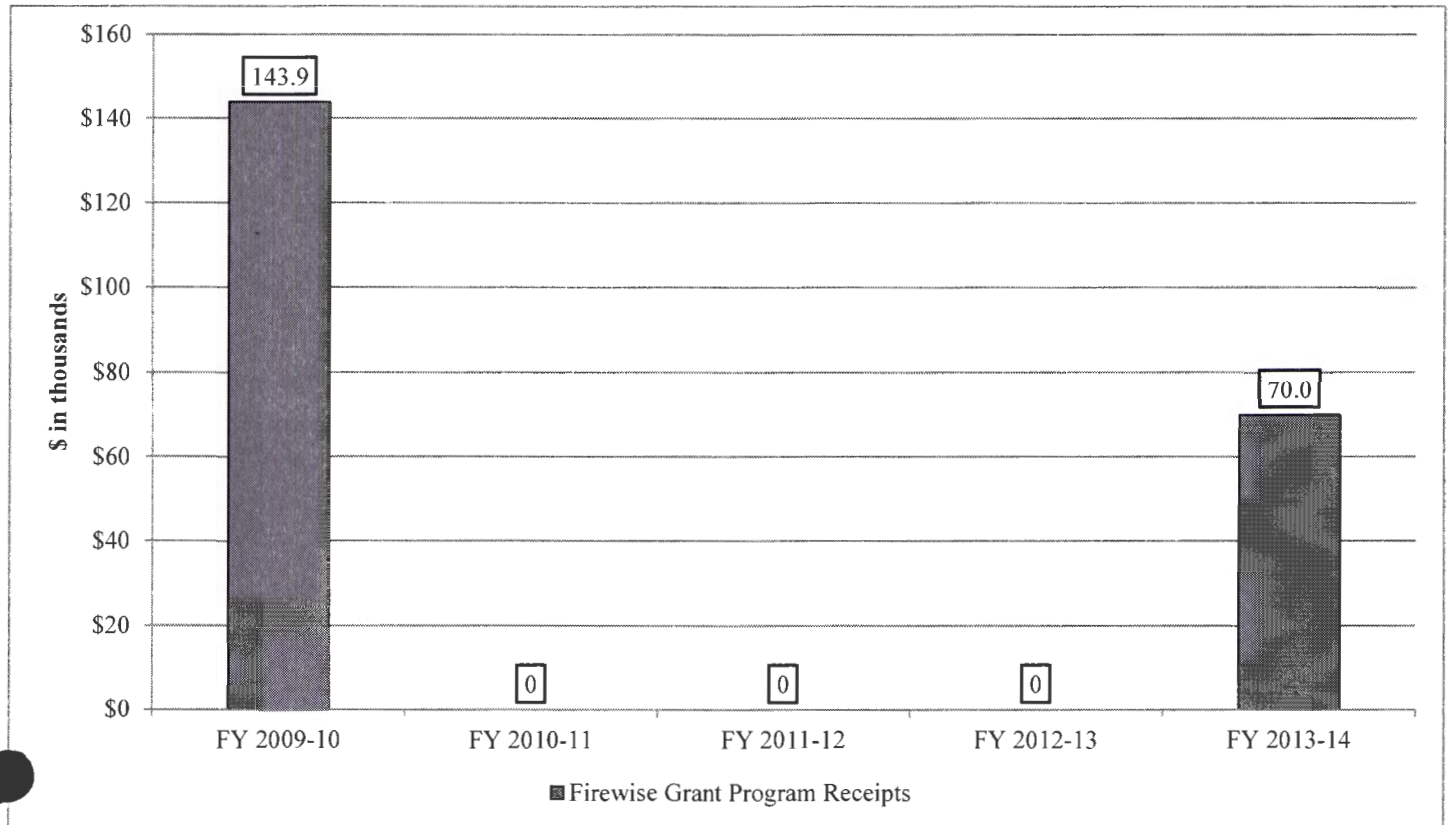
• **Funding History –**



Firewise Mitigation Grant Program (<http://www.ncfirewise.org/>)

- **Created** – 2003
- **Statutory Authority** – N/A
- **Purpose** – To develop, educate, enhance, implement, and support the Firewise concepts in wildland urban interface communities throughout NC by encouraging citizen and community involvement to lessen or reduce fire hazards and threats.
- **Allocation of Funds** – The program provides cost-share grants to eligible applicants for wildfire mitigation educational programs. Cost-share provided is 80% of the project costs and must be matched with 20% of the project costs from other funding sources or in-kind services.
- **Eligibility** – Any of the following entities may apply:
 - 1) Non-incorporated communities
 - 2) Nonprofit organizations
 - 3) Local governments (only for hazardous fuel mitigation projects)
- **Grant Cycle** – Applications are accepted and awards are made throughout the year.
- **Governance** – Department staff review applications and make awards.
- **Source of Funding** – Funding is provided from the USDA – Forest Service.
- **Grant Demand** – Over a three year period, the Department received an average of 9.3 applications requesting \$157,214. Over the same period, the Department funded an average of 8 projects at an annual total of \$129,281
- **Range of Grant Amounts** – In FY 2013-14 the smallest grant award was \$1,000 and the largest was \$25,000.
- **Grant Terms** – N/A
- **Administrative Costs** – FY 2013-14 administrative costs totaled \$110,000 and supported 1.5 FTE positions.
- **Reporting Requirement** – Periodic reports are submitted to the USDA – Forest Service.

• Funding History –

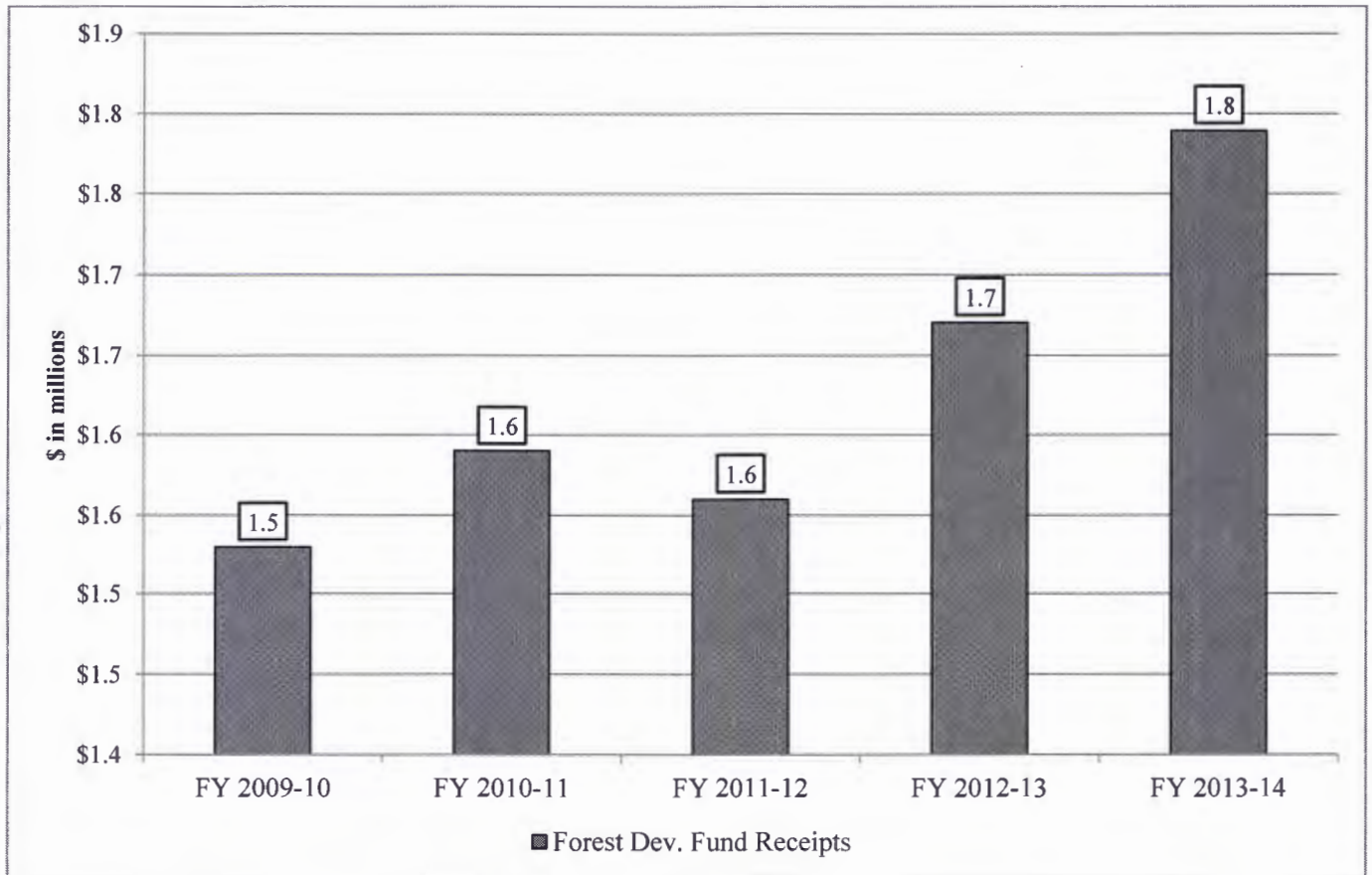


Forest Development Program (FDP)

(http://ncforestservice.gov/Managing_your_forest/fdp.htm)

- **Created** – 1977
- **Statutory Authority** – G.S. 106, Articles 83 and 84
- **Purpose** – Provide financial assistance to eligible landowners to increase the productivity of the privately owned forests of the State through the application of forest renewal practices and other practices that improve tree growth and overall forest health.
- **Allocation of Funds** – The program provides cost-share assistance to eligible applicants for forest establishment and improvement costs. G.S. 106-1016 allows the Department to provide cost-share assistance up to 60% of the eligible forestry project costs. However, in practice the Department limits maximum cost-share assistance to 40% for most of the approved eligible forestry project costs to increase the number of projects funded.
- **Eligibility** – Any private landowner with at least 4.5 acres of forestland operating under a forest management plan is eligible to apply for funding from the program for forest establishment or improvement.
- **Grant Cycle** – Applications are received throughout the year by DACS. Funding is then distributed on a first-come, first-served basis at the beginning of the fiscal year.
- **Governance** – Eligible applications are funded on a first-come, first-serve basis by Forest Service staff.
- **Source of Funding** – Funding is provided from assessments levied on harvested forestry products in Article 84 of G.S. 106. Prior to 2009, the program also received General Fund appropriations. Gifts and grants can also be provided to the program.
- **Grant Demand** – Over a three year period, the NC Forest Service has received an average of 1,965 applications requesting \$3.4 million. Over the same period, they funded an average of 1,488 applications totaling \$1.7 million.
- **Range of Grant Amounts** – Depends on project, but cost-share reimbursements ranged from \$38 to \$7,400 in FY 2013-14. The average project cost totaled \$3,889 and an average reimbursement from the fund totaled \$1,026.
- **Grant Terms** – Cost-share assistance is limited to 100 acres or less per landowner per year. The landowner must agree to maintain funded practices for at least ten years. Applications must be approved prior to actual work being conducted.

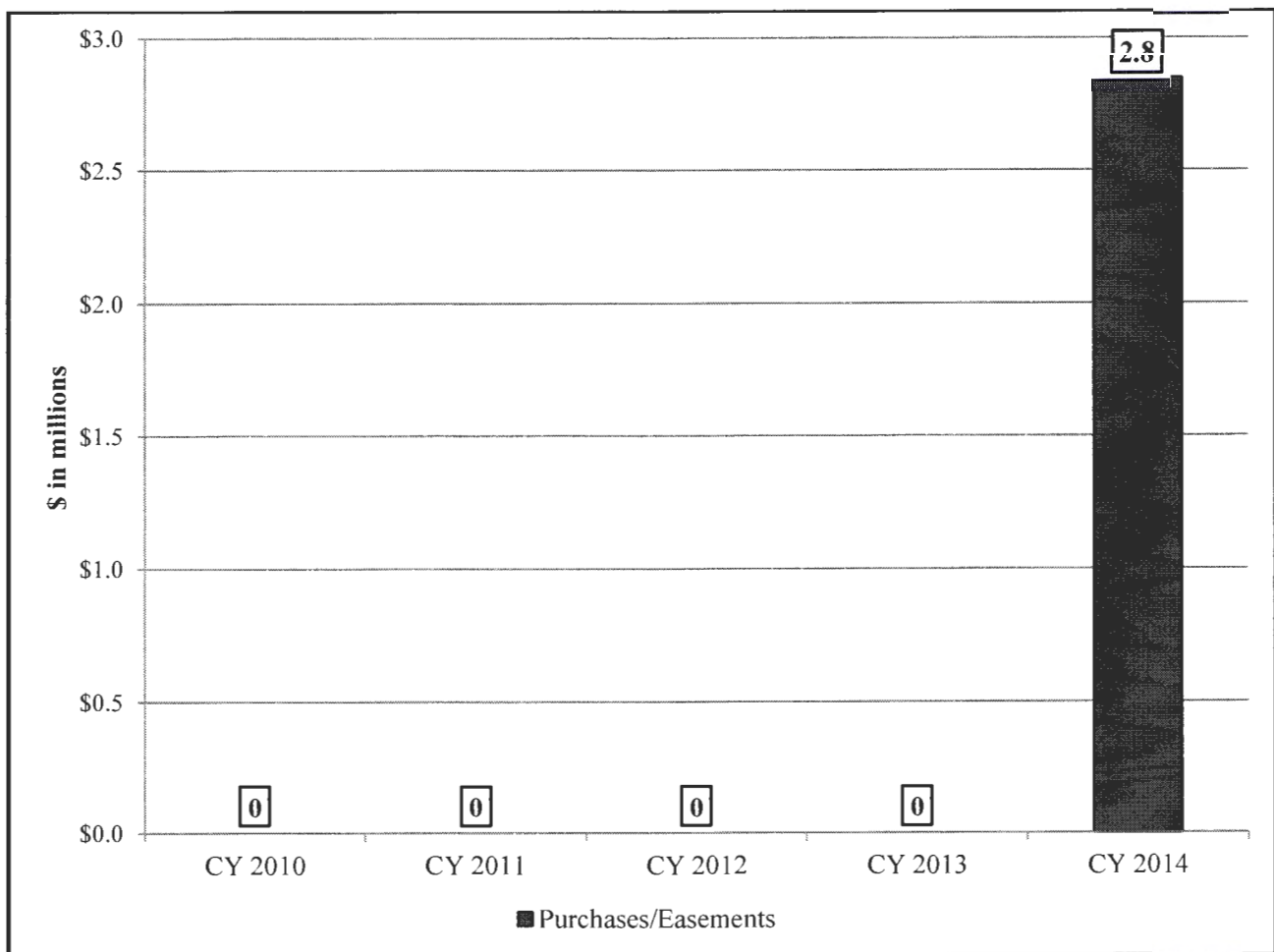
- **Administrative Costs** – DACS and DOR can each utilize up to 5% of the assessment funds for administration of the program. FY 2013-14 administrative costs totaled \$170,000. DACS received \$85,000 to support 1.5 FTE positions administering the program.
- **Reporting Requirement** – Report due to the General Assembly by January 15 of each odd-numbered year.
- **Funding History** –



Forest Legacy Program
(http://ncforestservice.gov/fsandfl/what_is_forest_legacy.htm)

- **Created** – 2000
- **Statutory Authority** – N/A
- **Purpose** - To help landowners, State and local governments, and private land trusts identify and protect environmentally important forest lands that are threatened by present and future conversion to non-forest uses. Funds are used to purchase land or conservation easements.
- **Allocation of Funds** – Funds to acquire property or conservation easements are irregular and are competitive at the federal level. DACS also receives an annual \$25,000 grant to cover administrative expenses associated with the program.
- **Eligibility** – Any forestland owner interested in selling property or development rights for conservation purposes.
- **Grant Cycle** – Applications are due to the Department annually in May. The award process takes two years before funds are awarded.
- **Governance** – DACS makes funding requests to the USDA. The USDA determines grant awards based on project merit and available funding.
- **Source of Funding** – Funding is provided by the USDA – Forest Service through the Farm Bill.
- **Grant Demand** – Over a three year period, the Department received an average of 3 applications requesting \$3.8 million in funding. Over the same period, the program funded one project at a total of \$2.8 million.
- **Range of Grant Awards** – In FY 2013-14 one award was made totaling \$2.8 million. DACS anticipates the same project will be awarded \$3.5 million in FY 2014-15.
- **Grant Terms** – Federal funding for the program is limited to 75% of the total program costs. The remainder may be matched from other funding sources or through discounted sales offered by the landowner.
- **Administrative Costs** – Annual administrative costs total \$25,000 and support 0.5 FTE positions.
- **Reporting Requirement** – No reports are due to the General Assembly. Periodic reports are provided to the USDA.

• Funding History –



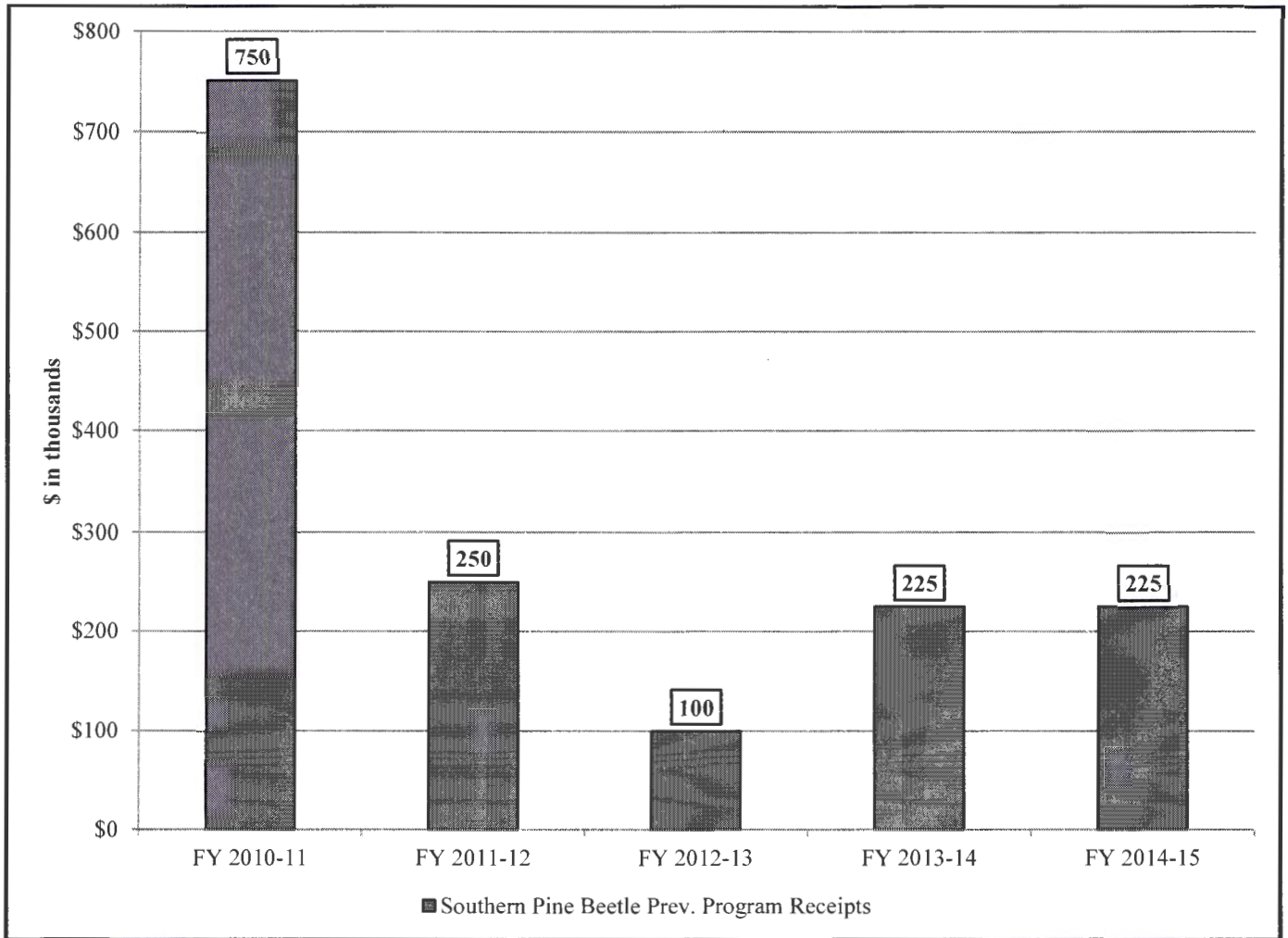
<p style="text-align: center;">Southern Pine Beetle Prevention Program (http://ncforestservice.gov/forest_health/fh_spbpp.htm)</p>

- **Created** – 2003
- **Statutory Authority** – G.S. 106, Article 75
- **Purpose** – To reduce outbreaks of the southern pine beetle.
- **Allocation of Funds** – The program provides cost-share assistance to eligible applicants for reimbursement of precommercial thinning costs. Cost-share provided to a landowner is the lesser of 50% of actual thinning costs or 50% of the prevailing rate of thinning costs. Maximum cost-share funding per landowner is \$10,000.

The amount of funding provided to the State from the US Forest Service varies depending on funding available for the program and severity of outbreaks in other states.

- **Eligibility** – Any private landowner with at least five acres of pine managed under a forestry management plan is eligible to apply for cost-share assistance.
- **Grant Cycle** – Applications are received by DACS throughout the year. Awards are made on a first-come, first-served basis for qualified applicants.
- **Governance** – DACS review applications and award funding to qualified applicants.
- **Source of Funding** – Funding is provided by the USDA-Forest Service on a reimbursement basis.
- **Grant Demand** – Over a three year period, the program received an average of 131.7 applications requesting \$376,675. Over the same time period, the program completed an average of 122.3 projects totaling \$277,570.
- **Range of Grant Amounts** – Depends on project, but cost-share grants ranged from \$140 to \$10,000 in FY 2013-14.
- **Grant Terms** – The landowner must agree to maintain thinned timber stand for at least ten years. Recipient must also perform the pre-commercial thinning within one year of receiving the award.
- **Administrative Costs** – FY 2013-14 administrative costs totaled \$101,119 and supported 1.97 FTE positions.
- **Reporting Requirement** – No reports due to the General Assembly. Periodic reports are submitted to the USDA – Forest Service.

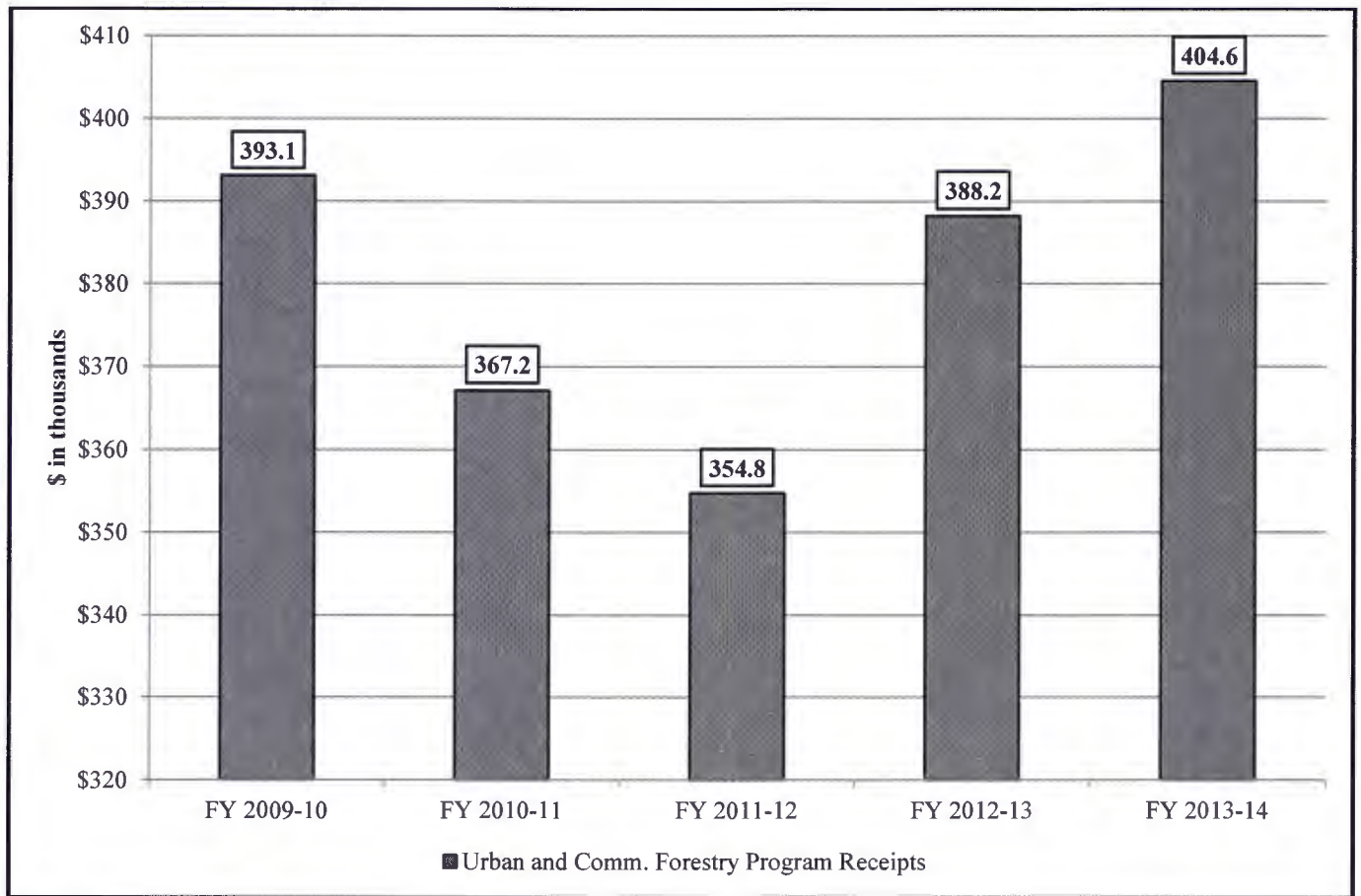
• **Funding History –**



Urban & Community Forestry Grant Program (http://ncforestservice.gov/Urban/urban_grant_overview.htm)

- **Created** – 1992
- **Statutory Authority** – N/A
- **Purpose** – To enhance the benefits and sustainable management of urban forests.
- **Allocation of Funds** – The program provides cost-share grants to eligible applicants for urban and community forestry programs. Cost-share provided is 50% of the project costs and must be matched with other funding sources or in-kind services.
- **Eligibility** – Any of the following entities may apply:
 - 1) State or local government
 - 2) Public educational institutions
 - 3) Nonprofit and other tax-exempt organizations
- **Grant Cycle** – Applications are received between January and March of each year. Contracts are awarded in September.
- **Governance** – Applications are reviewed and grants are awarded by a review committee consisting of Department staff and the NC Urban Forestry Council chairperson.
- **Source of Funding** – Funding is provided from the USDA – Forest Service.
- **Grant Demand** – Over a three year period, the Department received an average of 16.3 applications requesting \$175,415. Over the same period, the Department funded an average of 10.3 projects at an annual total of \$109,517.
- **Range of Grant Amounts** – Grants ranged from \$2,500 to \$15,000 in FY 2013-14.
- **Grant Terms** – Projects begin on September 1 and must be completed by July 31 of the following year.
- **Administrative Costs** – FY 2013-14 administrative costs totaled \$239,880 to support 2.75 FTE positions supporting the program.
- **Reporting Requirement** – No report is due to the General Assembly. Periodic reports are submitted to the USDA – Forest Service.

• Funding History –

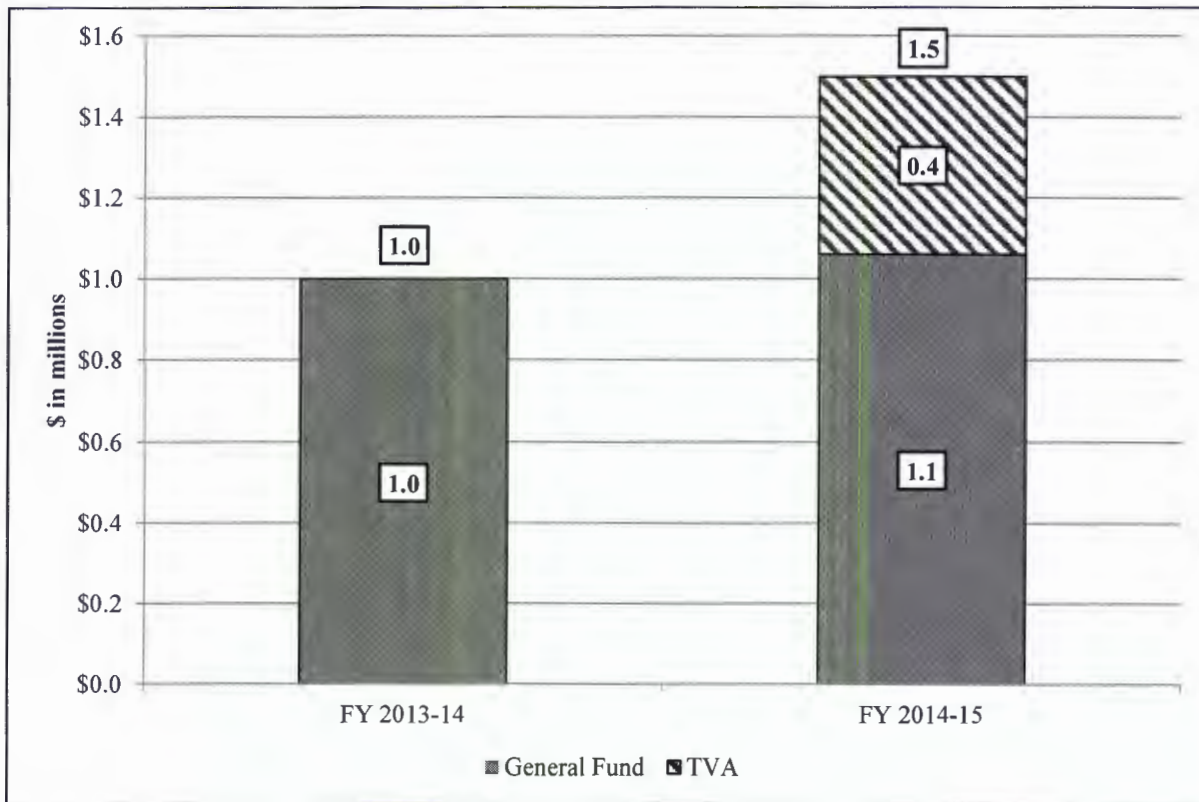


RESEARCH STATIONS

Bioenergy Development Program (<http://www.ncagr.gov/bioenergy/index.htm>)

- **Created** – 2013
- **Statutory Authority** – N/A
- **Purpose** - To generate bioenergy production from NC agricultural or forestry based products.
- **Allocation of Funds** – The Department determines funding allocations and primarily awards funds to agricultural energy research projects.
- **Eligibility** – Eligibility criteria are established by the Department. These criteria currently permit governmental and nongovernmental organizations to apply for funding.
- **Grant Cycle** – The grant cycle typically opens in late-summer and applications are received through September. Awards are made annually in December.
- **Governance** – Proposals are solicited and reviewed by a DACS review committee. DACS staff then award grants to selected applicants.
- **Source of Funding** – General Fund appropriations. Total funding for the program is \$1.5 million and the Department may use up to \$500,000 for administrative expenses. In the 2014-15 fiscal year, \$438,583 of Tennessee Valley Authority settlement funds returned to the State by the Biofuels Center were provided to the program to offset a nonrecurring reduction in General Fund support.
- **Grant Demand** – Since inception, the program received 38 applications requesting \$3.5 million in funding. The program funded 19 projects totaling \$1.5 million.
- **Range of Grant Awards** – Depends on project, but grants ranged from \$32,438 to \$157,559 in the most recent fiscal year.
- **Grant Terms** – Nongovernmental applicants must provide proof of tax exempt status, a conflict of interest policy, and certification of no overdue tax debts.
- **Administrative Costs** – Funding is provided from the amount available for the program. The program currently has 3 FTE positions and FY 2013-14 administrative costs totaled \$95,578 over a 5-month period. Once these positions are annualized, administrative costs will total approximately \$250,000.
- **Reporting Requirement** – No reports are required to the General Assembly. The Department requires regular reporting from grant recipients. Any nongovernmental grant recipients must submit reports to the NCGrants system.

• **Funding History –**



**SOIL AND WATER
CONSERVATION**

Agriculture Cost-Share Program (ACS)
(<http://www.ncagr.gov/SWC/costshareprograms/ACSP/index.html>)

- **Created** – 1983
- **Statutory Authority** - G.S. 106, Article 72
- **Purpose** - To reduce the input of agricultural nonpoint source pollution into the watercourses of the State.
- **Allocation of Funds** - Funds are provided to local soil and water conservation districts for:
 - 1) Administration of the program (“Technical Assistance”)
 - 2) Financial support for farmers to implement best management practices (“Cost-Share Assistance”)

The Soil and Water Conservation Commission prescribes the funding distribution to local districts. Current funding formulas are specified in the administrative code and can be found in 02NCAC 59D.0103 and 02NCAC 59D.0106.

- **Eligibility** – Local soil and water conservation districts are the only entities eligible to receive funds from the State. Individuals engaged in farming or forestry activities are then eligible to receive assistance from their local districts.
- **Grant Cycle** – Local soil and water conservation districts submit their annual requests in June of each year. Funding allocations to local soil and water conservation districts are made around August and March.
- **Governance** – The Soil and Water Conservation Commission governs the program [G.S. 106-841]. The Agriculture Cost Share Program’s Technical Review Committee is tasked to make program recommendations to the Commission. The Committee’s membership consists of nine ex-officio members detailed in G.S. 106-852.
- **Source of Funding** – General Fund appropriations. The Department occasionally receives grants to supplement programs.
- **Grant Demand** – Over the past three years, the Commission has received an average request of \$19.1 million in cost-share funds from 95 districts (99 counties) and \$3.48 million in technical assistance funding from 95 districts. In the same period, the Commission has provided an average of \$4.7 million in cost-share funds for 95 districts and \$2.41 million in technical assistance funds for 95 districts.
- **Range of Grant Awards** – In FY 2013-14, technical assistance funding to local districts ranged from \$0 to \$63,638. Cost-share assistance funding to local districts ranged from \$0 to \$80,706.

- **Grant Terms –**

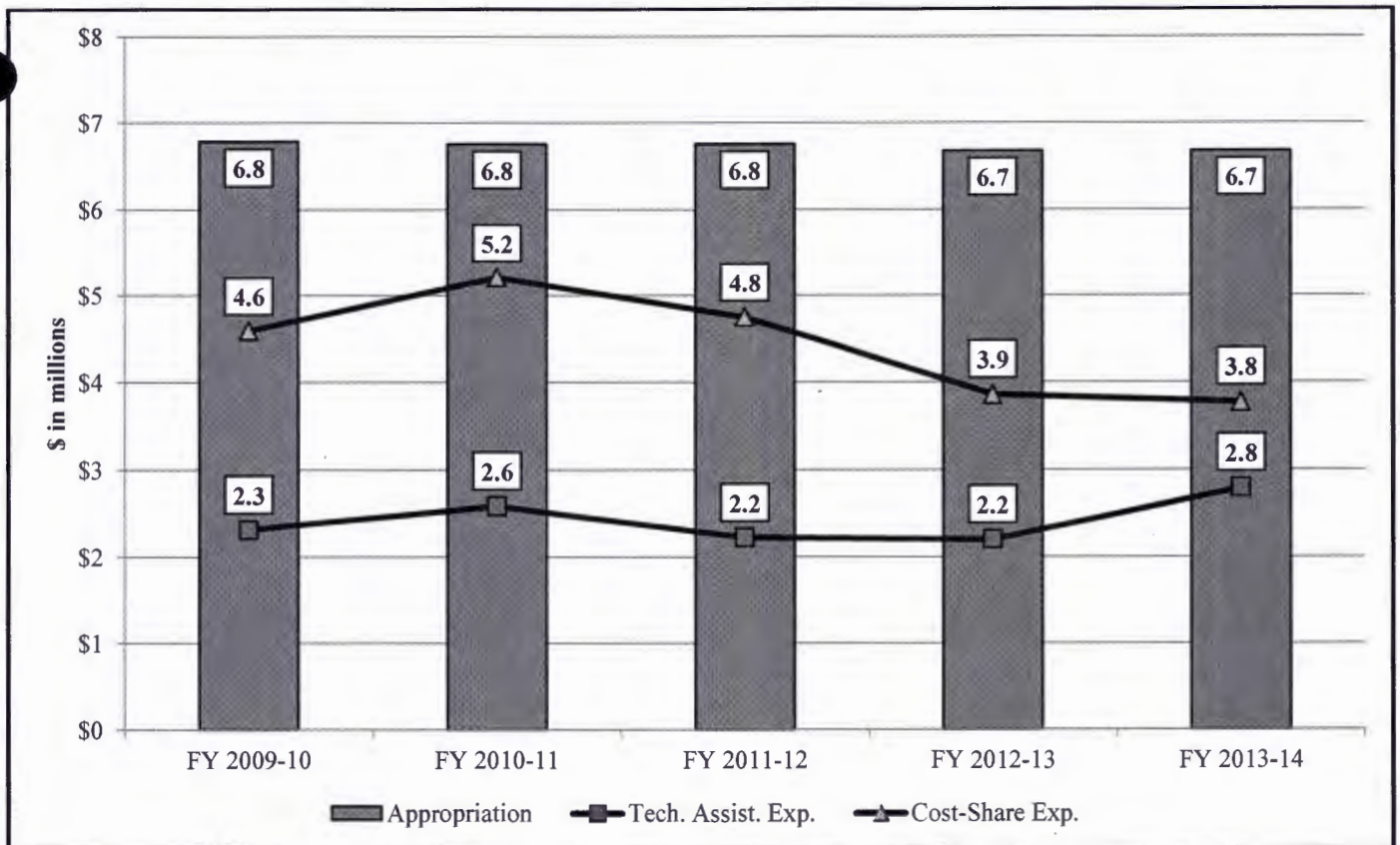
Cost-Share Assistance

- 1) Applicant must have water quality issue that can be addressed with best management practice,
- 2) Applicant must prove they are engaged in farming by providing documentation detailed in G.S. 106-850(b),
- 3) Operations must have been in existence for more than three years, and,
- 4) Applicant must maintain conservation practice for contractual period.

Technical Assistance

Districts must match at least 50% of the total project cost.

- **Administrative Costs** – FY 2013-14 administrative costs were \$319,785 for 5 FTE positions.
- **Reporting Requirement** – The Soil and Water Conservation Commission shall report by January 31 of each year to the Environmental Review Commission, the Department of Agriculture and Consumer Services, and the Fiscal Research Division.
- **Funding History –**

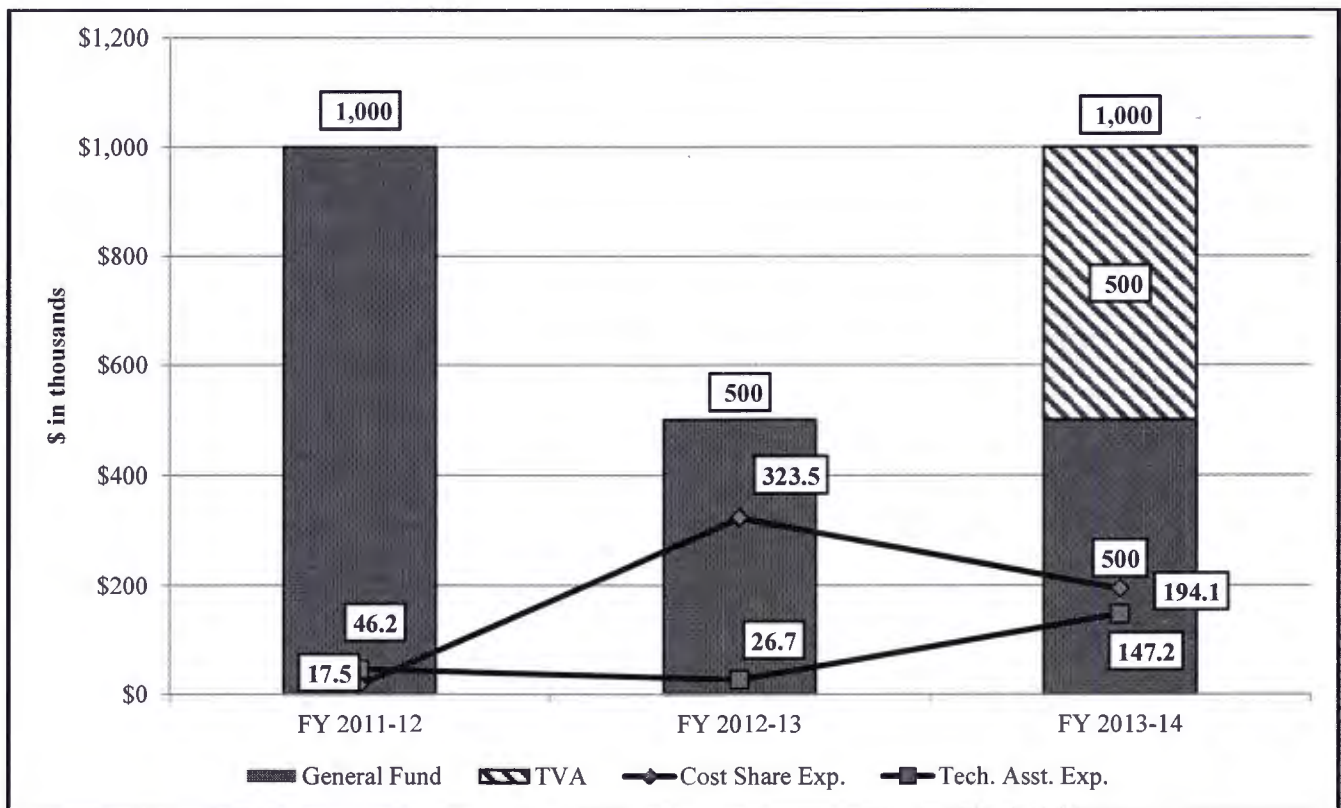


Agricultural Water Resources Assistance Program (AgWRAP)
(<http://www.ncagr.gov/SWC/costshareprograms/AgWRAP/index.html>)

- **Created** – 2011
- **Statutory Authority** - G.S. 139, Article 5.
- **Purpose** - To assist farmers and landowners in doing any one or more of the following:
 - 1) Identify opportunities to increase water use efficiency, availability, and storage
 - 2) Implement best management practices to conserve and protect water resources
 - 3) Increase water use efficiency
 - 4) Increase water storage and availability for agricultural purposes
- **Allocation of Funds** - Funds are provided for:
 - 1) Project design and administration of the program (“Technical Assistance”)
 - 2) Financial support for farmers to increase agricultural water supply resources (“Cost-Share Assistance”)

The Soil and Water Conservation Commission prescribes the funding distribution to local districts. Local districts typically submit cost-share funding requests to the Commission by June 1st of each year.
- **Eligibility** – Local soil and water conservation districts are the only entities eligible to receive funds from the State. Individuals engaged in farming or forestry activities are then eligible to receive cost-share funding from their local districts.
- **Grant Cycle** – Application periods are determined annually. Currently, the Commission offers two grant cycles. Applications are due by November and February of each year. Awards are made in January and March of each year.
- **Governance** – The Soil and Water Conservation Commission governs the program [G.S. 106-841]. The Agricultural Water Resources Assistance Program Review Committee established in G.S. 139-60(b) advises the Commission on development and administration of the program.
- **Source of Funding** – General Fund appropriations. In FY 2013-14, the General Assembly also provided the program with \$500,000 in Tennessee Valley Authority Settlement funds.
- **Grant Demand** – Over the three most recent fiscal years, an average of 84 applicants requested an annual average of \$4.35 million. The average number of contracts awarded over the same period was 81.3 with average total funding contracted at \$642,412.

- **Range of Grant Awards** – In FY 2013-14, cost-share assistance funding to local districts ranged from \$0 to \$125,000. Technical assistance funding was used by the Department for program purposes.
- **Grant Terms** – Applicant must:
 - 1) Have a documented water quantity problem that can be addressed with a best management practice,
 - 2) Establish that they are engaged in farming by providing proof specified in G.S. 139-60,
 - 3) Have an adjusted gross income in each of the previous two years that is less than \$250,000, unless at least 75% of the income is derived farming, ranching, or forestry activities, and,
 - 4) Must have been in operation for more than one year.
- **Administrative Costs** – FY 2013-14 costs were \$87,681 for 1.5 FTE positions.
- **Reporting Requirement** – The Soil and Water Conservation Commission shall report by January 31 of each year to the Environmental Review Commission as part of the report required by G.S. 106-850(e).
- **Funding History** –

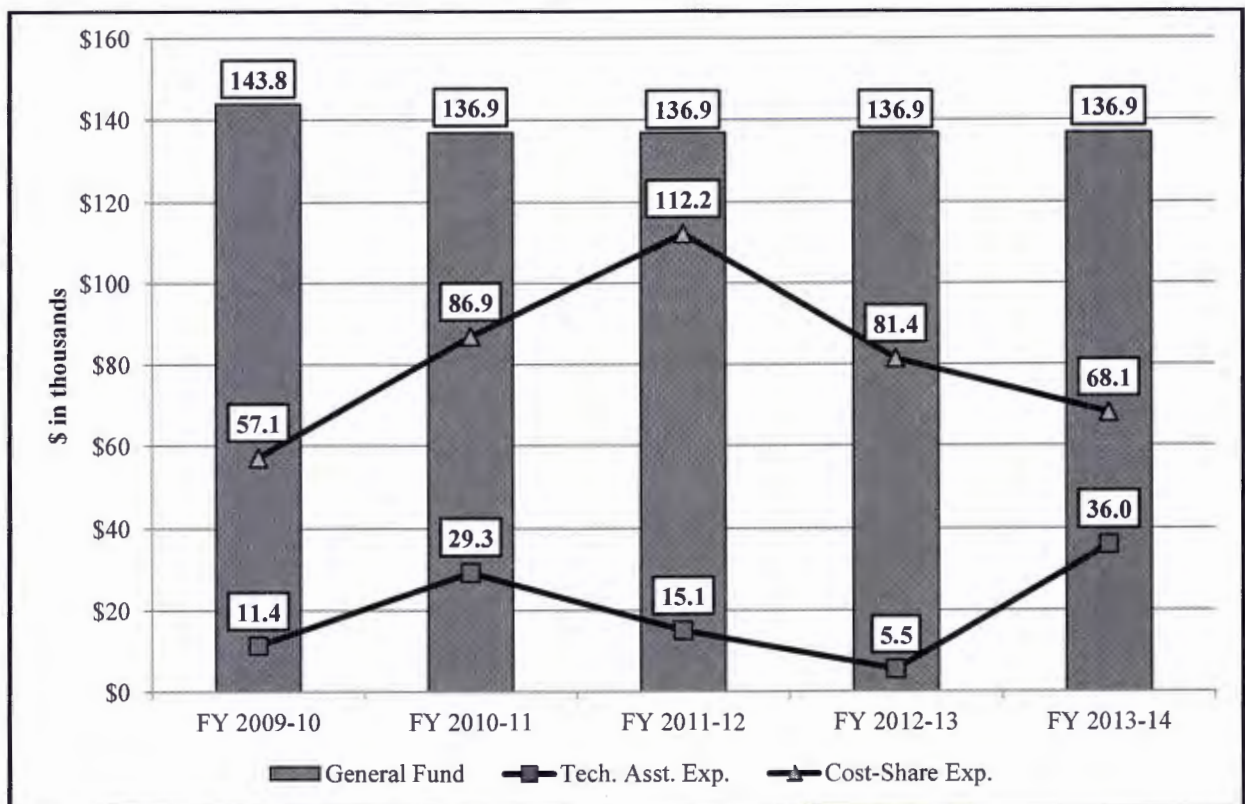


Community Conservation Assistance Program (CCAP)
(<http://www.ncagr.gov/SWC/costshareprograms/CCAP/index.html>)

- **Created** – 2006
- **Statutory Authority** - G.S. 106, Article 73.
- **Purpose** - To reduce the input of nonpoint source pollution into waters of the State. Funds are provided by the Soil and Water Conservation Commission to address nonpoint source pollution associated with urban development.
- **Allocation of Funds** - Funds are provided for:
 - 1) Administration of the program (“Technical Assistance”)
 - 2) Financial support to implement best management practices (“Cost-Share Assistance”)

The Soil and Water Conservation Commission prescribes the funding distribution to local districts. Local districts typically submit funding requests and the Commission allocates funding based on Commission priorities. Current funding allocation formula is specified in 02NCAC 59H.0103.
- **Eligibility** – Local soil and water conservation districts are the only entities eligible to receive funds from the State. Generally, funding is provided to individuals and organizations from their local districts to address water quality concerns associated with development.
- **Grant Cycle** – Local soil and water conservation districts submit their funding requests annually by June 1st. Funding is distributed to local districts during the summer and spring.
- **Governance** – The Soil and Water Conservation Commission governs the program [G.S. 106-841]. The Community Conservation Assistance Program Advisory Committee is tasked to make program recommendations to the Commission. The Advisory Committee’s membership consists of 14 ex-officio members detailed in G.S. 106-860(d).
- **Source of Funding** – Funding has historically been provided from General Fund appropriations, EPA 319 grants, and the Clean Water Management Trust Fund.
- **Grant Demand** –
 - Cost-Share Assistance - Over the three most recent fiscal years, an average of 71.7 districts requested an annual average of \$2 million. While all received funding, the actual average disbursed was \$107,527.
 - Technical Assistance – Over the three most recent fiscal years, an average of 30 districts requested an annual average of \$210,391. However, 2 local districts received an annual average of \$24,268.

- **Range of Grant Awards** – In FY 2013-14, technical assistance funding to local districts ranged from \$0 to \$12,570. Cost-share assistance funding to local districts ranged from \$0 to \$4,525.
- **Grant Terms** –
 - 1) Applicants must have a documented water quality problem that can be addressed with the best management practices planned in the contract,
 - 2) Single-family dwelling's certificate of occupancy must have been issued at least three years prior to application,
 - 3) Property must have been developed for three years or more and released from its sedimentation/erosion control plan, and,
 - 4) Applicant must maintain conservation practice for the length of time specified in the contract.
- **Administrative Costs** – FY 2013-14 administrative costs were \$63,957 with 1 FTE position.
- **Reporting Requirement** – The Soil and Water Conservation Commission shall report by January 31 of each year to the Environmental Review Commission, the Department of Agriculture and Consumer Services, and the Fiscal Research Division.
- **Funding History** –

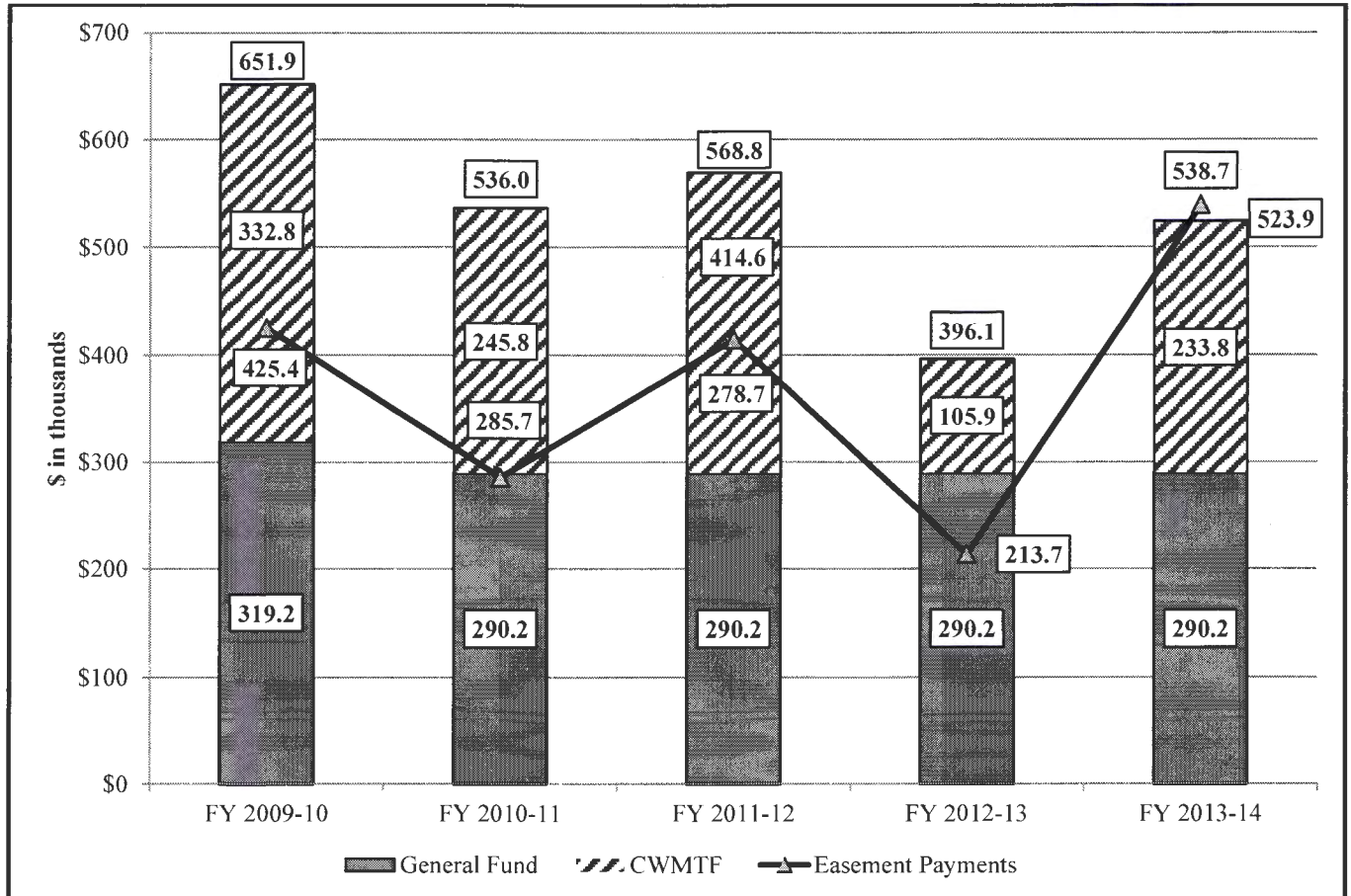


Conservation Reserve Enhancement Program (CREP)
(<http://www.ncagr.gov/SWC/costshareprograms/CREP/index.html>)

- **Created** – 1999
- **Statutory Authority** – N/A
- **Purpose** - To address water quality concerns in nine river basins: Neuse, Tar-Pamlico, Chowan, White Oak, Lumber, Cape Fear, Yadkin-PeeDee, Roanoke, and Pasquotank.
- **Allocation of Funds** – Costs of the program are split between the USDA and the State. The USDA covers approximately 80% of the program costs and the State provides the remaining 20% match. Most of the State match is provided to enroll property in a 30-year or perpetual easements.
- **Eligibility** – Landowner must have owned or operated land for a minimum of 12-months prior to enrollment. Cropland must have been planted with an agricultural commodity during 4 of 6 years between 2002-2007. Pastureland is only eligible for riparian buffers.
- **Grant Cycle** – Applications are received throughout the year in coordination with the USDA-FSA Conservation Reserve Program (CRP). Payments are made to the landowner throughout the term of the easement.
- **Governance** – The Soil and Water Conservation Commission governs the State portion of the program. The USDA-FSA is responsible for determining eligibility, enrollment, and the federal portion of easement payments.
- **Source of Funding** – General Fund appropriations and the Clean Water Management Trust Fund.
- **Grant Demand** – Over the most recent three year period, the program received an annual average of 12 new applications requesting an average total of \$219,341. The average number of easements processed and amount funded over the same time period totaled 13.3 and \$388,991 respectively.
- **Range of Grant Awards** – Easement payments ranged from \$957 to \$358,000 in FY 2013-14.
- **Grant Terms** – Landowner and land must meet eligibility requirements per USDA-FSA. The site must be determined suitable for proposed conservation practice according to USDA-NRCS standards.
- **Administrative Costs** – FY 2013-14 administrative costs were \$481,933 for 7.2 FTE positions. These costs count toward the State's 20% match requirement.

- **Reporting Requirement** – No report is due to the General Assembly. An annual report is submitted to the USDA pursuant to CREP agreement.

- **Funding History –**



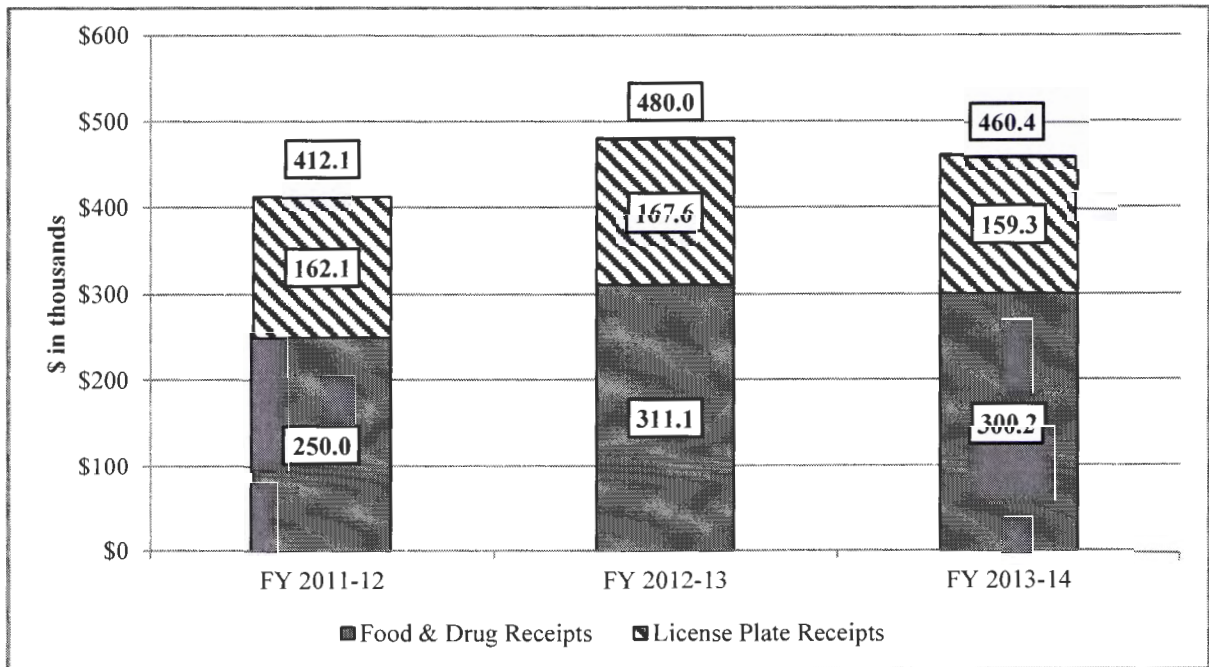
Spay and Neuter Program (www.ncspayneuter.com)

- **Created** – 2001
- **Statutory Authority** - G.S. 19A, Article 5
- **Purpose** - To foster the spaying and neutering of dogs and cats for the purpose of reducing the population of unwanted animals in the State.
- **Allocation of Funds** - Funds may be used to:
 - 1) Develop and implement the statewide education program component of the Spay/Neuter Program (up to 20%)
 - 2) Administrative expenses (up to 20%)
 - 3) Reimburse local governments for reduced-cost spay/neuter programs

Reimbursement amounts per operation are limited based on population served and average cost of operation from the previous year. Also, for the funds available to local governments, one-half of the funds are reserved for Tier 1 counties.

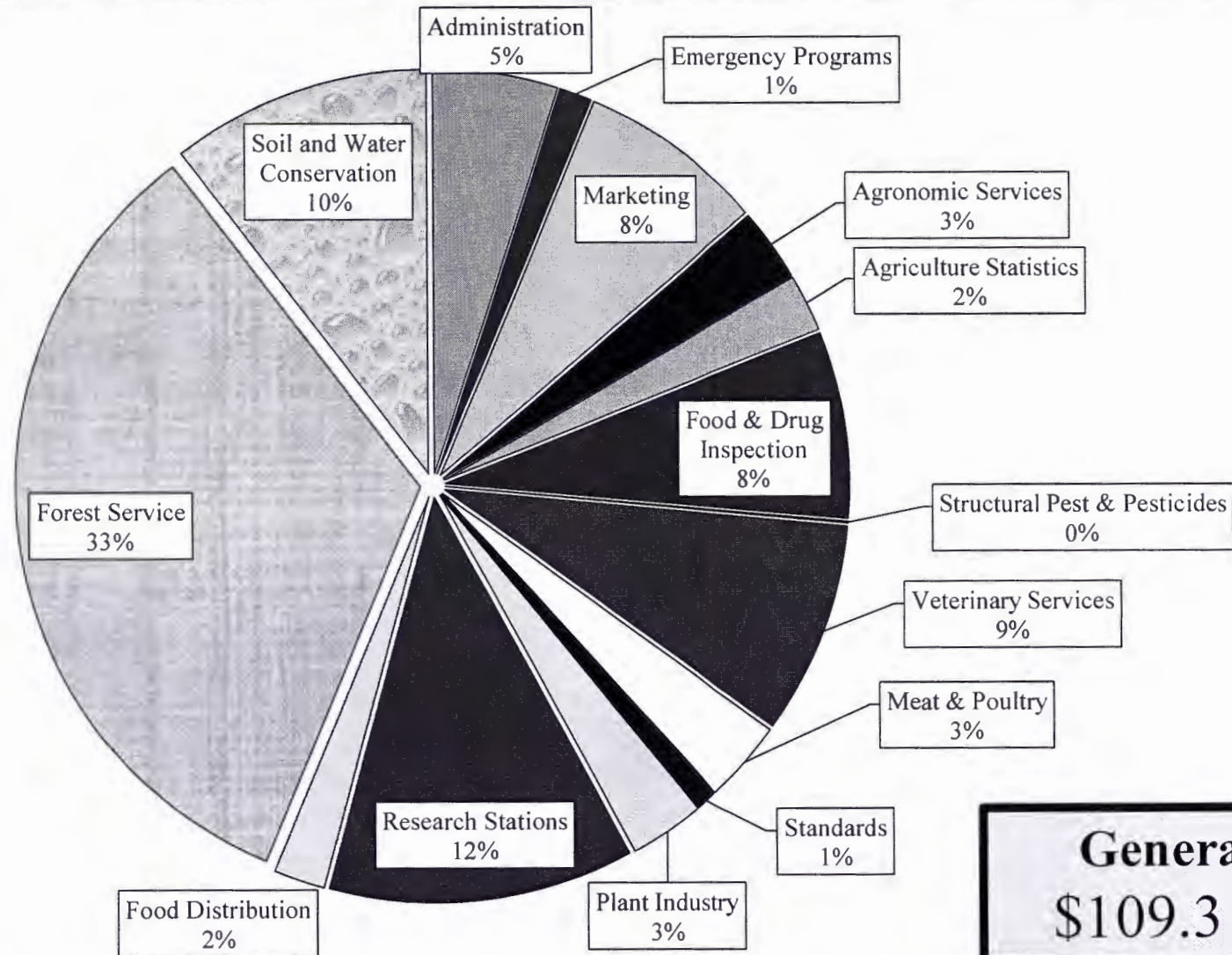
- **Eligibility** – Counties and municipalities operating a low-cost spay/neuter program in compliance with G.S. 19A-63 are eligible to receive reimbursement funding from the program.
- **Grant Cycle** – Reimbursements to local governments are distributed quarterly. Reimbursement requests must be submitted to the Department by the last day of the month following the last month of the quarter.
- **Governance** – Department staff review and award reimbursement requests.
- **Source of Funding** – Funding is primarily provided from over realized receipts from the Department's Food and Drug Division and revenue generated from specialty license plate sales. The program also received a portion of rabies tag revenues prior to being transferred to the Department of Agriculture and Consumer Services in FY 2010-11 from the Department of Health and Human Services.
- **Grant Demand** – Over the past three years, an annual average of 37 local governments have requested an average total of \$706,945. While all local governments received funding, the annual average amount reimbursed was \$465,072.
- **Range of Grant Awards** – Depends on the local governments' tier status and the number and type of procedures performed. Grants ranged from \$167 to \$60,073 in CY 2012-13.

- **Grant Terms** – The program administered by the local government must be in compliance with the requirements detailed in G.S. 19A-63. Funding is only provided on a reimbursement basis and no advance grants are available.
- **Administrative Costs** – The program has one FTE with CY 2013 administration costs totaling \$49,982. The educational requirement specified in statute cost an additional \$3,867.
- **Reporting Requirement** – Report due in February of each year to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.
- **Funding History** –





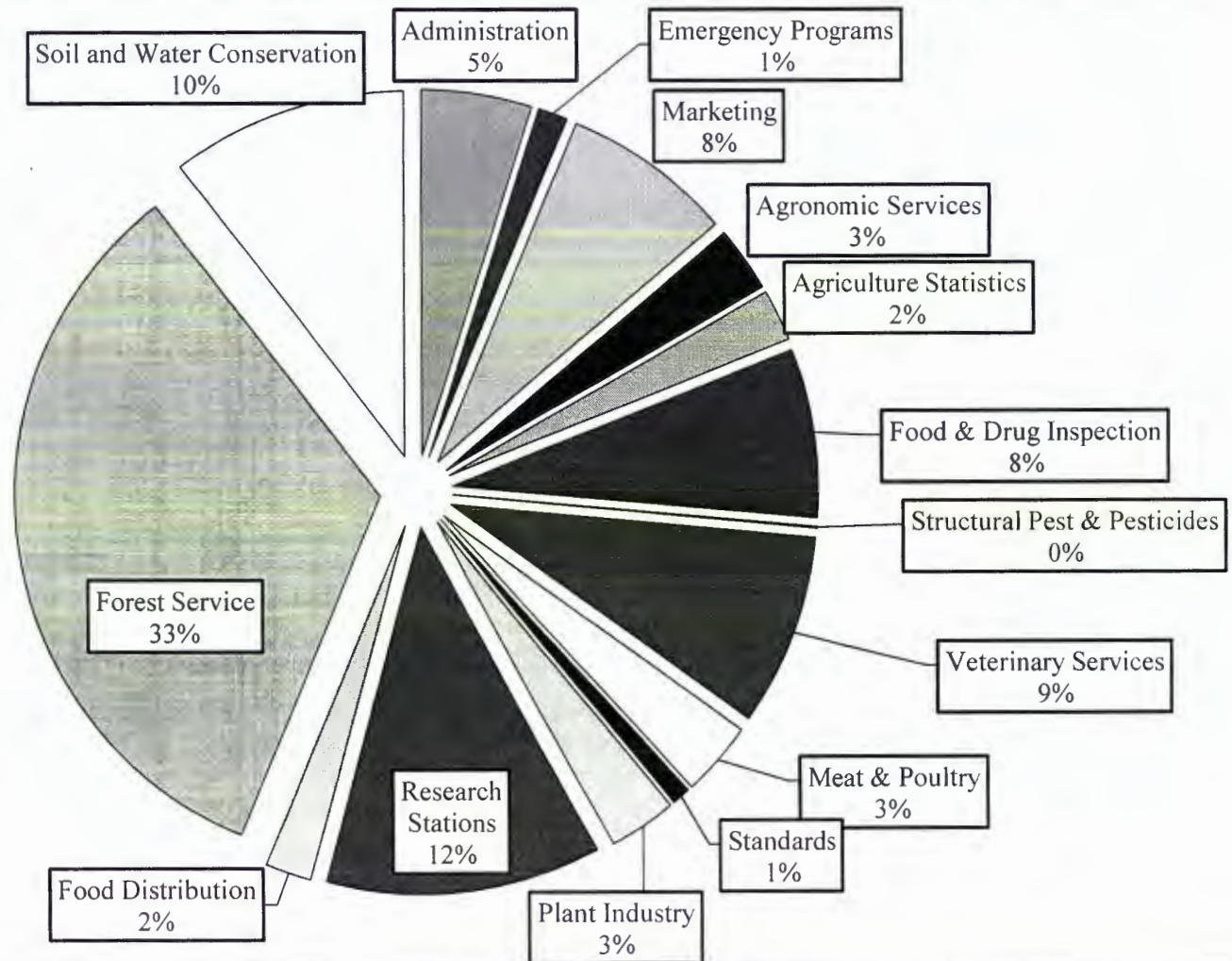
FY 2013-14 General Fund Appropriation



General Fund
\$109.3 million

Position Counts

Total FTEs
1,836



Nancy Fox (Rep. Pat McElraft)

From: Michael Wiggins (Rep. Jimmy Dixon)
Sent: Thursday, March 19, 2015 01:07 PM
To: Michael Wiggins (Rep. Jimmy Dixon)
Subject: <NCGA> House Appropriations, Agriculture and Natural and Economic Resources Committee Meeting Notice for Wednesday, March 25, 2015 at 8:30 AM (Joint)
Attachments: Add Meeting to Calendar_LINC_.ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Wednesday, March 25, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: Senate Presiding

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:05 PM on Thursday, March 19, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Michael Wiggins (Committee Assistant)



Nancy Fox (Rep. Pat McElraft)

From: Michael Wiggins (Rep. Jimmy Dixon)
Sent: Wednesday, March 25, 2015 01:33 PM
To: Michael Wiggins (Rep. Jimmy Dixon)
Subject: <NCGA> House Appropriations, Agriculture and Natural and Economic Resources
Committee Meeting Notice for Thursday, March 26, 2015 at 8:30 AM - CORRECTED #1
Attachments: Add Meeting to Calendar_LINC_ics

Corrected #1: House Members Only

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet as follows:

DAY & DATE: Thursday, March 26, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: Presiding: Rep. McElraft
Topic: NCDENR- Division of Water Infrastructure

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:31 PM on Wednesday, March 25, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Michael Wiggins (Committee Assistant)



House Committee on Appropriations, Agriculture and Natural and Economic Resources
Thursday, March 26, 2015 at 8:30 AM
Room 421 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on March 26, 2015 in Room 421 of the Legislative Office Building. Representatives Dixon, Langdon, McElraft, Millis, Presnell, Richardson, B. Turner, West, and Yarborough attended.

Senate was not present.

Representative Pat McElraft, Chair, presided.

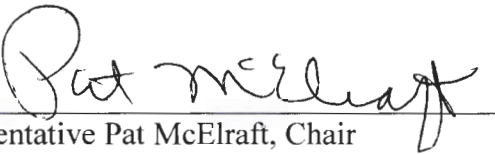
The meeting was called to order and the Chair welcomes everyone and thanked the staff, pages, and sergeant-at-arms for their service.

Jennifer Hoffmann, Fiscal Research Division, was recognized to give an overview of the Division of Water Infrastructure including the background and Legislative actions.
(See Attachment # 1)

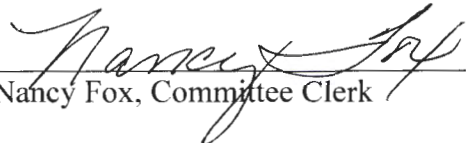
The Chair introduced Kim Colson, Division Director of the Department of Environment and Natural Resources, to present an outline on the consolidation of funding programs, funding programs for clean water and drinking water, and State Water Infrastructure Authority.
(See Attachment # 2)

Committee Discussion and Comments

The meeting adjourned at 9:25 AM



Representative Pat McElraft, Chair
Presiding



Nancy Fox, Committee Clerk



Joint Appropriations Meeting of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources

Agenda
Thursday, March 26, 2015, 8:30 A.M.
Room 421, Legislative Office Building

Sen. Pat McElraft, Presiding

1. Welcome and Opening Comments

Rep. McElraft

2. Division of Water Infrastructure: Background and Legislative Actions

Jennifer Hoffmann, *Fiscal Research Division*

3. Division of Water Infrastructure Overview and Recommendations

Kim Colson, Division Director
Department of Environment and Natural Resources

4. Questions

5. Adjourn

House Appropriations Committee on ANER

Rep. Dixon (Chair)
Rep. McElraft (Chair)
Rep. West (Chair)
Rep. Catlin (Vice Chair)
Rep. Pierce (Vice Chair)
Reps. Harrison, Langdon, Millis, Presnell,
Richardson, Turner, Wray, and Yarborough

Senate Appropriations Committee on NER

Sen. Brock (Chair)
Sen. Cook (Chair)
Sen. Wade (Chair)
Sens. Alexander, Bryant, Clark, Lowe,
McGinnis, Rabin, Smith



#1

Division of Water Infrastructure & State Water Infrastructure Authority

March 26, 2015



Division of Water Infrastructure

Background:

Created the Division of Water Infrastructure in Section 14.21 of S.L. 2013-360

Transferred:

- DWQ's Wastewater grant and loan programs
 - ✓ Clean Water State Revolving Fund (CWSRF)
 - ✓ Wastewater Reserve (state grants and loans)
- DWR's Water supply grant and loan programs
 - ✓ Drinking Water State Revolving Fund (DWSRF)
 - ✓ Drinking Water Reserve (state grants and loans)
- Commerce's CDBG Infrastructure program

Funding/activities transferred:

- CWMTF's water and wastewater functions
- Infrastructure funding for Rural Economic Dev. Center



State Water Infrastructure Authority

Background:

1. Created State Water Infrastructure Authority (SWIA)
 - 9 members
 - 3 ex-officio;
 - 2 Gov, 2 PPT, 2 Speaker (w/subject matter expertise)
2. Duties include but are not limited to:
 - Establishing priorities for making loans and grants
 - Making funding decisions
 - Developing a master plan that meets the State's water infrastructure needs
3. Report: Due by November 1 each year

Division of Water Infrastructure

Funding:

1. Recurring GF appropriation \$4mil (FY 2014) and \$5.5mil (FY 2015):
 - Division Director
 - Water/Sewer database
 - Grant funds for existing water and wastewater grant programs established in Chapter 159G: ("At least" \$3.5mil & \$5mil of total \$)
 - High Unit Cost (HUC) Grants
 - Technical Assistance Grants
2. Community Development Block Grant (CDBG) - Infrastructure Funds
 - \$25.8 mil federal for critical public water and wastewater projects
3. State GF match for federal revolving loan funds (\$5 federal to \$1 state)
 - CWSRF: \$4.9 million (FY 2014) and \$5 million (FY 2015)
 - DWSRF: \$1.2 million (FY 2104) and \$4.98 million (FY 2015)

Water Infrastructure Funding

Programs/Funds Administered by the Division of Water Infrastructure

	FY 2013-14	FY 2014-15
Clean Water State Revolving Fund *	\$28,915,200	\$30,364,800
Drinking Water State Revolving Fund *	\$26,500,800	\$24,834,000
CDBG - Infrastructure	\$25,837,500	\$25,837,500
General Fund Grants	\$3,500,000	\$5,000,000
Total "New" Funding Available **	\$84,753,500	\$86,036,300

*The federal government provides \$5 in funds for every \$1 in state matching funds.

**Does not include loan repayments in State Revolving Funds

Water Infrastructure



NC Division of
Water Infrastructure

Kim H. Colson, P.E., Director
Division of Water Infrastructure

Outline

- Consolidation of funding programs
- Funding programs
 - Clean Water and Drinking Water SRFs
 - CDBG-I
 - State grants
- State Water Infrastructure Authority
 - Activities
 - Annual Report

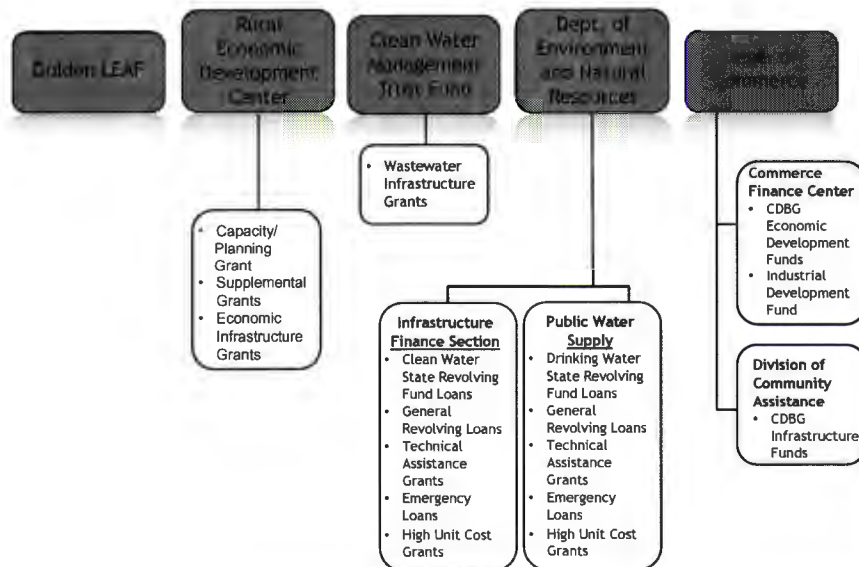


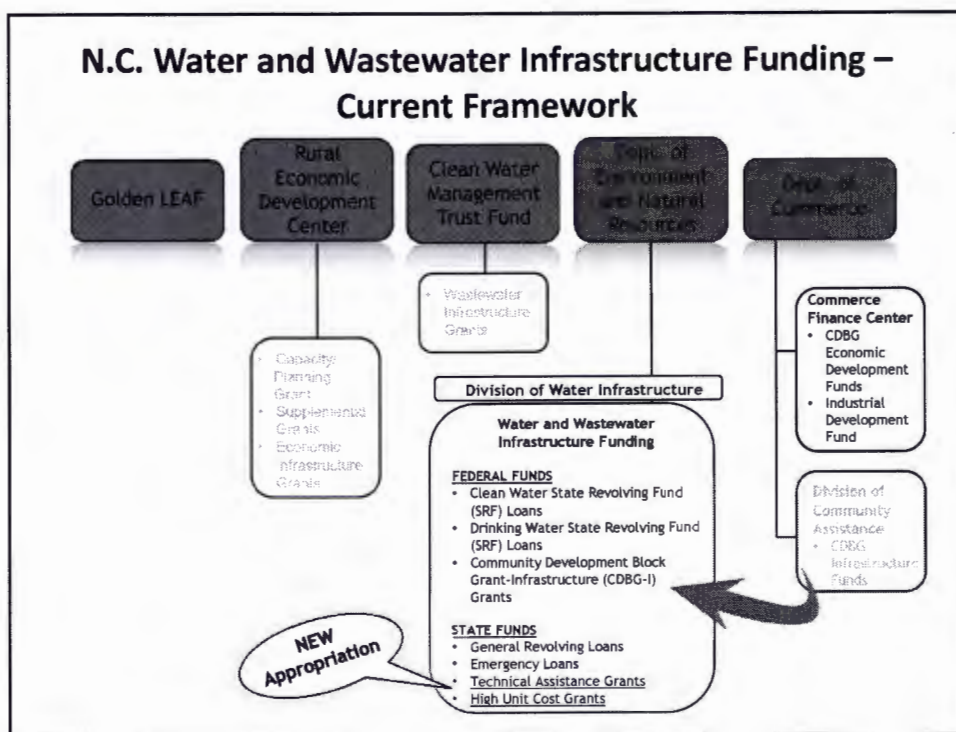
Session Law 2013-360 (Budget)

- Created Division of Water Infrastructure
- Consolidated Water Infrastructure Funding
 - SRFs (Drinking Water and Clean Water)
 - CDBG-Infrastructure
 - State Programs
- Created State Water Infrastructure Authority (Authority)



N.C. Water and Wastewater Infrastructure Funding – Prior to 2013 Budget Bill





Funding Programs

- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- Community Development Block Grant
- State Reserves
 - Drinking water / wastewater
 - Grants / loans



Funding Programs

- Priority systems (general)
 - Rehabilitation projects higher priority
 - Economic status
 - System management
 - Doesn't exclude other projects
- No ready-to-proceed requirements
- Two years to enter construction contract
 - 159G-41



Funding Programs

- Outreach
- Training for funding applications
 - Usually one event with multiple programs
- I'm-funded; now-what? training
 - A walk through the 2-year funding process
- One-on-one meetings



Funding Programs

- **Clean Water State Revolving Fund**
- Drinking Water State Revolving Fund
- Community Development Block Grant
- State Reserves
 - Drinking water / wastewater
 - Grants / loans



Clean Water State Revolving Fund

- Federal / state low-interest loan program
 - Replaced the federal construction grants program
 - Capitalized since 1989
 - 20% state match
 - NC allocation is +/- 1.8%
- \$100+ million / year
 - Most is revolving funds
- CW Needs Survey - \$6 billion for NC



Clean Water State Revolving Fund

- To accomplish the objectives, goals, and policies of the Clean Water Act
- Eligible activities include:
 - Collection and treatment of wastewater
 - Stormwater
 - Stream restoration
 - Reclaimed water
- Priority criteria
 - Rehabilitation / upgrades
 - Impaired streams, basin plans

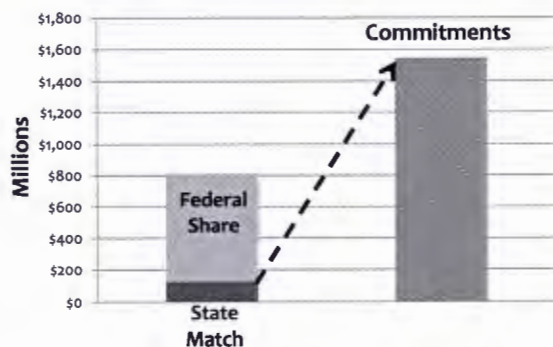


Clean Water State Revolving Fund

- Eligible applicants
 - Local government unit – city, county, w&s district, sanitary district, etc.
 - Nonprofit water corporation
- Benefits
 - ½ market rate or 0% loans (159G-40)
 - No interest during construction
 - Principal forgiveness



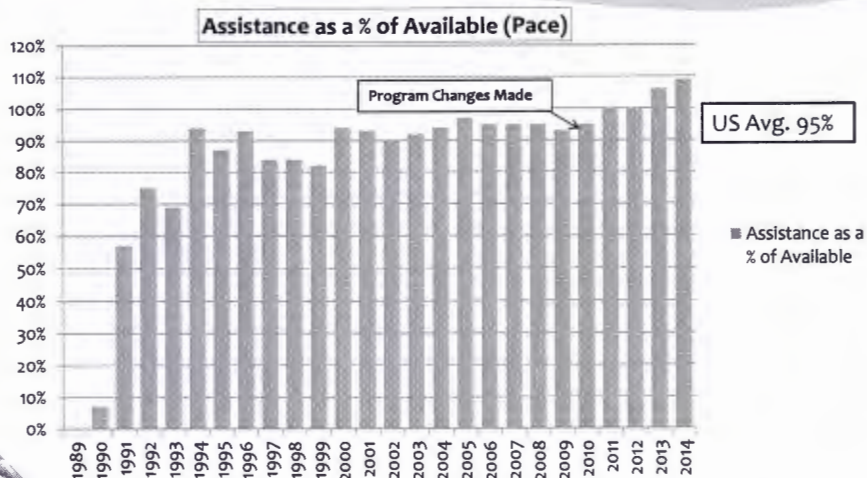
CWSRF Capitalization and Match



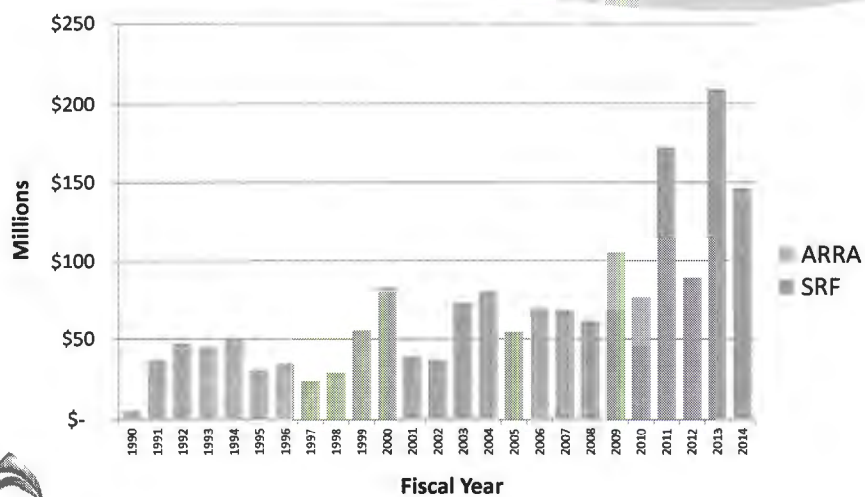
\$123 million in state match resulted in \$1.5 billion in commitments over the life of CWSRF in NC



CWSRF Pace



CWSRF Commitments



CWSRF Amendments

- Davis Bacon; American Iron and Steel
 - Current year-to-year requirement
 - Made permanent
- Brooks Act
- Fiscal sustainability plans
 - Project basis
- EPA required to study allocations

Funding Programs

- Clean Water State Revolving Fund
- **Drinking Water State Revolving Fund**
- Community Development Block Grant
- State Reserves
 - Drinking water / wastewater
 - Grants / loans



Drinking Water State Revolving Fund

- Federal / state low-interest loan program
 - Mirrors CWSRF
 - Capitalized since 1997
 - 20% state match
 - NC allocation is +/- 2.4%
- DW Needs Survey - \$10 billion for NC
- \$50 million / year



Drinking Water State Revolving Fund

- To further the health protection objectives of the Safe Drinking Water Act (SDWA)
- Specific requirements for priority in the SDWA
 - most serious risk to human health;
 - ensure compliance with the requirements of SDWA; and
 - assist systems most in need on a per household basis



Drinking Water State Revolving Fund

- Priority criteria
 - Public health benefits
 - Rehabilitation / upgrades
- Eligible applicants
 - Same as CWSRF plus public utilities
- Benefits
 - Same as CWSRF
- Synchronize with CWSRF program



Funding Programs

- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- **Community Development Block Grant**
- State Reserves
 - Drinking water / wastewater
 - Grants / loans



CDBG - Infrastructure

- Federal grant program
- Non-entitlement communities
 - Excludes 23 larger cities / towns
 - Excludes 3 urban counties
- Units of General Local Governments
 - Cities, towns and counties
 - Does not include sanitary districts, authorities, etc.



CDBG - Infrastructure

- Low – moderate income areas
 - 51% or greater
 - Service area may be entire town or part of town
- Priorities
 - More focus on economic need



CDBG - Infrastructure

- Water and Sewer Infrastructure
 - Increased to approx. \$26 million
 - Administration transferred to DENR
 - 7 positions transferred
- Maximum funding - \$3 million
 - Aligned with state grants (159G-36)



CDBG - Infrastructure

- Program changes
 - Increase training / outreach
 - Engineering reports submitted after funding awarded
 - Environmental documents by grantees
 - Additional methods to determine LMI
 - One public hearing prior to application



Funding Programs

- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- Community Development Block Grant
- **State Reserves**
 - Drinking water / wastewater
 - Grants / loans



State Reserves – Loans

- Wastewater
 - Revolving loans (similar to SRF)
 - Emergency loans
- Drinking water
 - Inactive – funds used for DWSRF match
- Loan limits
 - \$3 million over 3 years (159G-36)
 - Applies to both DW or WW



State Reserves – Grants

- High unit cost grants
 - >1.5% rates/MHI (159G-33, 159G-34)
 - \$3 million maximum over 3 years (159G-36)
- Technical assistance grants
 - resolve noncompliance (159G-33, 159G-34)
 - \$50,000 maximum over 3 years (159G-36)



State Reserves – SL 2013-360

- SFY 2014-15 - \$5 million (recurring) – critical needs grants
- Authority – “determine the distribution of funds between” water and wastewater projects
- Tier 1 and 2 counties



State Water Infrastructure Authority

- 9 member authority
 - 2 appointed by Governor
 - 2 appointed by Senate
 - 2 appointed by House
 - 3 ex officio
- Qualifications provided in 159G-70



Authority's Powers and Duties

- Defined at NCGS 159G-71
- 12 duties in 4 broad categories
 1. Distribute loan and grant funding
 2. Define water infrastructure needs and funding sources
 3. Assess best and emerging practices in utility planning
 4. Assess need for "troubled systems" protocol



Authority's Annual Report

- November each year
 - 2014 – first report
- Purpose
 - Overview of Authority's activities to date
 - Summarize concerns and issues regarding NC's water infrastructure & available funding
 - Provide recommendations to address some of those issues



Overview of Authority's Activities

- Required to have 4 meetings / year
 - In 2014, 10 meetings were held
- Approved funding for 95 projects for \$226 M
 - \$91.5 M in CWSRF loans
 - \$105 M in DWSRF loans
 - \$26 M in CDBG-I grants
 - \$3.5 M in state grants



Overview of Authority's Activities

- Presentations and discussions
 - "Troubled systems"
 - Recent infrastructure master plans
 - Asset management
 - Public-private partnerships



Concerns and Issues Identified

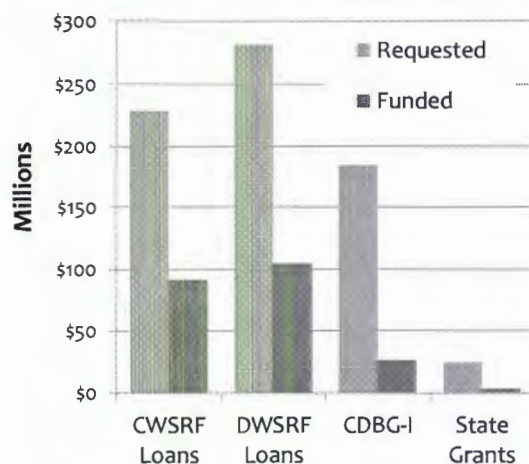
- Significant demand for funding
- State grant funds may not be available to some of the targeted communities
- Proactive system management and financing should be encouraged
- The Division's and the Authority's application review priorities should be consistent



Significant Funding Demand Exists

Issue

Requests for funding will likely continue to outpace the availability of both loan and grant funds across all programs (328 requests for \$719 M)



State Grant Funding to Targeted Communities

- Current legislation
 - Requires state reserve grant funds targeted to “rural, economically distressed” communities
- Defined as only in Tier 1 and 2 counties, and
 - SL 2013-360
- Based on % MHI spent on water/sewer
 - 159G-33, 159G-34



State Grant Funding to Targeted Communities

Issue

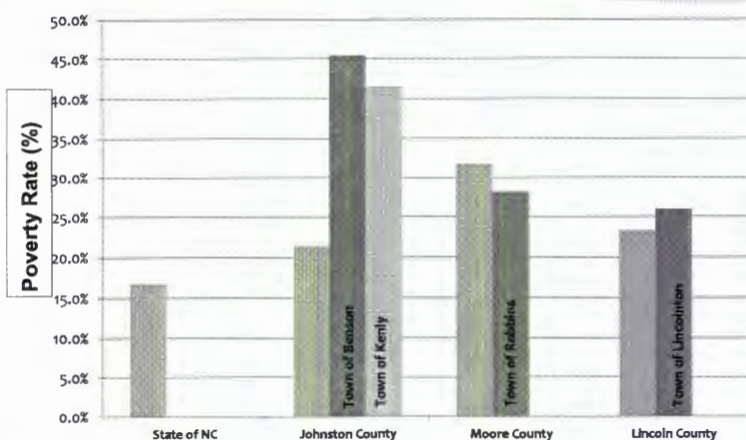
County tier and amount spent on water/sewer may not accurately represent the economic conditions in rural communities

Recommendation

Base applicant eligibility on affordability using factors such as poverty rates, unemployment, population, water/sewer rates and/or others



Communities Within Tier 3 Counties



Broaden Use of State Grant Funds

Issue

Grants are not available for any proactive activities such as ways to assist utilities to become more self-sufficient and avoid future/continued reliance on grant funds

Recommendation

Broaden the use of grant funds to provide incentives to encourage utilities to become more proactive in the management and financing of their systems



Broaden Use of State Grant Funds

- Currently only Technical Assistance Grants are available
 - Studies/analyses to determine how to correct violations
- Look at proactive grants
 - Asset inventory and assessment
 - Consolidation studies



Align Priority Statutes

- 159G-71 assigns priority determination to the Authority
- 159G-23 requires the use of the common criteria by the Division
- Change 159G-23 to considerations
 - Allows Division to operate in concert with Authority



Contact Information

Division of Water Infrastructure

Homepage: go.ncdenr.gov/wi

Phone: 919-707-9160

Kim H. Colson, P.E.

919-707-9177

kim.colson@ncdenr.gov



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-26-2015

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tom Bean	EDF
Francine Durso	DENR - DWI
Seth Robertson	DENR - DWI
Julie Haiger Cubeta	DENR - DWI
Steve Simon	Shawnee Science Museum
Shannan Hobby	Commerce
Jennifer Mangwood	NC DOL
Sarah Kuonza	NC DOL
Tom Goffe	Rep. Langdon.
Matthew Dockham	NC DENR
Kim Colson	"



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-26-15

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Joy Hiles

NZDA²CS

Doug Lassiter

NCS + A

Teray Schill

NCFR

Chaitom

Cor. Office

Bre Wager

NCEL

Lexi Morgan

NCRMA



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

3-26-15

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Brook K. TT

NC DENR

Rob Lamm

PLN

Alice Miller

NC Doe

Will Morgan

TNC



Thursday, March 26
APPROPRIATIONS
AG & NER

Room
421

Time
8:30 am

<u>Name</u>	<u>County</u>	<u>Sponsor</u>
Christian Judkins	Wake	Yvonne Lewis Holley
Nia Judkins	Wake	Yvonne Lewis Holley
Evan King	Wake	Darren G. Jackson



Committee Sergeants at Arms

NAME OF COMMITTEE AG/NER

DATE: 3-26-15 Room: 421

House Sgt-At Arms:

1. Name: BILL BASS
2. Name: JOHN BRANDON
3. Name: MARK CONE
4. Name: _____
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____



Nancy Fox (Rep. Pat McElraft)

Subject:

FW: <NCGA> House Appropriations, Agriculture and Natural and Economic Resources
Committee Meeting Notice for Wednesday, April 01, 2015 at 9:00 AM - CORRECTED #1
(Joint)

Attachments:

Add Meeting to Calendar_LINC_.ics

Corrected #1: Time Change

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Wednesday, April 1, 2015
TIME: 9:00 AM
LOCATION: 421 LOB
COMMENTS: House Presiding, Rep. Roger West
Topic: Division of Waste Management

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 10:25 AM on Tuesday, March 31, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Wednesday, April 1, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Presiding, Rep. Roger West
Topic: Division of Waste Management

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:16 PM on Thursday, March 26, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Joint Committee on Appropriations, Agriculture and Natural and Economic Resources
Wednesday, April 1, 2015 at 9:00 AM
Room 421 of the Legislative Office Building

MINUTES

The Joint Committee on Appropriations, Agriculture and Natural and Economic Resources met at 9:02 AM on April 1, 2015 in Room 421 of the Legislative Office Building. Representatives Dixon, McElraft, Millis, Pierce, Presnell, Richardson, B. Turner, West, and Yarborough attended. Senators Brock, Cook, Wade, Alexander Jr., Clark, McInnis, Jane Smith, Lowe attended.

Representative Jimmy Dixon, Chair, presided.

The following bills were considered: None//Topics for Discussion: 1.Division of Waste Management (Budget).

2. Division of Waste Management Programs

Rep. Dixon calls on Jennifer Hoffman from Fiscal Research to go over the Budget Portion of discussion.

Rep. Dixon welcomes committee and then acknowledges our Sgt at Arms and Paige's who are assisting us today. See Attach # 1&2 list

Rep. Dixon calls on Jennifer Hoffman from Fiscal Research to go over the Budget Portion of discussion.

Jennifer review the Budget for the Division of Waste Management and this overview is found in Attach # 3. (Purpose, Funding, Sections, Expenses,) Governor's recommended budget .

Rep. Dixon ask if there are questions , there were none.

Rep. Dixon turns time over to Linda Culpepper Division Director for Waste Management within the Department of DENR.

Linda, discusses the programs within the division and the core program areas,(Hazardous Waste, Solid Waste, Underground Storage Tanks, Superfund and Brownfields Redevelopment. See Attachments 4-6 for this.

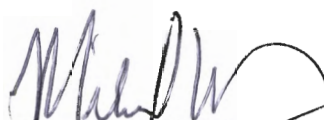
After Linda's presentation and Q & A

Rep. Dixon makes closing comment and asks for final questions or comments. There were none

The meeting adjourned at 9:59 am.



Representative Jimmy Dixon, Chair
Presiding



Michael Wiggins, Committee Clerk



**Joint Appropriations Meeting of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Agenda

Wednesday, April 1, 2015, 9:00 A.M.
Room 421, Legislative Office Building

J. Dixon
Rep. ~~Roger~~ West, Presiding

1. Welcome and Opening Comments

Rep. West

2. Division of Waste Management: Budget

Jennifer Hoffmann, *Fiscal Research Division*

3. Division of Waste Management: Programs

Linda Culpepper, Division Director
Department of Environment and Natural Resources

4. Questions

5. Adjourn

House Appropriations Committee on ANER

Rep. Dixon (Chair)
Rep. McElraft (Chair)
Rep. West (Chair)
Rep. Catlin (Vice Chair)
Rep. Pierce (Vice Chair)
Reps. Harrison, Langdon, Millis, Presnell,
Richardson, Turner, Wray, and Yarborough

Senate Appropriations Committee on NER

Sen. Brock (Chair)
Sen. Cook (Chair)
Sen. Wade (Chair)
Sens. Alexander, Bryant, Clark, Lowe,
McGinnis, Rabin, Smith



Attach #1

Committee Sergeants at Arms

NAME OF COMMITTEE AG/NER

DATE: 4-01-15 Room: 421

House Sgt-At Arms:

1. Name: BILL BASS
2. Name: JOHN BRANDON
3. Name: MARK CONE
4. Name: _____
5. Name: _____

Senate Sgt-At Arms:

1. Name: CANTON Lewis
2. Name: STEVE MCKAIG
3. Name: _____
4. Name: _____
5. Name: _____



SENATE PAGES ATTENDING

Attach #2

COMMITTEE: Joint App. Nat. & Econ. Resour. ROOM: 421
 DATE: 4-1 TIME: 9 AM

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!....or else!

SENATE	Page Name	Hometown	Sponsoring Senator
1.	Drew West	Candler	Aradaca
2.	Martha Bland	Fayetteville	Meredith
3.	Adelle Patten	Concord	Berger
4.	Hannah Ross Patten	Concord	Hartsell
5.	William Buffkin	King	Krawiec
6.	HOUSE		
7.	Korie Dean	Orange County	Brian Turner
8.	Maddie Dyson	Davidson County	John Faircloth
9.			
10.			

Do not add names below the grid.

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

4/1/15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

A.B. Swindell IV	Waste Industries
Dave Home	Smith Anderson
Alex Bowen	CCS
Henry Huttaff	N.C.B.A
Butch Gurnells	NC Bev
Amy McConkey	NC Bev
Doug Lasting	NCSTA
Phil Carter	WASTE INDUSTRIES / CHARLOTTE
Allen Hardison	CRSMA
Kara Weishaar	SA
JERRY SCHILL	NCTA



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

4-1-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

BRIAN KNOTT	DENR
Leslie Aycock	DENR
Linda Culperpe	NCDENR
Chris Anderson	
Austin Pruitt	Perkinson Law
Sarah Kance	NCDOL
MIKE MANN	CSC



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

4/1/15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jackson James	LES
Tom Goffe	Rep. J. H. Langdon, Jr.
Mia Bailey	Electn Cities
Dan Crawford	NCLCV
Jennifer Haignwood	
Josh Ehrich	JDA
Kelly Houston	AEI, LLC
RAY HOFFMAN	Republic Services
Matthew Dahlen	NC DENR
Matthew Cobb	Senate Intern
Steve Sami	Stamway Science Museum



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

4-1-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Joy Hilder	NZDACS
Walter J. Hilder	Ward & Co. Inc.
Clara Townsend	Gov Office
Bob Lamm	REA
Carr McLamb	Troctman Siders
Jean McFarrell	
Susan Vick	Duke Energy



ATTACH # 3

Budget Overview of the Division of Waste Management

April 1, 2015



DWM Purpose

To protect public health and the environment by preventing the release of harmful waste and cleaning up existing contamination

DWM Sections

- Solid Waste Management
- Underground Storage Tanks
- Superfund
- Brownfields
- Hazardous Waste

DWM Expenditures

	2012-13 Actual	2013-14 Actual	2014-15 Authorized	2015-16 Continuation	2016-17 Continuation
Expenditures	\$76,591,639	\$76,504,791	\$108,091,248	\$102,395,029	\$102,395,029
Less Receipts	\$65,514,412	\$62,238,254	\$67,080,181	\$60,886,316	\$60,886,316
Cash Balance +/-	(\$2,320,045)	(\$5,668,075)	(\$32,622,299)	(\$32,622,299)	(\$32,622,299)
Appropriations	8,757,182	8,598,462	8,388,768	8,386,414	8,386,414
Positions	291.00	279.03	280.00	280.00	280.00

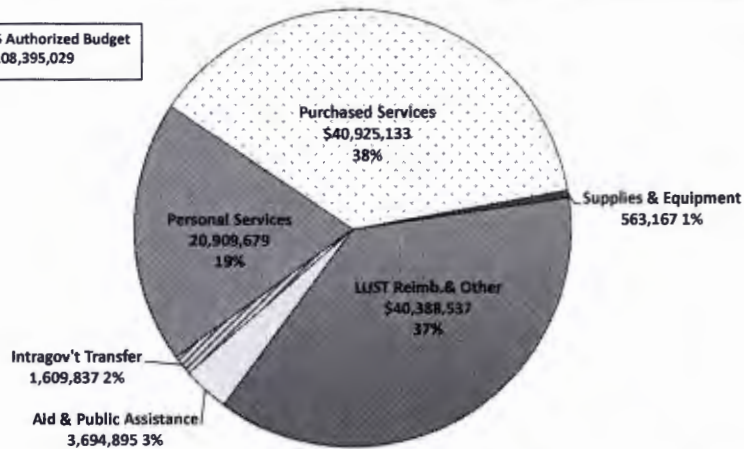
Notes:

Includes DWM's fund codes in the following budget codes: 14300, 24300, 24306, 24317, 24318, 64303, 64305.

Removes most transfers between funds to avoid double counting.

DWM Budgeted Expenses

FY 2014-15 Authorized Budget
\$108,395,029

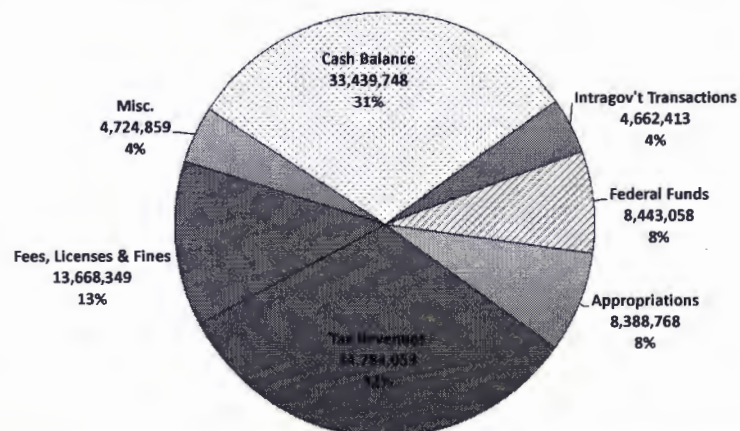


FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

5

April 1, 2015

DWM Funding Sources



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

6

April 1, 2015

Governor's Recommended Budget Actions

- Eliminates an Environmental Specialist in the Solid Waste Section and reduces legal service line-item.
 - Total Reduction = (\$82,259)
- Reduces scrap tire grants available to local governments.
 - Total Reduction = (\$92,742)

Recent General Assembly Budget Actions

	R	NR	Positions
FY 2014-15			
Reduce Solid Waste Section Operating Funds	\$ (23,606)		
Replace GFS with SW Disposal Tax Proceeds	\$ (500,000)		
Redirect Interest Earnings from Special Funds to GF	\$ (427,265)		
Noncommercial Leaking UST Fund	\$ 3,417,105		
FY 2013-14			
Inactive Hazardous Waste Sites	\$ 250,000		2.00 FTE
Noncommercial Leaking UST Fund		\$ 3,500,000	
Scrap Tire Program	\$ 500,000		1.00 FTE
Bernard Allen Emerg. Drinking Water Fund	\$ 400,000		
Inactive Hazardous Sites Cleanup Fund	\$ 400,000		
Text Site Contamination		\$ 50,000	
FY 2012-13			
Noncommercial Leaking UST Fund		\$ 4,883,796	
FY 2011-12			
Reduce Division Operating Budget	\$ (23,819)		
6 Positions Eliminated & 1.9 Shifted to Receipts	\$ (546,642)		-7.90 FTE

Key Budget Takeaways

- Waste management budget largely receipt supported
- Receipts come from a variety of sources
- Budgeted expenditures depend on cash balances

Questions

Jennifer Hoffmann
jenniferhof@ncleg.net
919-733-4910

Division of Waste Management

Mission: to prevent harmful releases of waste to the environment, and clean up existing contamination.

Appropriations on NER

April 1, 2015



Core Program Areas

- Hazardous Waste
- Solid Waste
- Underground Storage Tanks
Petroleum releases above/below ground
- Superfund
- Brownfields Redevelopment



Hazardous Waste Program

- Ensures the safe management of hazardous industrial waste by implementing federal regulations adopted under the Resource Conservation and Recovery Act and state requirements.
- Authorized to implement the federal program (1980).



Hazardous Waste Program Special Funds

(As of December 31, 2014)

<u>Fund Title</u>	<u>Cash Balance</u>
*Hazardous Waste Fees – (2387)	\$ 3,174,674
Mercury Pollution Prevention – (2119) [3.5 FTEs]	\$ 1,921,139
GW Database – (2931) – [used by all sections]	\$ 304,396
Emergency Response – (6373)	\$ 476,483
Rental Towel & Uniform – (6381)	\$ 283,669
Lexington Site RCRA – (2121)	\$ 152,422

*Funds drawn down to General Fund for 20.7 FTEs.



Solid Waste Program

- Regulates safe management of solid waste through guidance, technical assistance, regulations, permitting, environmental monitoring and compliance evaluation.
- Includes composting and land application, coal ash management, medical waste as well as industrial and sanitary waste streams.
- EPA approved program designation (1993).



Solid Waste Program Special Funds

(As of December 31, 2014)

<u>Fund Title</u>	<u>Cash Balance</u>
Septage - (2393) - [3.75 FTEs]	\$156,591
SW Permitting - (2394) - [14.75 FTEs]	\$1,477,494
Electronics - (2395) - [.90 FTEs]	\$908,789
Scrap Tire - (6770)	\$ 3,289,128
White Goods - (6780)	\$ 1,907,483



Underground Storage Tank (UST) Program

- Registers, permits, inspects and collects operating fees for regulated (commercial) underground storage tanks (USTs).
- Oversees cleanups of releases from USTs.
- Manages the resources of the Commercial and the Noncommercial Cleanup Funds.
- Responds to releases of petroleum from other sources.
- Approved program by EPA (2001).



Underground Storage Tank Program Special Funds

(As of December 31, 2014)

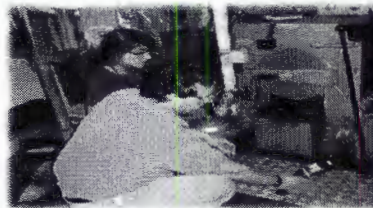
<u>Fund Title</u>	<u>Cash Balance</u>
Mattox Distributing - (2311)	\$ 34,946
Gasoline Cleanup - (2355)	\$ 1,765
Soil Permitting Fee - (2391)	\$ 42,155
*Commercial LUST - (6370)	\$ 37,576,082
Obligation	\$ 40,665,420
*Non-Commercial LUST - (6371)	\$ 310,290
Obligation	\$ 3,534,898

*Funds drawn down to General Fund for 72.05 FTEs



Superfund Program

- **Inactive Hazardous Sites**
Created to protect public health and the environment from releases of uncontrolled and unregulated hazardous substances not addressed by other programs, and to facilitate the cleanup and reuse of sites contaminated by those releases.
- **Special Remediation**
Dry-Cleaning Solvent Cleanup Act Program
Manufactured Gas Plant sites
- **Federal Remediation**
Works with the EPA to investigate and respond at those sites that qualify for cleanup under CERCLA because of the magnitude of their impact, or because they require emergency action. Also works with DOD sites.



Superfund Program Special Funds

(As of December 31, 2014)

<u>Fund Title</u>	<u>Cash Balance</u>
Dry Cleaning - (2127)	\$ 7,196,023
Obligation	\$ 5,717,461
Inactive Hazardous Sites Cleanup - (6372)	\$ 1,281,918
Obligation	\$ 1,208,776
Superfund Cost Share - (6375)	\$ 5,970,332
Obligation	\$ 4,033,539
Unpermitted Landfill (Inactive Sites)	
Tipping Fees -(6379) [10.2 FTEs]	\$ 29,216,283
Obligation	\$ 28,692,775



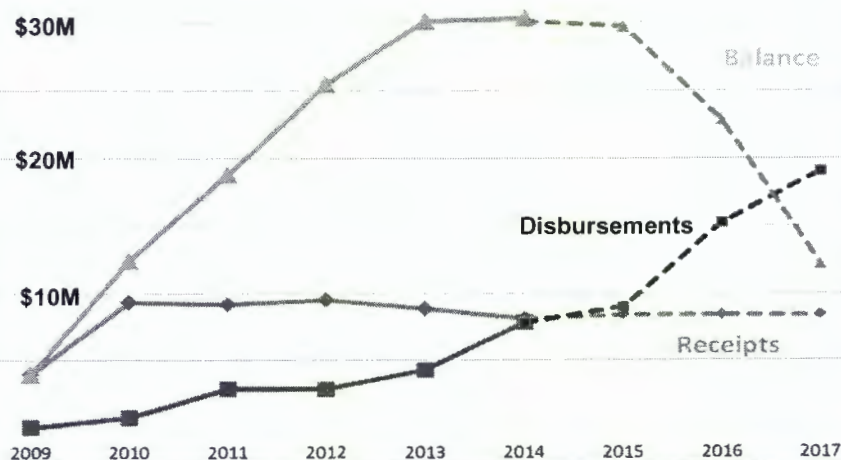
Pre-Regulatory Landfill Fund Obligations

(As of December 31, 2014)

Administrative Obligations	\$ 976,800.00
Remediation Contract Encumbrances	\$ 22,605,975.00
Local Government Obligations	\$ 1,110,000.00
Additional contractor encumbrance 1 st quarter 2015	\$ 4,000,000.00
Total Current Fund Obligations	\$ 28,692,775.00



Pre-Regulatory Landfill Program Fund



Addressing the Hazards at Pre-Regulatory Landfill Sites

- Initial work was started to locate sites and collect data to prioritize all of the properties – work completed.

The contamination must first be defined through a series of sampling events.

A remedy is implemented to address the exposure risks at the highest risk first.

- DENR must work with all the owners of each site to obtain access and to design a remedy compatible with the use of the property.
- Based on inspections conducted, 78% of the sites have been determined to have a water supply source, residence, school, church, day care or park on or within 1000 feet of the landfill.
- In addition to concerns about contaminated groundwater migrating to water supplies, toxic and explosive vapors emanate from contaminated groundwater and waste which can migrate into homes and other buildings.



Pre-Regulatory Landfill Program Current Project Activities

7 program staff	
Staff currently working on 77 sites	
FY13-14 Work Conducted	
1st Phase Assessments Completed (receptor research, geophysical perimeter assessment)	4
Delineation Phase Assessments (can be multiple field events)	8
1st Phase Assessments Ongoing	3
Delineation Phase Assessments Ongoing	45
Remedial Design Ongoing	8
Remedial Action Ongoing	5
Remedial Action Completed	1
New Site Evaluations	2
Homes Provided Alternate Water or Treatment Systems Maintained	21
Number of water supply wells sampled	150







Superfund Program Special Funds (Continued)

(As of December 31, 2014)

Fund Title	Cash Balance
Gresham's Lake Project - (2108)	\$ 31,370
Pillowtex - (2122)	\$ 234,936
Davidson River Village - (2123)	\$ 29,547
SCM Charlotte Site - (2396)	\$ 2,202
Martin Scrap - (6374)	\$ 109,468
Carolina Wood Preserving - (6378)	\$ 87,912
Lyondel - (6383)	\$ 4,104,836
Chemtura - (6384)	\$ 3,766,940
DWM Risk-Based - (6385)	\$ 72,544



Brownfields Program

- Provides a mechanism for treating prospective developers of brownfield sites differently from the parties responsible for contaminating them, to encourage economic redevelopment.
- Authorized by the state's Brownfield Property Reuse Act and funded by EPA grant and State Fees.



Alpha Mills (circa 1888) and chromium electroplater (circa 1955)
Charlotte, NC



Division of Waste Management

<http://portal.ncdenr.org/web/wm/>



ATTACH #5

Orphan Landfill Fund - SB 1492 (Inactive Hazardous Sites Cleanup Fund ¹)						
Fiscal Year	Beginning Cash Balance	Receipts		Expenditures	Encumbrances	Ending Cash Balance
		Tax	Interest/Other			
2007-08						
2008-09	0	3,889,209	15,052	46,846	754,207	3,857,415
2009-10	3,857,415	9,218,602	119,416	749,888	9,751,325	12,445,545
2010-11	12,445,544	9,010,177	165,711	2,846,728	12,392,872	18,774,704
2011-12	18,774,705	9,362,913	158,108	2,824,889	19,916,306	25,470,837
2012-13	25,470,837	8,729,053	121,537	4,273,171	32,525,396	30,048,256
2013-14	30,048,256	7,899,526	137,282	7,837,963	28,732,247	30,247,101
2014-15*	30,247,101	4,379,999	5,679	5,416,494	23,768,211	29,216,284

* As of December 31, 2014

¹ DENR set up a unique fund code (6379), separate from the original Inactive Hazardous Sites Cleanup Fund (6372), to record the receipt and expenditure of solid waste disposal tax to ensure its proper use.

Statutory Authority for Fund: G.S. 130A-310.11

Purpose: Assessment and remediation of pre-1983 landfills, and administrative expenses not to exceed 19%.

Source of Funding: Funds appropriated by the General Assembly, or available to it from grants, taxes and other monies paid to it or recovered by or on behalf of the Department. In 2007, the General Assembly established the solid waste disposal tax (G.S. 105-187.61(a)) set at \$2.00 per ton of waste for disposal and transfer of municipal solid waste and construction and demolition debris, and directed that 50% of tax be credited to the Inactive Hazardous Sites Cleanup Fund for the purpose set out in G.S 130A-295.9(1).

Attachment #6

**Brownfields Property Reuse Act Implementation Account
(64305-6376)**

Fiscal Year	Beginning Cash Balance	Receipts		Expenditures	Encumbrances	Ending Cash Balance
		Fees	Interest/Other			
1997-98						
1998-99	0	3,000	51	0	0	3,051
1999-00	3,051	2,000	0	0	0	5,051
2000-01	5,051	3,000	52	0	0	8,102
2001-02	8,102	6,000	271	0	0	14,374
2002-03	14,374	39,000	609	5,309	0	48,674
2003-04	48,674	46,235	1,812	2,076	8,000	94,645
2004-05	94,645	44,322	3,001	8,010	0	133,958
2005-06	133,958	50,091	5,213	7,854	0	181,408
2006-07	181,408	42,000	7,649	34,399	0	196,658
2007-08	196,658	175,073	12,868	38,879	8,000	345,720
2008-09	345,720	287,599	15,757	287,776	36,649	361,300
2009-10	361,300	184,500	5,398	334,284	9,119	216,913
2010-11	216,913	358,500	32,863	300,039	8,000	308,237
2011-12	308,237	354,500	2,593	301,858	0	363,472
2012-13	363,472	657,124	2,194	386,125	8,000	636,666
2013-14	636,666	498,000	3,338	384,092	0	753,911
2014-15*	753,911	560,500	270	42,790	8,000	1,271,891

* As of December 31, 2014

Statutory Authority for Fund: G.S. 130A-310.38

Purpose: To support the costs of the Brownfields Program which promotes the safe reuse of properties where contamination has impeded redevelopment.

Source of Funding: Potential developers who submit a *proposed* brownfields agreement pay an initial \$2000 fee for review by the Department of Environment and Natural Resources. An additional fee, due in two installments, is due when the prospective developer enters into a brownfields agreement with the Department. The fee is equal to the full cost to DENR and the Department of Justice for of all activities related to the brownfields agreement, including but not limited to negotiation of the brownfields agreement, public notice and community involvement, and monitoring the implementation of the brownfields agreement

Positions: Four positions are supported from the fees deposited in this fund. (Source: Beacon)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet **JOINTLY** as follows:

DAY & DATE: Thursday, April 2, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: House Presiding: Rep. Jimmy Dixon
Topics: Oysters and Oyster Aquaculture
NC GEAR

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:30 PM on Thursday, March 26, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



Joint Committee on Appropriations, Agriculture and Natural and Economic Resources
Thursday, April 2, 2015 at 8:30 AM
Room 421 of the Legislative Office Building

MINUTES

The Joint Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:31 AM on April 2, 2015 in Room 421 of the Legislative Office Building. Representatives Dixon, Harrison, Langdon, McElraft, Pierce, Presnell, Richardson, B. Turner, and West attended. Senators Brock, Cook, Wade, Alexander Jr., Clark, McInnis, Jane Smith, Lowe attended.

Representative Roger West, Chair, presided.

The following bills were considered: None///

Topics Discussed:

1. Oysters and Oyster Aquaculture in NC

2. DENR transfer of Natural Resources Divisions to Dept. of Cultural Resources

Rep. West welcomes everyone and then acknowledges the Sgt at Arms and Paige's who were helping our committee. See Attachments 1&2 for list.

Rep. West calls on Lindsay Dubbs, Asst. Professor and Associate Director, Outer Banks Field Site for UNC-CH.

Lindsay then acknowledges the three students from UNC-CH who work at the Field Site.

Jerome Allen, Michaela Meredith and John St.Clair each will discuss what they worked on at the field site. See Attachment #4

John St. Clair- Attach #4 pages 1-2

Michaela Meredith- Attach #4 pages 3-5

Jerome Allen- Attach #4 pages 6-7

Conclusion of overview given by John St.Clair

Rep. Dixon and McElraft commended the students on the hard work they are doing and the results it is having on the Oyster population in NC.

Rep. West asks for any questions from committee to the students. There were none.

Rep. West turns time over to John Evans, Chief Deputy Secretary for DENR.

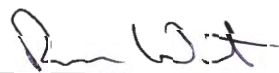
John gives the committee an overview of the transfer of Natural Resources Divisions from DENR to DCR. See Attachment #3

John talks about the benefits from the transfer for both Departments and the citizens of NC.

Discusses the administrative and cost saving efficiencies as well as budget transfers, gen.funds and what both departments will look like division-wise after the transfer. Attach #3

At end of John's remarks and few questions, Rep. West asks for final comments or questions from the committee. There were none and we adjourned.

Meeting Adjourned at 9:36 am



Representative Roger West, Chair *Presiding*



Michael Wiggins, Committee Clerk



**Joint Appropriations Meeting of
House Committee on Agriculture and Natural and Economic Resources
Senate Committee on Natural and Economic Resources**

Agenda

Thursday, April 2, 2015, 8:30 A.M.
Room 421, Legislative Office Building

Roger West
Rep. Jimmy Dixon, Presiding

1. Welcome and Opening Comments

Rep. Dixon

2. Oysters and Oyster Aquaculture in North Carolina

Lindsay Dubbs, Research Assistant Professor, *Institute for the Environment*
Associate Director, *Outer Banks Field Site*
University of North Carolina at Chapel Hill

Jerome Allen, Junior *University of North Carolina at Chapel Hill*
BA Environmental Studies and BA Dramatic Arts

Michaela Meredith, Junior *University of North Carolina at Chapel Hill*
BA Environmental Studies

John St. Clair, Senior *University of North Carolina at Chapel Hill*
BA Environmental Studies

3. Transfer of DENR's Natural Resource Divisions to Department of Cultural Resources

John Evans, Chief Deputy Secretary
Department of Environment and Natural Resources

4. Questions

5. Adjourn

House Appropriations Committee on ANER

Rep. Dixon (Chair)
Rep. McElraft (Chair)
Rep. West (Chair)
Rep. Catlin (Vice Chair)
Rep. Pierce (Vice Chair)
Reps. Harrison, Langdon, Millis, Presnell,
Richardson, Turner, Wray, and Yarborough

Senate Appropriations Committee on NER

Sen. Brock (Chair)
Sen. Cook (Chair)
Sen. Wade (Chair)
Sens. Alexander, Bryant, Clark, Lowe,
McGinnis, Rabin, Smith



Attach #1

SENATE PAGES ATTENDING

COMMITTEE: Joint Apps - Nat. & Eco. Resources ROOM: 421
DATE: 4-2 TIME: 8:30

PLEASE PRINT LEGIBLY!!!!!!!!!!!!!!.....or else!

Page Name	Hometown	Sponsoring Senator
1. <u>William Butten</u>		
2. <u>Nathan Oakley</u>	<u>Durham</u>	<u>senator woodard</u>
3. <u>Elijah Ellison</u>	<u>Durham</u>	<u>Senator woodard</u>
4. <u>Adelle Patten</u>	<u>Concord</u>	<u>Berger</u>
5. <u>Martha Bland</u>	<u>Fayetteville</u>	<u>Meredith</u>
6.		
7.		
8.		
9.		
10.		

Do not add names below the grid.

Pages: Present this form to either the Committee Clerk at the meeting or to the Sgt-at-Arms.



1

House

Thursday, April 2
APPROPRIATIONS
AG & NER

Room
421

Time
8:30 am

Name	County	Sponsor
Alexis Gardner	Cumberland	Marvin W. Lucas
Gabriella Scala	Guilford	John Faircloth



Committee Sergeants at Arms

NAME OF COMMITTEE AS/NER

DATE: 4-02-2015 Room: 421

House Sgt-At Arms:

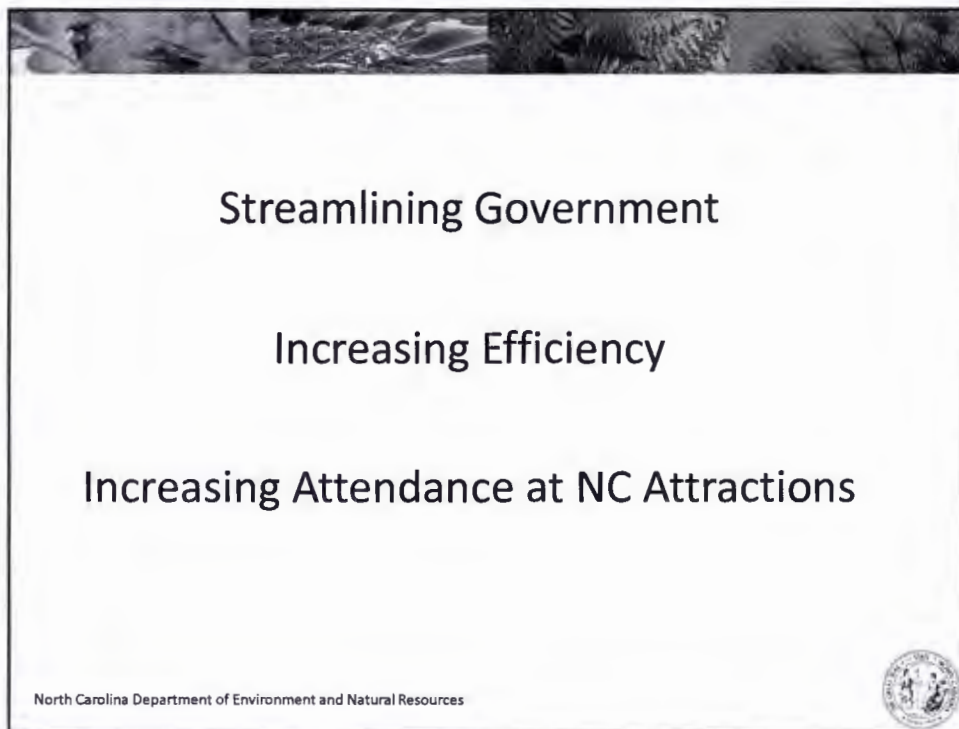
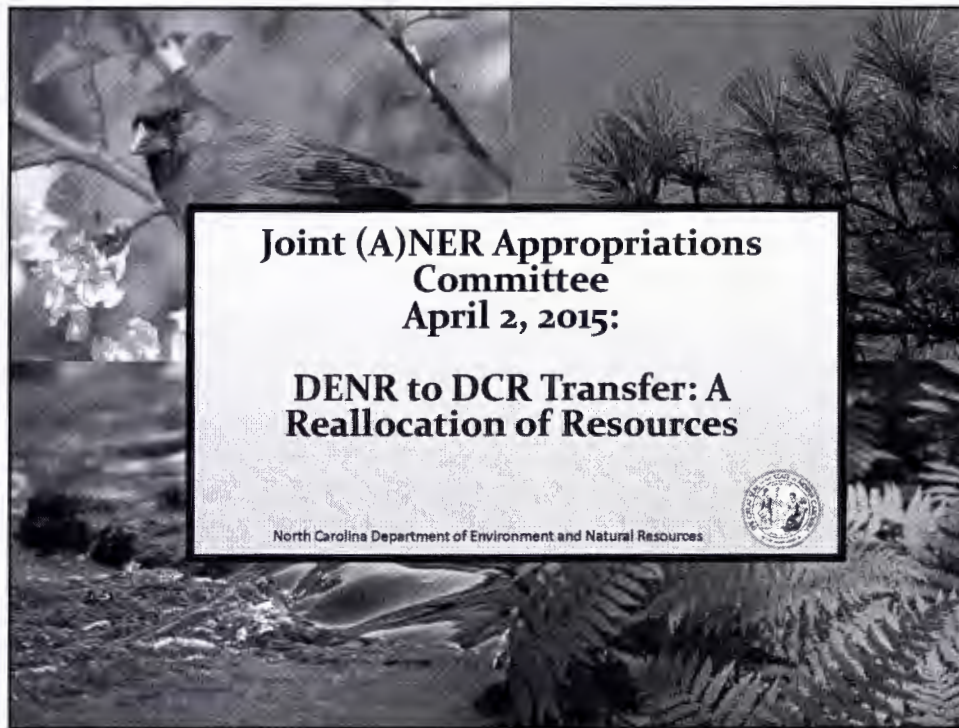
1. Name: BILL BASS
2. Name: JOHN BRANDON
3. Name: MARK COME
4. Name: _____
5. Name: _____

Senate Sgt-At Arms:

1. Name: Canton Lewis
2. Name: Marcus Kitts
3. Name: Hal Roach
4. Name: _____
5. Name: _____



Attach #3





Combining the State's Treasures

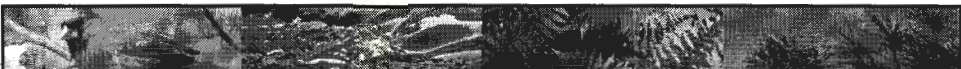
Cultural Resources

- 27 Historic Sites
- 7 History Museums
- 2 Art Museums
- State Symphony
- State Archives

Natural Resources

- NC Zoological Park
- 3 NC Aquariums
- Museum of Natural Sciences
- 38 NC State Parks

North Carolina Department of Environment and Natural Resources

Natural Resources Divisions have a great deal in common with Cultural Resources

The four Natural Resources Divisions and Cultural Resources:

- Have **visitors** with a focus on customer service and providing the best visitor experience.
- **Operate sites that require revenue generating** expertise and best practices for gift shops, food service, educational activities, facility/exhibit maintenance and special events.
- Are **heritage tourism destinations** with significant economic impact that requires marketing including promotion, special events, and group sales in addition to the usual public relations.
- Have a strong **education component** in their mission statements and provide a variety of formal and informal educational opportunities such as field trips, on-site and off-site learning, and hands-on programs to hundreds of thousands of school students each year.
- Have strong **conservation/preservation and research components** in their mission statements and conduct scientific and cultural research in the State and around the world.

North Carolina Department of Environment and Natural Resources



Administrative Savings and Efficiencies

- **Enhance Customer Service** at our state sites, museums, zoo, aquariums and state parks with clearer focus on visitor experience while increasing private support
- **Expand Efficiencies** by including a broader team for a quicker adoption of best operational practices (e.g. facility maintenance, contracting, programming, gift shops, admission fees, shared resources etc.)
- **Promote all sites and museums for Tourism and Economic Development** through more intentional marketing supported by coordination of marketing efforts across all entities for tourism and economic development
- **Encourage comprehensive support of Education** including formal and a more interrelated array of informal, lifelong learning opportunities (e.g. cross-discipline fieldtrips, programs and tours that treat *both* natural and cultural topics, etc.) while emphasizing conservation of natural resources and preservation of cultural resources
- **Improve Stewardship of NC's valuable natural and cultural heritage assets** by sharing scientific knowledge and professional expertise across agencies and disciplines.

North Carolina Department of Environment and Natural Resources



Destination Marketing

Wilmington

- Fort Fisher Aquarium (DENR)
- Fort Fisher State Recreation Area (DENR)
- Fort Fisher - Visitor Center (DCR)
- Carolina Beach State Park (DENR)

Plymouth

- Pettigrew State Park (DENR)
- Somerset Plantation (DCR)

Northeast

- Dismal Swamp State Park (DENR)
- Merchant's Mill Pond SP (DENR)
- Museum of the Albemarle (DCR)

North Carolina Department of Environment and Natural Resources





Destination Marketing

Manteo

- Roanoke Island Aquarium (DENR)
- Roanoke Island Festival/Elizabeth II (DCR)
- Jockey's Ridge State Park (DENR)
- Jennette's Pier (DENR)

Morehead City/Beaufort

- Pine Knoll Shores Aquarium/Roosevelt Natural Area (DENR)
- Fort Macon (DCR)
- Hammock Beach State Park (DENR)
- Maritime Museum/ Queen Anne's Revenge (DCR)

North Carolina Department of Environment and Natural Resources




Destination Marketing

Central Piedmont

- North Carolina Zoo (DENR)
- Morrow Mountain State Park (DENR)
- Transportation Museum at Spencer (DCR)
- Reed's Gold Mine (DCR)
- Town Creek Indian Mounds (DCR)

Upper Piedmont

- Pilot Mountain (DENR)
- Horne Creek Living Farm (DCR)
- Hanging Rock State Park (DCR)

North Carolina Department of Environment and Natural Resources



Destination Marketing

Triangle

- Eno River State Park (DENR)
- Historic Stagville (DCR)
- Jordan Lake State Recreation Area (DENR)

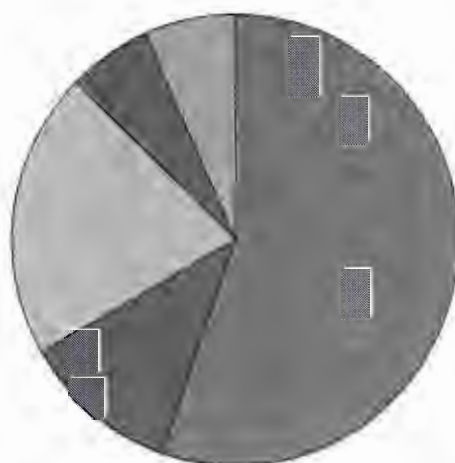
Raleigh

- Museum of Art (DCR)
- Museum of Natural Sciences (DENR)
- Museum of History (DCR)
- Umstead State Park (DENR)
- Falls of the Neuse State Recreation Area (DENR)

North Carolina Department of Environment and Natural Resources



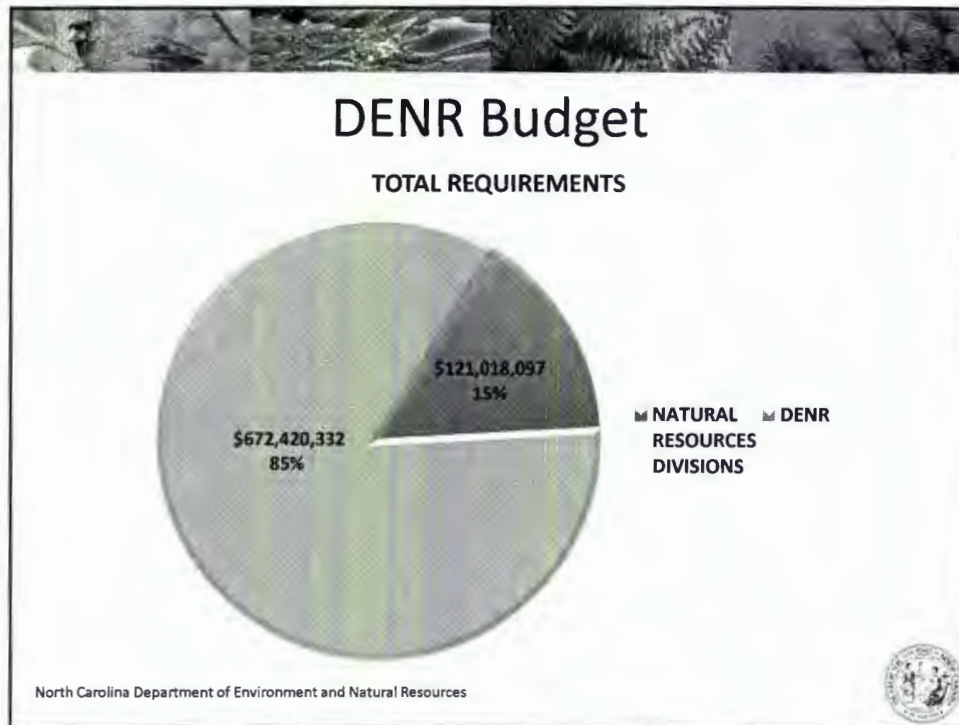
DENR General Fund Staffing



- Regulatory - 1283 FTEs
- Zoo - 263 FTEs
- Parks - 481 FTEs
- Aquariums - 119 FTEs
- Museum - 152 FTEs

North Carolina Department of Environment and Natural Resources





Transfer GF Budget/FTEs

NC Zoo	\$10.6 mil	263.25 FTEs
Aquariums	\$ 7.0 mil	118.50 FTEs *
Museum	\$11.9 mil	152.00 FTEs
State Parks	\$42.8mil	480.50 FTEs
GF Approp/FTEs	\$72.3 mil	1014.25 FTEs
DENR Adm	\$ 1.4 mil	18.00 FTEs
GF TOTAL	\$73.7 mil	1032.25 FTEs *

*Excludes 22.5 FTEs in Aquarium Fund

North Carolina Department of Environment and Natural Resources

DENR – After the Transfer

- Division of Air Quality
- Division of Waste Management
- Division of Water Resources
- Division of Water Infrastructure
- Division of Marine Fisheries
- Division of Mitigation Services
- Division of Energy, Minerals and Land Resources
- Division of Coastal Resources
- Division of Environmental Assistance and Customer Service
- Division of Land & Water Stewardship
 - CWMTF
 - Natural Heritage
 - APNET
- Environmental Education & Public Affairs

North Carolina Department of Environment and Natural Resources



North Carolina Treasures

State Parks
NC Zoo

Aquariums

Historic Sites
Museums

Battleship
Tryon Palace

North Carolina Department of Environment and Natural Resources





Outer Banks Field Site Capstone 2014

The Oyster Banks: A Dive into the Political, Scientific,
and Social Realms of Oysters and Oyster Aquaculture
in North Carolina



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Capstone goals

**#1 Provide us with opportunities to
gain research experience**

**#2 Conduct locally relevant natural
and social science research**



MM4
MM34

Economic value of oyster aquaculture in NC

Comparing NC and VA oyster aquaculture revenues

Oyster industry in NC:

- \$2.9 million industry annually
- aquaculture comprises only 21%

Year	Virginia	North Carolina
2005	\$240,000	\$257,143
2006	\$930,000	\$306,698
2007	\$1,440,000	\$272,154
2008	\$2,842,000	\$221,946
2009	\$3,276,000	\$154,054
2010	\$5,239,000	\$247,074
2011	\$6,990,000	\$332,565
2012	\$9,554,000	\$595,446

(North Carolina Rural Economic Development Center, 2013)

MM2
MM3

Oysters and ecosystem services

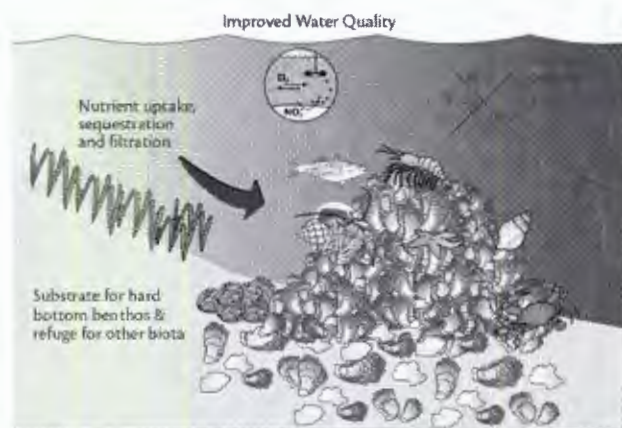
Ecosystem services = benefits ecosystems provide to people

We know that natural oyster reefs:

- ◆ Provide habitat
- ◆ Provide shoreline protection
- ◆ Filter water, which:
 - ✧ Improves water clarity
 - ✧ Regulates nutrients
 - ✧ Increases the amount of light reaching submerged aquatic vegetation

Do oyster aquaculture facilities provide the same benefits?

Ecosystem benefits provided by Oysters



Source: <http://www.mississippiriverdelta.org/blog/2012/08/01/how-much-is-a-louisiana-oyster-worth/>

Slide 3

MM4 look, VA is benefitting from this in both economic and natural services
Michaela Meredith, 03/19/2015

MM34 oyster aquaculture in virginia and north carolina
Michaela Meredith, 03/19/2015

Slide 4

MM2 Ecosystem services
Michaela Meredith, 03/19/2015

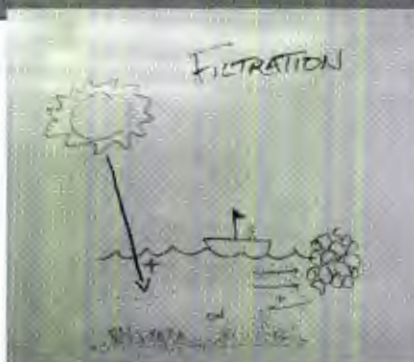
MM3 oysters do stuff that has economic value
Michaela Meredith, 03/19/2015

MM1
MM5
MM6
MM7

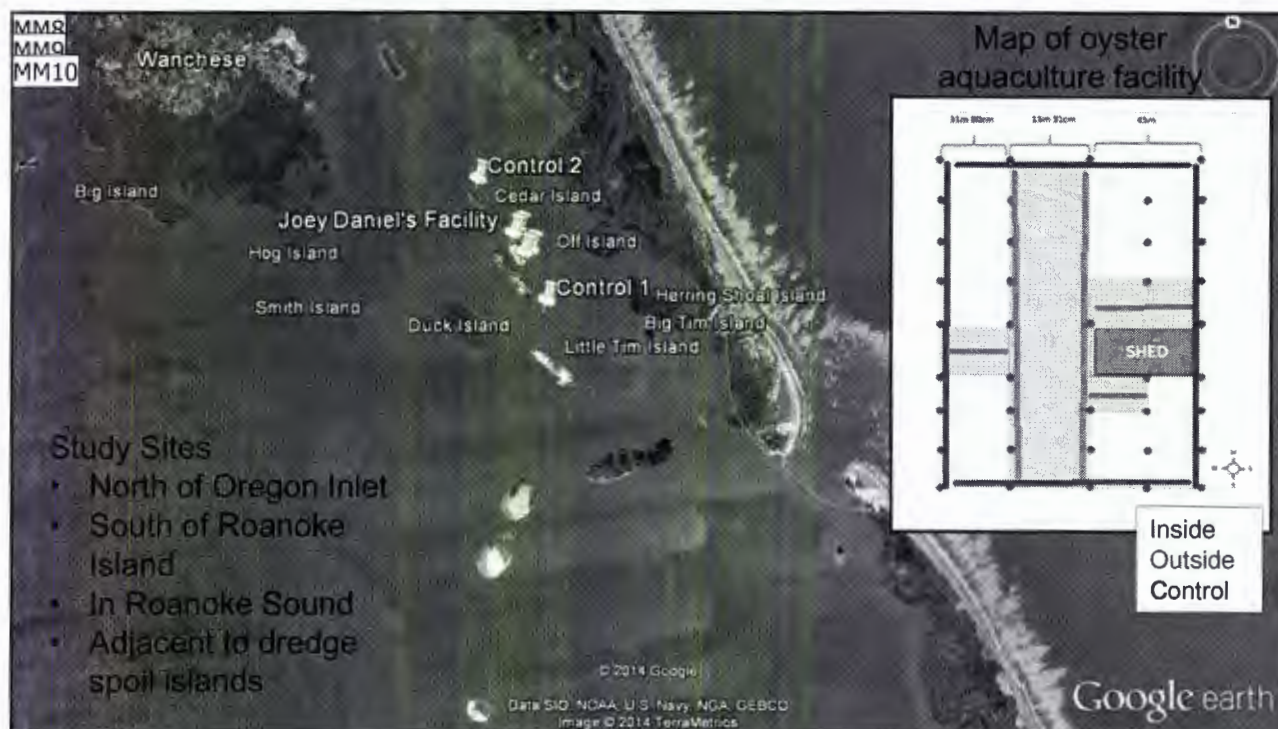
Natural science research

What we measured:

- Habitat provision
- Water clarity
- Submerged aquatic vegetation (SAV; underwater grass)



MM8
MM9
MM10



Slide 5

MM1 Ecosystem services

Michaela Meredith, 03/19/2015

MM5 1) What we can find out about the real effects of oyster aquaculture and 2) what do people think about these oysters

Michaela Meredith, 03/19/2015

MM6 water quality and habitat, why SAV?

Michaela Meredith, 03/19/2015

MM7 SAV regulations compared to VA

Michaela Meredith, 03/19/2015

Slide 6

MM8 SIMPLE story here - worked with a local guy that knows about oysters, and he let us use his farm

Michaela Meredith, 03/19/2015

MM9 explain control site

Michaela Meredith, 03/19/2015

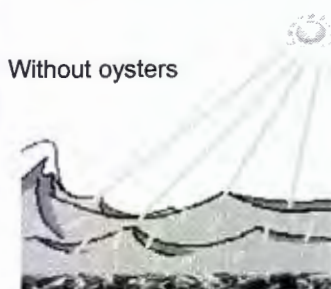
MM10 clear and brief!

Michaela Meredith, 03/19/2015

MM11
MM12
MM13

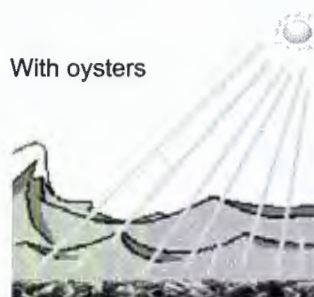
Oyster aquaculture and water clarity

- Oysters are filter feeders



Without oysters

When there are many particles in the water → Little light @ SAV



With oysters

Filter feeding reduces particles in the water → Greater light @ SAV

- Consistently greater water clarity surrounding facility than at control site

MM14
MM15
MM16

Oyster aquaculture and SAV abundance and distribution



Less SAV in and around the facility relative to control site, but SAV still present at facility at densities that are not significantly different from the control

Slide 7

- MM11** less specific than capstone, don't talk about evidence just as much
Michaela Meredith, 03/19/2015
- MM12** ***Change outside to at facility...so combine two bullet points
Michaela Meredith, 03/19/2015
- MM13** nutrient regulation: punchline, oyster aquaculture is good for water clarity
Michaela Meredith, 03/19/2015

Slide 8

- MM14** *SAV - underwater grasses MAKE IT SIMPLE
Michaela Meredith, 03/19/2015
- MM15** punchline: little less at facility but there is still a lot
Michaela Meredith, 03/19/2015
- MM16** not a statistically different measure! we can be confident in our measure
Michaela Meredith, 03/19/2015

MM17
MM18

Oyster aquaculture and habitat provision

Number of species found in 4 racks

- 8 species of finfish
- 6 species of invertebrates

Number of individuals found in 4 racks

- 84 individual finfish
- 387 individual invertebrates

5 species of fish and 2 species of crabs at the study site that either utilize oyster reefs as habitat or prey upon oysters, including:

- sheepshead (recreational fishery)
- blue crabs (recreational and high value commercial fishery)



http://tbep.org/pics/featured_creature/sheepshead.jpg



<http://www.aqua.org/-media/Images/Animals/Blue%20Crab/animals-BlueCrab-413x545b.jpg>

MM19
MM20
MM21
MM22
MM23
MM24
MM25

Social science research

Qualitative interviews

- With oyster restaurant professionals
- Informed survey design

Quantitative surveys

- Questions about beliefs and opinions about and knowledge of oysters
- Administered: Downtown Manteo and two popular oyster restaurants on the barrier beach



Slide 9

MM17 we found a lot of species and creatues

Michaela Meredith, 03/19/2015

MM18 very clear the site provides habitat - some of them commercially available

Michaela Meredith, 03/19/2015

Slide 10

MM19 wanted to talk to people at the outer banks

Michaela Meredith, 03/19/2015

MM20 what do they think about local oysters

Michaela Meredith, 03/19/2015

MM21 willing to pay more for oysters from aquaculutuure

Michaela Meredith, 03/19/2015

MM22 combine 10 and 11! interviews, people's perceptions, what we found

Michaela Meredith, 03/19/2015

MM23 get rid of CV stuff, then go right into

Michaela Meredith, 03/19/2015

MM24 next slide...condense the next slide

Michaela Meredith, 03/19/2015

MM25 very clear residents and visitors are more willing to go for aquaculutre oysters when they know what they provide

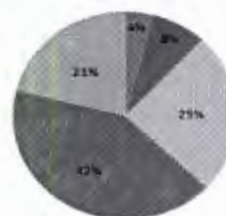
Michaela Meredith, 03/19/2015

Knowledge of, preference for, and willingness to pay for oysters

Knowledge and willingness to pay

- People who have eaten oysters know significantly more about them
- Those who know more about oysters are willing to pay more
- When people believe that oysters are useful for more than just food. They are willing to pay more

It is important to me that the oysters I eat are locally harvested.



■ Strongly Disagree
 ■ Disagree
 ■ No opinion
 ■ Agree
 ■ Strongly Agree

Preference

- People prefer to eat local oysters

MM26
 MM27
 MM28
 MM29
 MM30
 MM31

Policy analysis considerations



Challenges for oyster aquaculture in NC:

- Cost and hassles of survey
- NC hatchery production unable to provide oyster seed in needed quantities and best varieties – this will get more serious as the industry expands
- Variability in the interpretation of SAV protection during State permitting

Policy options that NC could consider to promote aquaculture:

- Streamline the leasing process and reducing the fees associated with the permits
- Provide subsidies or other state support for hatcheries
- More holistic view of environmental effects of aquaculture on SAV and ecosystem services (more research should be done to confirm our results)

Slide 12

- MM26** evaluation of
Michaela Meredith, 03/19/2015
- MM27** evaluation of permitting regulations and SAV criteria
Michaela Meredith, 03/19/2015
- MM28** environmental evaluation in the permitting process
Michaela Meredith, 03/19/2015
- MM29** mention lack of hatcheries
Michaela Meredith, 03/19/2015
- MM30** If nc wants to promote policy options....
Michaela Meredith, 03/19/2015
- MM31** funding for more research
Michaela Meredith, 03/19/2015

MM32
MM33

Our study suggests:

Oyster aquaculture provides valuable ecosystem services

- Improved water clarity
- Habitat for fish and invertebrates

No significant detrimental impacts on SAV

If natural science results are confirmed, the public seems likely to support the industry:

- 62% - willing to pay more for environmentally produced food
- Most believe oysters are useful for more than just food

If our findings are confirmed, NC may want to consider revising policies to encourage aquaculture



Thank you!

Questions?

Funding was provided, in part, by the Northeastern NC Coastal Research and Environmental Education Foundation at the NC Community Foundation

Slide 13

MM32 Our study suggests
Michaela Meredith, 03/19/2015

MM33 put valuable between provides and ecosystem!!! in first bullet point
Michaela Meredith, 03/19/2015



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

4-02-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

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Sarah Dozier	NC DCR
Elizabeth Biser	Brook Farm
Drew MORETZ	UNCGH
Steve Lauer	Shaw & Science Museum
Tony Beck	UNC-CH INST. ENV.
Wally Jones	NC DCR
Joy Hiles	NZDA
Kathy Gindary	Governor's Office
Catharine Kaniering	John Locke Foundation
Austin Pruitt	Parkinson Law



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

4-02-15

Date

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Matthew Dackman	NC DENR
Mary Joan Pugh	NC DENR
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Ben Whittington	DENR



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Name of Committee

4-02-15

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Maura Jenkins	DCR
Rob Lawrence	PLA
A Gordon	ACWDC
Rochelle Sporno	CRSA
Cara Townsend	Gov. office
Carr McLamb	Troutman Sender
Jamie Krutier	DENR
Mick Rucker	DEIR



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Name of Committee

4-02-15

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NAME _____

FIRM OR AGENCY AND ADDRESS

Grady in Edin

NE Chemistry Detail,

Will Morgan

TNC

Mia Bailey

Electn City

Wilson France

665

GORDON MYERS

NCWRC



Nancy Fox (Rep. Pat McElraft)

From: Nancy Fox (Rep. Pat McElraft)
Sent: Wednesday, May 13, 2015 10:06 AM
To: Nancy Fox (Rep. Pat McElraft)
Subject: <NCGA> House Appropriations, Agriculture and Natural and Economic Resources Committee Meeting Notice for Thursday, May 14, 2015 at 8:30 AM
Attachments: Add Meeting to Calendar_LINC_.ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet as follows:

DAY & DATE: Thursday, May 14, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: Rep. Pat McElraft Presiding:
AgNER Budget

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 10:03 AM on Wednesday, May 13, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



House Committee on Agriculture and Natural and Economic Resources

Agenda

Thursday, May 14, 2015, 8:30 A.M.
Room 421, Legislative Office Building

Rep. McElraft, Presiding

1. Welcome and Opening Comments

Rep. McElraft

2. Overview of Proposed ANER Committee Report

Timothy Dale, *Fiscal Research*

Jennifer Hoffmann, *Fiscal Research*

Aubrey Incorvaia, *Fiscal Research*

3. Overview of Proposed ANER Special Provisions

Timothy Dale, *Fiscal Research*

Jennifer Hoffmann, *Fiscal Research*

Aubrey Incorvaia, *Fiscal Research*

4. Committee Questions & Discussion

5. Rules for the Submission of Amendments

Jennifer Hoffmann, *Fiscal Research*

6. Adjourn

House Appropriations Committee on ANER

Rep. Dixon (Chair)

Rep. McElraft (Chair)

Rep. West (Chair)

Rep. Catlin (Vice Chair)

Rep. Pierce (Vice Chair)

Reps. Harrison, Langdon, Millis, Presnell,

Richardson, Turner, Wray, and Yarborough



**North Carolina House of Representatives
Appropriations Committee**

RULES FOR SUBJECT AREA COMMITTEE PROCEDURES

May 14, 2015

The following rules govern the eligibility of amendments to proposed committee reports:

1. Amendments must be offered by formal amendments.
2. Amendments cannot increase total spending within the proposed committee report.
3. Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the committee and may not cause a change in another committee's appropriations.
4. Amendments cannot adjust salary and benefit appropriations for the departments, agencies, or programs within the committee report.
5. Amendments cannot spend reversions or include "shall not revert" or "carry forward" language.
6. Amendments cannot use nonrecurring reductions to fund recurring items.
7. Amendments cannot change the recurring and nonrecurring designation of funds.
8. Amendments cannot change substantive policy or law.
9. Amendments may not fund items with "management flexibility reductions."
10. Amendments may not affect agency or program transfers to other committees.
11. Amendments may not include fees or other Finance-related matters.



Agriculture and Natural and Economic Resources

[illegible]



House Committee on Appropriations, Agriculture and Natural and Economic Resources
Thursday, May 14, 2015 at 8:30 AM
Room 421 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on May 14, 2015 in Room 421 of the Legislative Office Building. Representatives Dixon, Harrison, McElraft, Millis, Pierce, Presnell, Richardson, B. Turner, West, Wray, and Yarborough attended.

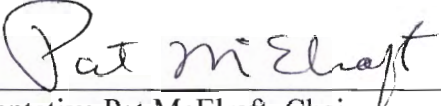
Representative Pat McElraft chaired the meeting and opened with a special thanks to the sergeant-at-arms, Pages and visitors.

The Overview of Proposed Appropriations, Agriculture and Natural and Economic Resources were presented by Timothy Dale, Jennifer Hoffmann, and Aubrey Incorvaia from Fiscal Research.

There were committee questions and discussion time.

The meeting was adjourned at 10:00 AM and scheduled to return at 11:00 AM with amendments to the 2015 budget.

The meeting adjourned at 10:00 AM.



Representative Pat McElraft, Chair
Presiding



Nancy Fox, Committee Clerk



1

HOUSE APPROPRIATIONS COMMITTEE

ON

AGRICULTURE AND NATURAL AND
ECONOMIC RESOURCES

REPORT
ON THE
CONTINUATION AND EXPANSION BUDGETS

House Bill 97

May 14, 2015

Agriculture and Consumer Services

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Budget	\$113,940,604		\$113,940,604	
Legislative Changes				
Administration				
1 Agricultural Dev. & Farmland Preservation Trust Fund Administration (1011)	(\$97,466)	R	(\$97,466)	R
Budgets receipts from a new fee on property exiting present-use valuation to support a position (60011479).	-1.00		-1.00	
2 Indirect Cost Receipts (1991)	(\$2,772)	R	(\$2,772)	R
Reduces requirements from fund code 1991 to match budgeted indirect cost receipts.				
Food & Drug				
3 Registration Fee Receipts (1100)	(\$450,000)	R	(\$450,000)	R
Budgets additional receipts generated by increasing annual registration fees for drug manufacturers, repackagers, and distributors. Annual registration fees for drug manufacturers or repackagers are increased from \$500 to \$1,000. Annual registration fees for drug wholesalers are increased from \$350 to \$700. Fees were last increased in 1988.				
4 License Fee Receipts (1100)	(\$100,000)	R	(\$100,000)	R
Budgets additional receipts generated by increasing annual licensing fees for wholesale drug distributors. Annual licensing fees for drug manufacturers are increased from \$500 to \$1,000. Annual licensing fees for non-manufacturers are increased from \$350 to \$700. Fees were last increased in 1988.				
5 Dairy Inspection Fee Receipts (1100)	(\$35,000)	R	(\$35,000)	R
Budgets additional receipts generated by increasing annual inspection fees for dairy retailers and wholesalers. Annual inspection fees for dairy retailers are increased from \$10 to \$50. Annual inspection fees for dairy wholesalers are increased from \$40 to \$100. Fees were last increased in 1989.				
6 Food & Drug Receipts (1070)	(\$250,000)	R	(\$250,000)	R
Budgets \$250,000 in receipts previously transferred to support the Spay and Neuter program.				
7 Food Safety Modernization Act Education (FSMA) (1100)	\$280,000	NR	\$280,000	NR
Provides funding to the Food & Drug Division on a nonrecurring basis for the biennium to increase awareness of federal FSMA food safety regulations.	4.00		4.00	

Food Distribution**8 Federal Funds Reserve (1210)**

(\$74,000) R (\$74,000) R

Eliminates the budgeted federal funds reserve requirement and maintains existing budgeted federal receipts.

9 Diesel Fuel (1210)

\$100,000 R \$100,000 R

Provides \$100,000 in additional funding for the Division's increased fuel requirements.

Forest Service**10 Vacant Position Reduction (1510)**

(\$94,713) R (\$94,713) R

Eliminates 1.5 positions vacant for more than 1 year:

-1.50 -1.50

60031916 - NCSU Assoc Ranger (0.5)

60032247 - Forestry Supervisor (1.0)

Meat & Poultry Inspection**11 Vacant Positions (1140)**

(\$85,351) R (\$85,351) R

Eliminates 2.0 positions vacant for more than 1 year:

-2.00 -2.00

60012266 - Meat & Poultry Inspector I (0.5)

60012293 - Meat & Poultry Inspector III (0.5)

60012265 - Meat & Poultry Inspector I (0.5)

60012303 - Meat & Poultry Inspector I (0.5)

Plant Industry**12 Federal Funds Reserve (1180)**

(\$125,000) R (\$125,000) R

Eliminates the budgeted federal funds reserve requirement and maintains existing budgeted federal receipts.

Research Stations**13 Vacant Position Reduction (1190)**

(\$91,068) R (\$91,068) R

Eliminates 2.0 positions vacant for more than 1 year:

-2.00 -2.00

60012619 - Safety Officer II (1.0)

60012656 - Research Technician (1.0)

14 Research Stations Operating (1190)

Budgets cash balance to be transferred from the Research Stations special fund (23700-2185).

(\$1,034,464) NR

Reserves & Transfers**15 Agricultural Development & Farmland Preservation Trust Fund (ADFPTF) (1990)**

Budgets \$2.5 million in anticipated receipts generated from a fee applied to property exiting present-use valuation. These receipts shall be used to support the ADFPTF.

FY 15-16**FY 16-17****16 Agricultural Development & Farmland Preservation Trust Fund (ADFPTF) (1990)**

(\$1,608,376) R

(\$1,608,376) R

Replaces current funding of ADFPTF with anticipated receipts generated from a fee applied to property exiting present-use valuation. Also provides additional expansion funding for the program in FY 2015-16. Total funding for ADFPTF is approximately \$6.1 million in FY 2015-16 and \$2.5 million in FY 2016-17.

\$3,608,376 NR

17 Tobacco Trust Fund Program Expansion (1990)

Provides nonrecurring funding to the Tobacco Trust Fund for the biennium to expand the grant program. Total funding for the program is approximately \$2.5 million in FY 2015-16 and \$3 million in FY 2016-17.

\$559,133 NR

\$1,000,000 NR

Soil & Water Conservation**18 Conservation Reserve Enhancement Program (CREP) (1611)**

Budgets receipts transferred from the CREP special fund (23704-2711) cash balance in FY 2016-17.

(\$1,081,160) NR

19 Operating Funds (1611)

Budgets receipts transferred from the Swine Waste special fund (23704-2730).

(\$275,399) NR

Structural Pest Control & Pesticides**20 Pesticide Fee Receipts (1090)**

Budgets an additional \$150,000 in receipts from pesticide registration and licensing fees to more closely align to actual collections.

(\$150,000) R

(\$150,000) R

Veterinary Services**21 Spay and Neuter Account (1130)**

Replaces the \$250,000 transfer from the Food & Drug Division with a direct \$500,000 in recurring funding to support the Spay and Neuter program. The program will receive a net funding increase of \$250,000.

\$500,000 R

\$500,000 R

22 Vacant Position Reduction (1130)

Eliminates 1.6 positions vacant for more than 1 year:

(\$196,736) R

(\$196,736) R

-1.60

-1.60

60012147 - Veterinary Laboratory Specialist (1.0)

60012130 - Medical Laboratory Supervisor III (0.6)

Total Legislative Changes

(\$2,760,482) R

(\$2,760,482) R

\$3,137,646 NR

\$198,840 NR

Total Position Changes

-4.10

-4.10

Revised Budget

\$114,317,768

\$111,378,962

DACS - Special Revenue

Budget Code: 23700

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$10,346,467	\$6,745,546
Recommended Budget		
Requirements	\$9,725,785	\$9,725,785
Receipts	\$7,159,328	\$7,159,328
Positions	31.73	31.73

Legislative Changes**Requirements:****Research Stations NR Fund (2185)**

Transfers \$1,034,464 from the Research Stations special fund cash balance to support the Research Stations operating budget in FY 2014-15.

\$0	R	\$0	R
\$1,034,464	NR	\$0	NR
0.00		0.00	
\$0	R	\$0	R
\$1,034,464	NR	\$0	NR
0.00		0.00	

Subtotal Legislative Changes**Receipts:****Research Stations NR Fund (2185)**

No budget action necessary.

\$0	R	\$0	R
\$0	NR	\$0	NR
\$0	R	\$0	R
\$0	NR	\$0	NR

Subtotal Legislative Changes

House Appropriations Committee on Natural and Economic Resources

	FY 2015-16	FY 2016-17
Revised Total Requirements	\$10,760,249	\$9,725,785
Revised Total Receipts	\$7,159,328	\$7,159,328
Change in Fund Balance	(\$3,600,921)	(\$2,566,457)
Total Positions	31.73	31.73
Unappropriated Balance Remaining	\$6,745,546	\$4,179,089

DACS - Soil & Water Conservation

Budget Code: 23704

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$15,073,553	\$14,369,777
Recommended Budget		
Requirements	\$9,605,835	\$9,605,835
Receipts	\$9,177,458	\$9,177,458
Positions	1.00	1.00

Legislative Changes**Requirements:**

Conservation Reserve Enhancement Program (2711)	\$0 R	\$0 R
Transfers \$1,081,160 from the Conservation Reserve Enhancement Program special fund cash balance to support the Soil & Water Conservation Division operating budget in FY 2016-17.	\$0 NR 0.00	\$1,081,160 NR 0.00
Swine Waste (2730)	\$0 R	\$0 R
Transfers \$275,399 from the Swine Waste special fund cash balance to support the operating budget for the Soil & Water Conservation Division in FY 2015-16.	\$275,399 NR 0.00	\$0 NR 0.00
Subtotal Legislative Changes	\$0 R \$275,399 NR 0.00	\$0 R \$1,081,160 NR 0.00

Receipts:

Conservation Reserve Enhancement Program (2711)	\$0 R	\$0 R
No budget action necessary.	\$0 NR	\$0 NR
Swine Waste (2730)	\$0 R	\$0 R
No budget action necessary.	\$0 NR	\$0 NR

House Appropriations Committee on Natural and Economic Resources

FY 2015-16

FY 2016-17

Subtotal Legislative Changes

\$0 R

\$0 R

\$0 NR

\$0 NR

Revised Total Requirements

\$9,881,234

\$10,686,995

Revised Total Receipts

\$9,177,458

\$9,177,458

Change in Fund Balance

(\$703,776)

(\$1,509,537)

Total Positions

1.00

1.00

Unappropriated Balance Remaining

\$14,369,777

\$12,860,240

Labor

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Budget	\$15,945,674		\$15,945,674	
Legislative Changes				
Administration				
23 Fund Shift Positions (1120)	(\$130,150)	R	(\$130,150)	R
Fund shifts 2.0 positions to receipt-support from boiler inspection fees.				
	-2.00		-2.00	
60012882 - Admin Officer (1.0)				
60013046 - Health Benefits Officer (1.0)				
24 Vacant Position Reduction (1210)	(\$38,192)	R	(\$38,192)	R
Eliminates an IT position (60013043) vacant for more than 1 year:				
	-0.50		-0.50	
Occupational Safety & Health				
25 Operating Support (1352)	\$100,693	R	\$100,693	R
Provides additional operating funds to support the administration of the Occupational Safety & Health program.				
26 Vacant Position Reduction (1350 & 1352)	(\$191,556)	R	(\$191,556)	R
Eliminates 3.18 positions vacant for more than 1 year:				
	-3.18		-3.18	
60013080 - OSHA - Safety Compliance Officer II (0.5)				
60013109 - OSHA - Safety Compliance Officer II (0.5)				
60013140 - OSHA - Safety Compliance Officer I (1.0)				
60013269 - Office Assistant IV (0.18)				
60013194 - Industrial Hygiene Inspector (1.0)				
Total Legislative Changes	(\$259,205)	R	(\$259,205)	R
Total Position Changes	-5.68		-5.68	
Revised Budget	\$15,686,469		\$15,686,469	

Environment & Natural Resources

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Budget	\$162,279,549		\$162,279,549	
Legislative Changes				
Administrative Services				
27 Administrative Operating Reduction (1140)	(\$284,686)	R	(\$284,686)	R
Reduces the department's administrative services operating budget by 13%, leaving approximately \$1.9 million in operating support for administration.				
28 Vacant Position Reduction (1140)	(\$739,232)	R	(\$739,232)	R
Eliminates positions vacant greater than 6 months.				
60036034 - Budget Analyst (1.0)	-9.85		-9.85	
60036039 - Purchaser (1.0)				
60035496 - Office Assistant III (0.4)				
60036041 - Purchaser (1.0)				
60033389 - Safety Officer III (1.0)				
60035950 - GS 5th Floor Receptionist (1.0)				
60036060 - Business And Technology Applic Specialist (1.0)				
60035034 - Technology Support Analyst(1.0)				
60035318 - IT Security Specialist (1.0)				
60035984 - Personnel Analyst (1.0)				
60032527 - Policy Development Analyst (0.45)				
29 Vacant Position Reduction (1140)	(\$76,276)	R	(\$76,276)	R
Reduces funding for a vacant Ombudsman (60035953); position becomes half-time, supported from receipts.				
	-0.50		-0.50	
30 Vacant Position Reduction (1140)	(\$93,198)	R	(\$93,198)	R
Eliminates a vacant Policy Development Analyst position (60035952) in the Secretary's Office.				
	-1.00		-1.00	
Aquariums				
31 Vacant Position Reduction (1355)	(\$240,717)	R	(\$240,717)	R
Eliminates positions vacant greater than 6 months.				
60034946 - Conserv & Research Coordinator (0.5)	-4.50		-4.50	
60034848 - Tech Support Analyst (1.0)				
60034829 - Receptionist (1.0)				
60034938 - Exhibit Technician (1.0)				
60034915 - Housekeeper (1.0)				
32 Aquarium Admission Receipts (1355)	(\$100,000)	R	(\$100,000)	R
Budgets additional admission receipts transferred from the North Carolina Aquariums Fund (24300-2865) to support the operations of the State's 3 aquariums.				

Coastal Management**33 Lease Support (1625)**

(\$30,523)	R	(\$30,523)	R
------------	---	------------	---

Replaces State funds for lease expenses with federal funds available within the Division due to a reduction in force in FY 2013-14.

Energy, Mineral and Land Resources**34 Federal Grant Receipts (1749)**

(\$37,483)	R	(\$37,483)	R
------------	---	------------	---

Budgets additional federal grant funds to support one-third of the Energy Section Chief's salary and benefits (65020508).

-0.33		-0.33	
-------	--	-------	--

35 University Energy Centers (1749)

(\$78,550)	R	(\$78,550)	R
------------	---	------------	---

(\$722,672)	NR		
-------------	----	--	--

Reduces State Energy Office grants to the three university energy centers by 7.4%, leaving \$978,383 for the centers at North Carolina State University, North Carolina Agricultural and Technical State University and Appalachian State University. Also budgets Petroleum Violation Escrow (PVE) settlement funds transferred from budget code 64327 to partially offset support of the university energy centers on a nonrecurring basis.

36 Vacant Position Reduction (1735 & 1749)

(\$176,200)	R	(\$176,200)	R
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Eliminates positions vacant greater than 1 year.

65019617 - Geologist - Advanced (1.0)

-2.00		-2.00	
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60032415 - Hydro/Geologist (1.0)

37 Position Reduction (1730)

(\$68,036)	R	(\$68,036)	R
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Eliminates a filled Rules Review Coordinator position (65019618), which was created to coordinate the development of shale gas rules that went into effect March 16, 2015.

-1.00		-1.00	
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38 Cash Balances (1740)

(\$345,000)	NR		
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Transfers the following special fund cash balances to the Division's General Fund on a one-time basis. A related provision in the Appropriations Act also closes these special funds and directs the division to budget fee receipts in the General Fund.

Mining Fees - \$165,000

Mining Interest - \$85,000

Storm Water permits - \$95,000

39 Coal Ash Management (1125)

Budgets \$397,000 from the cash balance of the Coal Combustion Residuals Fund to support the implementation of the Coal Ash Management Act.

40 Dam Safety Program (1740)

\$264,852	R	\$264,852	R
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Provides funds to hire two engineers to manage and conduct the initial review and subsequent annual reviews of Emergency Action Plans (EAP) and associated dam safety inspections and technical assistance for the 1,559 intermediate and high hazard dams as required by Part 5 of S.L. 2014-122.

2.00		2.00	
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Environmental Assistance and Customer Service**41 Operating and Position Reduction (1130 & 1615)**

(\$95,649) R

(\$95,649) R

Abolishes a vacant Environmental Specialist position (60035085) in the Department's recycling program. Reduces the rent line-item in the Department's regional offices, leaving over \$2.4 million for this expense. Also reduces various line-items in the Office of Environmental Assistance and Customer Service by 4%, leaving \$446,505 in operating support.

-1.00

-1.00

Land and Water Stewardship**42 Salary Reserve (1115)**

(\$55,128) R

(\$55,128) R

Reduces the operating budget for the Office of Land and Water Stewardship by 2% by reducing salary reserve, leaving approximately \$1.9 million in operating support.

43 Clean Water Management Trust Fund (1115)

(\$750,000) R

(\$750,000) R

Separates funding for the Natural Heritage Program from the Clean Water Management Trust Fund budget.

44 Natural Heritage Program (1115)

\$675,000 R

\$675,000 R

Provides funding for the Natural Heritage Program.

45 Grant Program Expansion (1115)

\$500,000 R
\$11,500,000 NR

\$683,765 R

Provides additional grant funds for the Clean Water Management Trust Fund bringing total funding from all sources to approximately \$52 million over the biennium.

46 Military Buffers (1115)

\$2,000,000 NR

\$2,000,000 NR

Provides funding to the Clean Water Management Trust Fund for the purpose of acquiring buffers around military bases.

Marine Fisheries**47 Eliminate Vacant Positions (1315, 1320, & 1325)**

(\$235,474) R

(\$235,474) R

Eliminates positions vacant greater than 6 months.

60032662 - Marine Fisheries District Manager (1.0)

-4.00

-4.00

60032661 - Marine Fisheries District Manager (1.0)

60032569 - Office Assistant IV (1.0)

60032721 - Marine Fisheries Telecommunicator (1.0)

48 Shellfish Rehabilitation (1320)

\$300,000 R

\$600,000 R

Provides additional funds for cultch planting.

49 Oyster Research and Development (1320)

\$250,000 NR

\$500,000 NR

Provides funds to contract with UNC-W to develop oyster brood stock to provide seed for aquaculture.

50 Oyster Sanctuaries (1320)

\$200,000 R

Provides funding to support a network of oyster sanctuaries.

Museum of Natural Sciences**51 Vacant Position Reduction (1360)**

(\$463,184) R (\$463,184) R

Eliminates positions vacant greater than 6 months.

65013244- Science Historian (0.5)

-6.50

-6.50

60034963- Accounting Clerk V (1.0)

60034965- Processing Assistant III (1.0)

60034989 -Director Of Public Affairs I (1.0)

60034991- Research Curator, Fishes (1.0)

65014889- Marketing Coordinator (1.0)

65014777- Chief Webmaster (1.0)

Parks and Recreation**52 Vacant Position Reduction (1280)**

(\$1,798,128) R (\$1,798,128) R

Eliminates positions vacant greater than 6 months. A list of positions can be found in the Appropriations Act.

-36.50

-36.50

53 Centennial Funding (1280)

Provides nonrecurring funds for the promotion of the 100th Anniversary of the North Carolina State Park System, including marketing funds, special exhibits and improved signage.

\$316,156 NR

\$210,759 NR

54 Parks and Recreation Trust Fund (PARTF) (1280)

Provides additional funding for PARTF bringing total funding from all sources to approximately \$42.5 million over the biennium.

\$12,500,000 NR

\$1,483,765 R

Waste Management**55 Position Reduction (1760)**

(\$82,259) R (\$82,259) R

Eliminates a filled Environmental Specialist (60034599) in the Solid Waste Section. Also reduces the legal services line-item by \$14,427, or 2%, leaving approximately \$588,227 for these services.

-1.00

-1.00

56 Cash Balance (1671)

Budgets the cash balance in the UST Soil Permitting special fund (24300-2391) in the Division's General Fund on a one-time basis. A provision in the Appropriations Act directs the division to budget fee receipts directly in the General Fund.

(\$42,155) NR

57 Noncommercial Leaking Underground Storage Tank Fund (1990)

Provides nonrecurring funds to eliminate the backlog of claims against the Noncommercial Leaking Petroleum Underground Storage Tank Fund.

\$2,343,674 NR

58 Texfi (1990)

Provides nonrecurring funds to be used for the cleanup and monitoring of groundwater and other contamination located at the Texfi site in Fayetteville as well as any emergency cleanup activities at that site. Funds will be transferred to the Inactive Hazardous Sites Cleanup Fund for this purpose.

\$25,000 NR

\$25,000 NR

Water Infrastructure**59 Operating Reduction (1460)**

(\$1,592) R

(\$1,592) R

Reduces funds for cellular phone service by 29% leaving \$3,908 in the Division for this service.

60 Drinking Water State Revolving Funds (DWSRF) (1460)

(\$478,825) R

(\$478,825) R

Reduces funding for the State match for the DWSRF to more closely align with actual requirements; \$4.5 million in State funds remain to fully match the federal capitalization grant.

61 Clean Water State Revolving Fund (CWSRF) (1460)

\$5,100,000 NR

Provides nonrecurring funds to enable the division to draw down federal capitalization funds available in FFY 2014-15. Also puts the CWSRF on schedule to draw down federal funds in FFY 2015-16 when they become available at the beginning of the year rather than at the end of the fiscal year.

62 State Match for CWSRF (1460)

\$100,000 R

\$100,000 R

Provides additional funds for the State match for the CWSRF to more closely align with actual needs of the program. Total State funding is \$5.1 million.

63 State Grant Program Expansion (1460)

\$3,270,000 R

\$4,918,765 R

Provides additional funds for the State water and wastewater infrastructure grants benefitting rural, economically distressed areas. Total State grant funding available over the biennium is approximately \$38.2 million.

\$10,000,000 NR

\$10,000,000 NR

Water Resources**64 Vacant Position Reduction (1635 & 1690)**

(\$131,924) R

(\$131,924) R

Eliminates positions vacant greater than 6 months.

60035172 - Chemist I (1.0)

-2.00

-2.00

60035505 - Environmental Program Consultant (1.0)

65 Aquatic Weed Control (1990)

Provides additional funding for aquatic weed control in State lakes and rivers. Funds will be transferred to the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund.

\$900,000 NR

\$300,000 NR

Zoo**66 Vacant Position Reduction (1305)**

(\$165,847) R

(\$165,847) R

Eliminates positions vacant greater than 6 months.

60033302 - Maintenance Mechanic V (0.45)

-2.45

-2.45

60033383 - Plant Maintenance Supervisor I (1.0)

60033274 - Grounds Superintendent I (1.0)

67 Zoo Receipts (1305)

(\$100,000) R

(\$100,000) R

Budgets additional receipts to support the operations of the NC Zoo.

Total Legislative Changes	(\$1,173,059)	R	\$2,643,236	R
	\$43,825,003	NR	\$13,035,759	NR
Total Position Changes	-70.63		-70.63	
Revised Budget	\$204,931,493		\$177,958,544	

DENR - Special

Budget Code: 24300

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$22,269,945	\$12,214,257
Recommended Budget		
Requirements	\$91,999,421	\$91,999,421
Receipts	\$82,443,138	\$82,443,138
Positions	273.12	273.12

Legislative Changes**Requirements:****Shallow Draft Dredging Fund (2182)**

Increases the budget for dredging projects due to an increase in the amount of motor fuel tax revenue transferred from the Highway Fund.

\$3,332,384	R	\$4,331,117	R
\$0	NR	\$0	NR
0.00		0.00	

Aquatic Weed Control (2182)

Budgets a transfer from the General Fund to the Shallow Draft Dredging Fund for aquatic weed control in State lakes and rivers.

\$0	R	\$0	R
\$900,000	NR	\$300,000	NR
0.00		0.00	

Soil Remediation Fees (2391)

Transfers the cash balance in the Soil Remediation Fees special fund to the Division of Energy, Mineral and Land Resource's General Fund budget. A provision in the Appropriations Act eliminates the special fund and directs the Department to budget the requirements and receipts in the General Fund.

\$0	R	\$0	R
\$42,155	NR	\$0	NR
0.00		0.00	

Mining Interest Cash Balance (2610)

Transfers the cash balance in the Mining Interest special fund to the Division of Energy, Mineral and Land Resource's General Fund budget.

\$0	R	\$0	R
\$85,000	NR	\$0	NR
0.00		0.00	

Mining Interest (2610)

Eliminates the budget for the Mining Interest special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.

(\$38,431)	R	(\$38,431)	R
\$0	NR	\$0	NR
-0.53		-0.53	

House Appropriations Committee on Natural and Economic Resources

FY 2015-16

FY 2016-17

Mining Fees Cash Balance (2745)

Transfers the cash balance in the Mining Fees special fund to the Division of Energy, Mineral and Land Resource's General Fund.

\$0 R
\$165,000 NR
0.00

\$0 R
\$0 NR
0.00

Mining Fees (2745)

Eliminates the budget for the Mining Fees special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.

(\$188,480) R
\$0 NR
-1.90

(\$188,480) R
\$0 NR
-1.90

Stormwater Cash Balance (2750)

Transfers the cash balance in the Stormwater special fund to the Division of Energy, Mineral and Land Resource's General Fund.

\$0 R
\$95,000 NR
0.00

\$0 R
\$0 NR
0.00

Stormwater (2750)

Eliminates the budget for the Stormwater special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.

(\$822,113) R
\$0 NR
0.00

(\$822,113) R
\$0 NR
0.00

Subtotal Legislative Changes

\$2,283,360 R
\$1,287,155 NR
-2.43

\$3,282,093 R
\$300,000 NR
-2.43

Receipts:**Shallow Draft Dredging Fund (2182)**

Budgets an increase in the transfer from the Highway Fund to reflect the crediting of one-half percent (0.5%) of motor fuel tax revenue.

\$3,332,384 R
\$0 NR

\$4,331,117 R
\$0 NR

Aquatic Weed Control (2182)

Budgets a transfer from the General Fund to the Shallow Draft Dredging Fund for aquatic weed control in State lakes and rivers.

\$0 R
\$900,000 NR

\$0 R
\$300,000 NR

Soil Remediation Fees (2391)

Base budget contains no receipts. No budget action necessary.

\$0 R
\$0 NR

\$0 R
\$0 NR

House Appropriations Committee on Natural and Economic Resources

	FY 2015-16		FY 2016-17	
Mining Interest Cash Balance (2610)	\$0	R	\$0	R
No budget action necessary.	\$0	NR	\$0	NR
Mining Interest (2610)	(\$38,431)	R	(\$38,431)	R
Removes the budget for mining interest receipts in the special fund. Receipts will be budgeted in the General Fund.	\$0	NR	\$0	NR
Mining Fees Cash Balance (2745)	\$0	R	\$0	R
No budget action necessary.	\$0	NR	\$0	NR
Mining Fees (2745)	(\$300,730)	R	(\$300,730)	R
Removes the budget for mining fees receipts in the special fund. Receipts will be budgeted in the General Fund.	\$0	NR	\$0	NR
Stormwater Cash Balance (2750)	\$0	R	\$0	R
No budget action necessary.	\$0	NR	\$0	NR
Stormwater (2750)	(\$822,113)	R	(\$822,113)	R
Removes the budget for stormwater fee receipts in the special fund. Receipts will be budgeted in the General Fund.	\$0	NR	\$0	NR
Subtotal Legislative Changes	\$2,171,110	R	\$3,169,843	R
	\$900,000	NR	\$300,000	NR
<hr/>				
Revised Total Requirements	\$95,569,936		\$95,581,514	
Revised Total Receipts	\$85,514,248		\$85,912,981	
Change in Fund Balance	(\$10,055,688)		(\$9,668,533)	
Total Positions	270.69		270.69	
<hr/>				
Unappropriated Balance Remaining	\$12,214,257		\$2,545,724	

DENR - Commercial LUST Cleanup

Budget Code: 64305

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$83,787,906	\$52,984,756
Recommended Budget		
Requirements	\$63,762,710	\$63,762,710
Receipts	\$32,959,560	\$32,959,560
Positions	11.20	11.20

Legislative Changes**Requirements:****Inactive Hazardous Sites Cleanup Fund (6372)**

Budgets a transfer from the General Fund to be used for the cleanup and monitoring of groundwater and other contamination located at the Texfi site in Fayetteville as well as any emergency cleanup activities at that site.

\$0	R	\$0	R
\$25,000	NR	\$25,000	NR
0.00		0.00	

Subtotal Legislative Changes

\$0	R	\$0	R
\$25,000	NR	\$25,000	NR
0.00		0.00	

Receipts:**Inactive Hazardous Sites Cleanup Fund (6372)**

Budgets a transfer from the General Fund to be used for the cleanup and monitoring of groundwater and other contamination located at the Texfi site in Fayetteville as well as any emergency cleanup activities at that site.

\$0	R	\$0	R
\$25,000	NR	\$25,000	NR

Subtotal Legislative Changes

\$0	R	\$0	R
\$25,000	NR	\$25,000	NR

House Appropriations Committee on Natural and Economic Resources

	FY 2015-16	FY 2016-17
Revised Total Requirements	\$63,787,710	\$63,787,710
Revised Total Receipts	\$32,984,560	\$32,984,560
Change in Fund Balance	(\$30,803,150)	(\$30,803,150)
Total Positions	11.20	11.20
Unappropriated Balance Remaining	\$52,984,756	\$22,181,606

DENR - Energy Stripper Well

Budget Code: 64327

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$882,675	\$160,003
Recommended Budget		
Requirements	\$0	\$0
Receipts	\$0	\$0
Positions	0.00	0.00
Legislative Changes		
Requirements:		
Petroleum Violation Escrow Cash Balance (64347)	\$0 R	\$0 R
Transfers the cash balance in the Petroleum Violation Escrow trust fund to the Division of Energy, Mineral and Land Resources to offset the General Fund support of the university energy centers. A provision in the Appropriations Act directs the Department to close this budget code.	\$722,672 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$722,672 NR	\$0 NR
	0.00	0.00

Receipts:

Petroleum Violation Escrow Cash Balance (64347)	\$0 R	\$0 R
Base budget contains no receipts. No budget action necessary.	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

House Appropriations Committee on Natural and Economic Resources

FY 2015-16

FY 2016-17

Revised Total Requirements	\$722,672	\$0
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$722,672)	\$0
Total Positions	0.00	0.00

Unappropriated Balance Remaining	\$160,003	\$160,003
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Wildlife Resources Commission

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Budget	\$13,317,641		\$13,317,641	
Legislative Changes				
Wildlife Resources Commission				
68 Operating Reduction (1135 & 1166)	(\$226,651)	R	(\$226,651)	R
Reduces printing and postage line-items related to the production of the Wildlife magazine and budgets timber receipts to support a portion of the following Forester positions:	-3.75		-3.75	
60034105 - Forester (0.50)				
60034121 - Forester (0.50)				
60034156 - Forester (0.25)				
60033832 - Forester (0.25)				
60033837 - Forester (0.25)				
60033851 - Forester (0.25)				
60033867 - Forester (0.25)				
60033876 - Forester (0.25)				
60089496 - Forester (0.25)				
60033847 - Forester (0.25)				
60033848 - Forester (0.25)				
60033849 - Forester (0.25)				
60033574 - Forester (0.25)				
69 Agency-wide Reduction	(\$3,090,990)	R	(\$3,090,990)	R
Reduces funding to the Wildlife Resources Commission by 23% due to an increase in budgeted receipts.				
70 Beaver Management Assistance Program (BMAP) (1151)	\$250,000	R	\$250,000	R
Provides additional funds for the BMAP, bringing total State funding to \$635,000.				
Total Legislative Changes	(\$3,067,641)	R	(\$3,067,641)	R
Total Position Changes	-3.75		-3.75	
Revised Budget	\$10,250,000		\$10,250,000	

Commerce

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Budget	\$47,261,954		\$47,261,954	

Legislative Changes

Administration

71 Management Flexibility Reserve (1111)	(\$238,537)	R	(\$238,537)	R
Reduces funding for the Department's Administration Division. The Secretary shall eliminate positions to achieve additional cost savings.				
72 Federal Grants Accountant (1111)	(\$101,807)	R	(\$101,807)	R
Budgets federal indirect cost receipts for a filled position (60077169).				
	-1.00		-1.00	
73 Deputy General Counsel Position (1111)	(\$93,626)	R	(\$93,626)	R
Eliminates vacant Deputy General Counsel position (60080998).				
	-1.00		-1.00	
74 Public Information Officer Position (1111)	(\$35,483)	R	(\$35,483)	R
Eliminates vacant Public Information Officer position (60077157).				
	-1.00		-1.00	
75 Base Realignment and Closure (BRAC) (1111)				
Provides nonrecurring funding for the State's preparation for Department of Defense BRAC activities.				
	\$345,100	NR		
76 Business Recruitment/Expansion (1111)	\$25,000	R	\$25,000	R
Funds Secretary's business recruitment/expansion activities, accomplished in partnership with the Economic Development Partnership of North Carolina (EDPNC).				

Commerce Finance Center

77 Job Maintenance and Capital Development Fund (JMAC) (1581)	\$6,869,254	R	\$8,500,000	R
Provides funds for JMAC payments to Bridgestone, Domtar, Evergreen, and Goodyear.				
78 Operating Costs (1581)	\$200,000	R	\$200,000	R
Provides funds for administration of the One North Carolina Fund and other economic development incentive programs.				

Economic Dev Partnership of NC (EDPNC)

79 EDPNC Contract (1114)	(\$175,020)	R	(\$175,020)	R
Reduces budget for EDPNC contract by 1%; remaining funds total \$17.3 million.				

Economic Dev Partnership of NC (EDPNC) (1114)**80 Tourism Advertising**

\$1,000,000 R \$2,000,000 R

Provides additional funding to the EDPNC for tourism advertising. In accordance with G.S. 143B-431.01.(b), these funds are restricted for a research-based, comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and not for ancillary activities, such as Statewide branding and business development marketing.

Graphics**81 Operating Funds (1520)**

(\$142,834) R (\$142,834) R

Eliminates excess funds remaining post EDPNC contract implementation; remaining funds total \$1.7 million (\$1.5 million for State branding contract and 2 filled graphic designer positions).

Industrial Commission**82 Over-realized Receipts (1831)**

(\$375,000) R (\$375,000) R

Reduces State funding due to a projected net increase in receipts.

83 Regional Offices (1831)(\$276,387) R (\$425,182) R
\$150,000 NR

Reduces funding due to cost savings associated with relocation of duty stations from Raleigh into regional offices; provides nonrecurring start-up funding for establishing offices.

84 Vacant Position Reduction (1831)

(\$255,707) R (\$255,707) R

Eliminates 4 positions vacant for more than 1 year:

-4.00 -4.00

60080765 - Exec Sec Processing Assistant IV (1.0)

65020434 - Fraud Unit Investigator (1.0)

65020435 - Fraud Unit Investigator (1.0)

65019923 - Special Deputy Commissioner (1.0)

85 Information Technology Positions (1831)

\$297,411 R \$297,411 R

Provides funding for 3 Information Technology positions that will support ongoing administration of the Consolidated Case Management System, including:

3.00 3.00

Operations & Systems Specialist (1.0)

Bus & Tech App Analyst (1.0)

Technology Support Specialist (1.0)

86 Insurance Regulatory Surcharge Receipts (1831)

Directs the Commission to budget \$2.4 million for Insurance Regulatory Surcharge receipts.

Labor and Economic Analysis (1130)**87 Vacant Position Reduction**

Reduces funding for vacant positions (total of 5.10 FTEs across 17 positions):

(\$342,211) R

(\$342,211) R

-5.10

-5.10

60080027 - Administrative Assistant I (0.4)
 60080007 - Bus. & Tech. Applic. Analyst (0.3)
 60080008 - Bus. & Tech. Applic. Analyst (0.25)
 60079991 - Bus. & Tech. Applic. Specialist (0.3)
 60081028 - Bus. & Tech. Applic. Specialist (0.1)
 60080988 - Economist (0.25)
 60079956 - Office Assistant IV (0.5)
 60079968 - Outreach and Training Manager (0.1)
 60081029 - Policy Analyst (0.3)
 60081194 - Policy Analyst (0.35)
 60079989 - Social/Clinical Research Assistant (0.35)
 60079953 - Social/Clinical Research Specialist (0.3)
 60079960 - Social/Clinical Research Specialist (0.35)
 60079975 - Social/Clinical Research Specialist (0.3)
 60079978 - Social/Clinical Research Specialist (0.25)
 60079967 - Social/Clinical Research Manager (0.3)
 60079951 - Social/Clinical Research Executive (0.4)

Management Information System (MIS)**88 Senior Analyst Programmers (1120)**

Eliminates 2 filled positions (60080833 and 60080834); 4 MIS positions remain.

(\$206,546) R

(\$206,546) R

-2.00

-2.00

Office of Science and Technology**89 One NC Small Business Fund (1113)**

Provides nonrecurring funds to offer early-stage technology development grants for small businesses that receive federal awards from the Small Business Innovative Research program or Small Business Technology Transfer program.

\$5,000,000 NR

\$5,000,000 NR

Rural Economic Development**90 Assistant Director of Community Assistance (1620)**

Eliminates a position (60081168) vacant for more than 1 year.

(\$85,747) R

(\$85,747) R

-1.00

-1.00

91 Grant Program Expansion (1534)

Provides additional funds for Rural Economic Development Division grant programs. Total FY 2016-17 funding is \$24.6 million.

\$253,956 R

\$1,183,760 R

\$10,000,000 NR

\$10,000,000 NR

92 Main Street Solutions Fund (1620)

Provides nonrecurring funds to offer reimbursable matching grants to local governments to assist planning agencies and small businesses with efforts to revitalize downtown areas.

\$1,000,000 NR

93 Challenge Grant for Study of Future Use of Broughton Hospital (1912)

Provides nonrecurring funds for a challenge grant for a study of the future use of Broughton Hospital facilities.

\$200,000 NR

Travel Inquiry**94 Visitor Services Director (1551)**

Budgets federal indirect cost receipts for one-half of a filled position (60080871).

(\$52,358) R

(\$52,358) R

-0.50

-0.50

Workforce Solutions**95 Apprenticeship Program (1912)**

Eliminates Apprenticeship fees (G.S. 94-12) and reduces budgeted receipts by \$300,000.

Total Legislative Changes

\$6,264,358 R

\$9,676,113 R

\$16,695,100 NR

\$15,000,000 NR

Total Position Changes

-12.60

-12.60

Revised Budget

\$70,221,412

\$71,938,067

Commerce Employment Security

Budget Code: 24650

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$11,845,640	\$11,845,640
Recommended Budget		
Requirements	\$168,075,000	\$168,075,000
Receipts	\$168,075,000	\$168,075,000
Positions	1,282.40	1,282.40

Legislative Changes**Requirements:****USDOL Grant (2000)**

Directs the Division of Employment Security to budget requirements and receipts for US Department of Labor Unemployment Compensation Modernization incentive payment. Funds shall be used to design and build an integrated unemployment benefit and tax accounting system; remaining funds shall be used for the operation of the unemployment insurance program.

\$0 R
\$205,063,552 NR
0.00

\$0 R
\$0 NR
0.00

Subtotal Legislative Changes

\$0 R
\$205,063,552 NR
0.00

\$0 R
\$0 NR
0.00

Receipts:**USDOL Grant (2000)**

Directs the Division of Employment Security to budget requirements and receipts for US Department of Labor Unemployment Compensation Modernization incentive payment. Funds shall be used to design and build an integrated unemployment benefit and tax accounting system; remaining funds shall be used for the operation of the unemployment insurance program.

\$0 R
\$205,063,552 NR

\$0 R
\$0 NR

House Appropriations Committee on Natural and Economic Resources

	FY 2015-16	FY 2016-17
Subtotal Legislative Changes	\$0 R	\$0 R
	\$205,063,552 NR	\$0 NR
Revised Total Requirements	\$373,138,552	\$168,075,000
Revised Total Receipts	\$373,138,552	\$168,075,000
Change in Fund Balance	\$0	\$0
Total Positions	1,282.40	1,282.40
Unappropriated Balance Remaining	\$11,845,640	\$11,845,640

Commerce – Enterprise

Budget Code: 54600

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$3,639,764	\$3,981,703
Recommended Budget		
Requirements	\$33,541,658	\$33,541,658
Receipts	\$33,883,597	\$33,883,597
Positions	284.00	284.00

Legislative Changes**Requirements:**

Utilities Commission (5211)	(\$256,968) R	(\$256,968) R
Reduces the budgeted requirements and receipts for the Utilities Commission to more closely align to actuals.	\$0 NR 0.00	\$0 NR 0.00
Utilities - Gas Pipelines (5217)	(\$12,497) R	(\$12,497) R
Reduces the budgeted requirements and receipts for the fund to more closely align to actuals.	\$0 NR 0.00	\$0 NR 0.00
Utilities - Public Staff (5221)	(\$353,156) R	(\$353,156) R
Reduces the budgeted requirements and receipts for the Public Staff to more closely align to actuals.	\$0 NR 0.00	\$0 NR 0.00
Subtotal Legislative Changes	(\$622,621) R	(\$622,621) R
	\$0 NR 0.00	\$0 NR 0.00

Receipts:

Utilities Commission (5211)	(\$256,968) R	(\$256,968) R
Reduces the budgeted requirements and receipts for the Utilities Commission to more closely align to actuals.	\$0 NR	\$0 NR

House Appropriations Committee on Natural and Economic Resources

	FY 2015-16	FY 2016-17
Utilities - Gas Pipelines (5217)	(\$12,497) R	(\$12,497) R
Reduces the budgeted requirements and receipts for the fund to more closely align to actuals.	\$0 NR	\$0 NR
Utilities - Public Staff (5221)	(\$353,156) R	(\$353,156) R
Reduces the budgeted requirements and receipts for the Public Staff to more closely align to actuals.	\$0 NR	\$0 NR
Subtotal Legislative Changes	(\$622,621) R	(\$622,621) R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$32,919,037	\$32,919,037
Revised Total Receipts	\$33,260,976	\$33,260,976
Change in Fund Balance	\$341,939	\$341,939
Total Positions	284.00	284.00
<hr/>		
Unappropriated Balance Remaining	\$3,981,703	\$4,323,642

Utilities Commission/Public Staff

Budget Code: 64605

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$3,366,237	\$3,366,237
Recommended Budget		
Requirements	\$16,122,621	\$16,122,621
Receipts	\$16,122,621	\$16,122,621
Positions	0.00	0.00

Legislative Changes**Requirements:**

Utilities Comm. - Public Staff - Enterprise (6431)	(\$622,621) R	(\$622,621) R
Reduces the budgeted requirements and receipts for the fund to more closely align to actuals.	\$0 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	(\$622,621) R	(\$622,621) R
	\$0 NR	\$0 NR
	0.00	0.00

Receipts:

Utilities Comm. - Public Staff - Enterprise (6431)	(\$622,621) R	(\$622,621) R
Reduces the budgeted requirements and receipts for the fund to more closely align to actuals.	\$0 NR	\$0 NR
Subtotal Legislative Changes	(\$622,621) R	(\$622,621) R
	\$0 NR	\$0 NR

House Appropriations Committee on Natural and Economic Resources

	FY 2015-16	FY 2016-17
Revised Total Requirements	\$15,500,000	\$15,500,000
Revised Total Receipts	\$15,500,000	\$15,500,000
Change in Fund Balance	\$0	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$3,366,237	\$3,366,237

Commerce - State Aid

GENERAL FUND

	FY 15-16	FY 16-17
Recommended Budget	\$11,704,240	\$11,704,240

Legislative Changes

American Legion World Series Baseball (1913)

96 American Legion World Series (ALWS) Baseball Inc.

Provides nonrecurring funding to ALWS, the nonprofit organization responsible for hosting the 2015 American Legion Baseball World Series.

\$200,000 NR

Biotechnology Center

97 Biotechnology Center (1121)

Provides recurring funding for the Biotechnology Center; funding totals \$13.6 million.

\$5,000,000 R \$5,000,000 R

Brevard Station Museum

98 Brevard Station Museum (1913)

Provides nonrecurring funding for the Brevard Station Museum in Stanley.

\$50,000 NR

North Carolina Arboretum

99 NC Arboretum (1913)

Provides nonrecurring funding for the Bent Creek Institute, Inc. and the Germplasm Repository in Asheville to attract, grow, and support the natural and nutraceutical product industry.

\$858,380 NR \$858,380 NR

Research Triangle Institute (1913)

100 Research Triangle Institute Grant

Provides \$800,000 in nonrecurring funds for each year of the biennium to the Research Triangle Institute. FY 2015-16 monies will match US Department of Energy grants for clean energy research and development.

\$800,000 NR \$500,000 NR

The Support Center (1913)

101 The Support Center

Provides nonrecurring funding to The Support Center for each year of the biennium to provide small business loans and financial training to start-ups and existing businesses and lending services to community-based organizations.

\$2,500,000 NR \$2,500,000 NR

House Committee on Agriculture and Natural and Economic Resources

FY 15-16

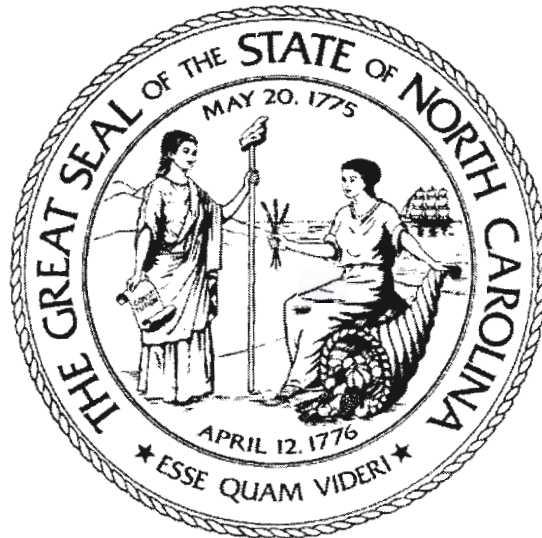
FY 16-17

Total Legislative Changes	\$5,000,000	R	\$5,000,000	R
	\$4,408,380	NR	\$3,858,380	NR
Total Position Changes				
Revised Budget	\$21,112,620		\$20,562,620	



House Appropriations Committee on
ANER

**Proposed Special Provisions for
H.B. 97, 2015 Appropriations Act**



May 14, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS
HOUSE APPROPRIATIONS, AGRICULTURE AND NATURAL AND ECONOMIC
RESOURCES REPORT

MAY 14, 2015

Report Last Updated: 5/14/15 1:01 AM

2015-AGRIC-H8-P.....	1
COMMISSIONER OF AGRICULTURE/VEHICLE BENEFITS	
2015-AGRIC-H1-P.....	5
TVA SETTLEMENT FUNDS	
2015-AGRIC-H7-P.....	6
DISPOSITION OF ROSE HILL LABORATORY PROPERTY	
2015-AGRIC-H6-P.....	7
FARMLAND PRESERVATION FUNDING	
2015-AGRIC-H2-P.....	8
DRUG MANUFACTURING LICENSING AND REGISTRATION FEES	
2015-AGRIC-H3-P.....	9
FOOD MANUFACTURER AND RETAILER INSPECTION FEES	
2015-AGRIC-H5-P.....	10
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES SPECIAL FUNDS TRANSFER/OFFSET GENERAL FUND APPROPRIATION	
2015-ENV-H4-P.....	11
PROSPERITY ZONE DENR LIASONS	
2015-NATRES-H2-P.....	12
IMPROVE FINANCIAL MANAGEMENT OF ENVIRONMENTAL STEWARDSHIP FUNDS THROUGH CONSERVATION GRANT FUND	
2015-NATRES-H3-P.....	13
ALLOW REVENUE GENERATED FROM TIMBER SALE TO BE RETAINED IN A NONREVERTING ACCOUNT FOR A PERIOD OF FOUR YEARS	
2015-NATRES-H13-P.....	14
SEPARATE NATURAL HERITAGE PROGRAM FROM CLEAN WATER MANAGEMENT TRUST FUND	
2015-NATRES-H15.....	15
WATER QUALITY REMEDIATION	

2015-NATRES-H14A.....	16
SHALLOW DRAFT NAVIGATION CHANNEL DREDGING FUNDING EARMARK/AQUATIC WEED CONTROL	
2015-NATRES-H4-P.....	18
USE OF OYSTER SHELLS PROHIBITED IN COMMERCIAL LANDSCAPING	
2015-NATRES-H5-P.....	19
CORE SOUND OYSTER LEASING	
2015-NATRES-H6-P.....	20
AMEND SENATOR JEAN PRESTON MARINE SHELLFISH SANCTUARY LEGISLATION	
2015-NATRES-H7-P.....	23
SHELLFISH CULTIVATION LEASING REFORM	
2015-NATRES-H8-P.....	24
DYNAMIC PRICING FOR STATE PARKS AND ATTRACTIONS	
2015-NATRES-H12-P.....	25
STATE PARKS BUDGET/POSITIONS	
2015-ENV-H2-P.....	27
WATER INFRASTRUCTURE AUTHORITY REVISIONS	
2015-ENV-H5-P.....	34
WATER INFRASTRUCTURE STATE MATCH SURPLUS FUNDS	
2015-ENV-H3-P.....	35
COAL ASH MANAGEMENT FUNDS	
2015-ENV-H6-P.....	36
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES/CLOSE CERTAIN SPECIAL FUNDS	
2015-COMM-H11-P.....	38
EDPNC STATE BUDGET ACT EXEMPTION	
2015-COMM-H29-P.....	39
COMMERCE STUDY TIME SPENT ADMINISTERING PROGRAMS SUPPORTED BY FEDERAL FUNDS	
2015-COMM-H25-P.....	40
DEPARTMENT OF COMMERCE/CONFORMING STATUTORY CHANGES	
2015-COMM-H17-P.....	42
NER BLOCK GRANTS/2016 AND 2017 PROGRAM YEARS	
2015-COMM-H10-P.....	44
USE OF DEOBLIGATED COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AND SURPLUS FEDERAL ADMINISTRATIVE FUNDS	
2015-COMM-H16-P.....	45
UNDERSERVED AND LIMITED RESOURCE COMMUNITIES/ECONOMIC DEVELOPMENT GRANTS	
2015-COMM-H28-P.....	47
FUNDS TO CERTAIN COUNTIES FOR APPALACHIAN REGIONAL COMMISSION MATCH	

2015-COMM-H27-P.....	48
LABOR AND ECONOMIC ANALYSIS DIVISION/VACANT POSITIONS TO BE RECEIPT-SUPPORTED	
2015-COMM-H7-P.....	49
MODIFY ECONOMIC DEVELOPMENT GRANT REPORT	
2015-COMM-H12A-P.....	50
WORKFORCE DEVELOPMENT BOARDS/CHANGES TO CONFORM WITH FEDERAL LAW	
2015-COMM-H18-P.....	56
REPEAL STATUTES AUTHORIZING TRADE JOBS FOR SUCCESS/INITIATIVE ENDED JUNE 30, 2013	
2015-COMM-H20-P.....	57
REPEAL APPRENTICESHIP FEE	
2015-COMM-H13-P.....	58
INDUSTRIAL COMMISSION/USE OF IT FUNDS	
2015-COMM-H31-P.....	59
UTILITIES COMMISSION/PUBLIC STAFF REALIGN CERTIFIED BUDGET WITH ANTICIPATED AGENCY REQUIREMENTS	
2015-COMM-H21A-P.....	60
SET REGULATORY FEE FOR UTILITIES COMMISSION	
2015-COMM-H22-P.....	64
NC BIOTECHNOLOGY CENTER	
2015-COMM-H23-P.....	65
GRASSROOTS SCIENCE PROGRAM	
2015-COMM-H24-P.....	68
COMMERCE NONPROFITS/REPORTING REQUIREMENTS	
2015-COMM-H32-P.....	69
NC ARBORETUM/FUNDS	
2015-COMM-H30-P.....	70
FUNDS FOR THE BREVARD STATION MUSEUM	

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H8-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

COMMISSIONER OF AGRICULTURE/VEHICLE BENEFITS

SECTION #. G.S. 143-341(8)(i)(7a) is rewritten to read:

"7a. To adopt with the approval of the Governor and to enforce rules and to coordinate State policy regarding (i) the permanent assignment of state-owned passenger motor vehicles and (ii) the use of and reimbursement for those vehicles for the limited commuting permitted by this subdivision. For the purpose of this subdivision 7a, "state-owned passenger motor vehicle" includes any state-owned passenger motor vehicle, whether or not owned, maintained or controlled by the Department of Administration, and regardless of the source of the funds used to purchase it. Notwithstanding the provisions of G.S. 20-190 or any other provisions of law, all state-owned passenger motor vehicles are subject to the provisions of this subdivision 7a; no permanent assignment shall be made and no one shall be exempt from payment of reimbursement for commuting or from the other provisions of this subdivision 7a except as provided by this subdivision 7a. Commuting, as defined and regulated by this subdivision, is limited to those specific cases in which the Secretary has received and accepted written justification, verified by historical data. The Department shall not assign any state-owned motor vehicle that may be used for commuting other than those authorized by the procedure prescribed in this subdivision.

A State-owned passenger motor vehicle shall not be permanently assigned to an individual who is likely to drive it on official business at a rate of less than 3,150 miles per quarter unless (i) the individual's duties are routinely related to public safety or (ii) the individual's duties are likely to expose the individual routinely to life-threatening situations. A State-owned passenger motor vehicle shall also not be permanently assigned to an agency that is likely to drive it on official business at a rate of less than 3,150 miles per quarter unless the agency can justify to the Division of Motor Fleet Management the need for permanent assignment because of the unique use of the vehicle. Each agency, other than the Department of Transportation, that has a vehicle assigned to it or has an employee to whom a vehicle is assigned shall

1 submit a quarterly report to the Division of Motor Fleet
2 Management on the miles driven during the quarter by the
3 assigned vehicle. The Division of Motor Fleet Management
4 shall review the report to verify that each motor vehicle has
5 been driven at the minimum allowable rate. If it has not and if
6 the department by whom the individual to which the car is
7 assigned is employed or the agency to which the car is
8 assigned cannot justify the lower mileage for the quarter, the
9 permanent assignment shall be revoked immediately. The
10 Department of Transportation shall submit an annual report to
11 the Division of Motor Fleet Management on the miles driven
12 during the year by vehicles assigned to the Department or to
13 employees of the Department. If a vehicle included in this
14 report has not been driven at least 12,600 miles during the
15 year, the Department of Transportation shall review the
16 reasons for the lower mileage and decide whether to
17 terminate the assignment. The Division of Motor Fleet
18 Management may not revoke the assignment of a vehicle to
19 the Department of Transportation or an employee of that
20 Department for failure to meet the minimum mileage
21 requirement unless the Department of Transportation
22 consents to the revocation.

23 Every individual who uses a State-owned passenger
24 motor vehicle, pickup truck, or van to drive between the
25 individual's official work station and his or her home, shall
26 reimburse the State for these trips at a rate computed by the
27 Department. This rate shall approximate the benefit derived
28 from the use of the vehicle as prescribed by federal law.
29 Reimbursement shall be for 20 days per month regardless of
30 how many days the individual uses the vehicle to commute
31 during the month. Reimbursement shall be made by payroll
32 deduction. Funds derived from reimbursement on vehicles
33 owned by the Motor Fleet Management Division shall be
34 deposited to the credit of the Division; funds derived from
35 reimbursements on vehicles initially purchased with
36 appropriations from the Highway Fund and not owned by the
37 Division shall be deposited in a Special Depository Account
38 in the Department of Transportation, which shall revert to the
39 Highway Fund; funds derived from reimbursement on all
40 other vehicles shall be deposited in a Special Depository
41 Account in the Department of Administration which shall
42 revert to the General Fund. Commuting, for purposes of this
43 paragraph, does not include those individuals whose office is
44 in their home, as determined by the Department of
45 Administration, Division of Motor Fleet Management. Also,
46 this paragraph does not apply to the following vehicles: (i)
47 clearly marked police and fire vehicles, (ii) delivery trucks
48 with seating only for the driver, (iii) flatbed trucks, (iv) cargo
49 carriers with over a 14,000 pound capacity, (v) school and
50 passenger buses with over 20 person capacities, (vi)

1 ambulances, (vii) [Repealed]. (viii) bucket trucks, (ix) cranes
2 and derricks, (x) forklifts, (xi) cement mixers, (xii) dump
3 trucks, (xiii) garbage trucks, (xiv) specialized utility repair
4 trucks (except vans and pickup trucks), (xv) tractors, (xvi)
5 unmarked law-enforcement vehicles that are used in
6 undercover work and are operated by full-time, fully sworn
7 law-enforcement officers whose primary duties include
8 carrying a firearm, executing search warrants, and making
9 arrests, ~~and (xvii) (xvii)~~ any other vehicle exempted under
10 Section 274(d) of the Internal Revenue Code of 1954, and
11 Federal Internal Revenue Services regulations based
12 ~~thereon-thereon~~, or (xviii) the vehicle assigned to the
13 Commissioner of Agriculture, with respect to trips between
14 the Commissioner's home and locations other than the
15 Commissioner's office. The Department of Administration,
16 Division of Motor Fleet Management, shall report quarterly
17 to the Joint Legislative Commission on Governmental
18 Operations and to the Fiscal Research Division of the
19 Legislative Services Office on individuals who use
20 State-owned passenger motor vehicles, pickup trucks, or vans
21 between their official work stations and their homes, who are
22 not required to reimburse the State for these trips.

23 The Department of Administration shall revoke the
24 assignment or require the Department owning the vehicle to
25 revoke the assignment of a State-owned passenger motor
26 vehicle, pickup truck or van to any individual who:

- 27 I. Uses the vehicle for other than official business except
28 in accordance with the commuting rules;
- 29 II. Fails to supply required reports to the Department of
30 Administration, or supplies incomplete reports, or
31 supplies reports in a form unacceptable to the
32 Department of Administration and does not cure the
33 deficiency within 30 days of receiving a request to do
34 so;
- 35 III. Knowingly and willfully supplies false information to
36 the Department of Administration on applications for
37 permanent assignments, commuting reimbursement
38 forms, or other required reports or forms;
- 39 IV. Does not personally sign all reports on forms
40 submitted for vehicles permanently assigned to him or
41 her and does not cure the deficiency within 30 days of
42 receiving a request to do so;
- 43 V. Abuses the vehicle; or
- 44 VI. Violates other rules or policy promulgated by the
45 Department of Administration not in conflict with this
46 act.

47 A new requisition shall not be honored until the Secretary
48 of the Department of Administration is assured that the
49 violation for which a vehicle was previously revoked will not
50 recur.

1 The Department of Administration, with the approval of
2 the Governor, may delegate, or conditionally delegate, to the
3 respective heads of agencies which own passenger motor
4 vehicles or to which passenger motor vehicles are
5 permanently assigned by the Department, the duty of
6 enforcing all or part of the rules adopted by the Department
7 of Administration pursuant to this subdivision 7a. The
8 Department of Administration, with the approval of the
9 Governor, may revoke this delegation of authority.

10 Notwithstanding the provisions of this section and
11 G.S. 14-247, the Department of Administration may allow the
12 organization sanctioned by the Governor's Council on
13 Physical Fitness to conduct the North Carolina State Games
14 to use State trucks and vans for the State Games of North
15 Carolina. The Department of Administration shall not charge
16 any fees for the use of the vehicles for the State Games. The
17 State shall incur no liability for any damages resulting from
18 the use of vehicles under this provision. The organization that
19 conducts the State Games shall carry liability insurance of not
20 less than one million dollars (\$1,000,000) covering such
21 vehicles while in its use and shall be responsible for the full
22 cost of repairs to these vehicles if they are damaged while
23 used for the State Games."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H1-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

TVA SETTLEMENT FUNDS

SECTION #. In fiscal year 2015-2016, The Department of Agriculture and Consumer Services shall apply for two million two hundred forty thousand dollars (\$2,240,000) from the Tennessee Valley Authority Settlement Agreement in compliance with the requirements of paragraphs 122 through 128 of the Consent Decree entered into by the State in *State of Alabama et al. v. Tennessee Valley Authority*, Civil Action 3:11-cv-00170 in the United States District Court for the Eastern District of Tennessee, and Appendix C to the Compliance Agreement. The funds received by the State shall be allocated as follows:

- (1) Five hundred thousand dollars (\$500,000) to WNC Communities to fund energy efficiency projects for public schools in areas served by the organization. Of the funds allocated in this subdivision, WNC Communities may use up to fifty thousand dollars (\$50,000) for administrative expenses.
- (2) Seven hundred forty thousand dollars (\$740,000) to municipalities with a population less than 1,000 located in counties within the Tennessee Valley Authority Service area that are classified as distressed by the Appalachian Regional Commission, for higher efficiency upgrades to electrical transmission and distribution equipment and facilities.
- (3) One million dollars (\$1,000,000) to the Department of Environment and Natural Resources to provide the nonfederal match to funding from the Natural Resources Conservation Service for projects conducted under the Western North Carolina Stream Initiative in the following counties: Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Swain, Transylvania, Watauga, and Yancey.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H7-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

DISPOSITION OF ROSE HILL LABORATORY PROPERTY

SECTION #. Notwithstanding Articles 2 and 7 of Chapter 146 of the General Statutes, the Department of Administration shall sell the building and associated real property formerly used to house the Veterinary Diagnostic Laboratory located in the Town of Rose Hill in Duplin County. The Department of Administration shall credit the receipts to the Department of Agriculture and Consumer Services' General Fund to improve the efficiency and responsiveness of the Department's diagnostic laboratory system, and the net proceeds, once realized, are appropriated for that purpose. The Department of Administration may retain a service charge not greater than ten percent (10%) of the gross proceeds from the sale.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H6-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***FARMLAND PRESERVATION FUNDING***

2 SECTION #.(a) G.S. 105-277.4 reads as rewritten:

3 "**§ 105-277.4. Agricultural, horticultural and forestland – Application; appraisal at use**
4 **value; appeal; deferred taxes.**

5 ...

6 (c) Deferred Taxes. – Land meeting the conditions for classification under
7 G.S. 105-277.3 must be taxed on the basis of the value of the land for its present use. The
8 difference between the taxes due on the present-use basis and the taxes that would have been
9 payable in the absence of this classification, together with any interest, penalties, or costs that
10 may accrue thereon, are a lien on the real property of the taxpayer as provided in
11 G.S. 105-355(a). The difference in taxes must be carried forward in the records of the taxing
12 unit or units as deferred taxes. The A fee equal to one-third of the deferred taxes for the
13 preceding three fiscal years and the deferred taxes for the preceding three fiscal years are due
14 and payable in accordance with G.S. 105-277.1F when the property loses its eligibility for
15 deferral as a result of a disqualifying event. A disqualifying event occurs when the land fails to
16 meet any condition or requirement for classification or when an application is not approved.
17 The taxing unit shall remit the fee authorized by this subsection, less fifteen percent (15%) that
18 may be retained for administrative costs, to the Department of Agriculture and Consumer
19 Services within 30 days of collection.

20 (c1) Fee. – When the property loses its eligibility for deferral as a result of a
21 disqualifying event, the taxing unit shall assess and collect a fee equal to one-third of the
22 deferred taxes that become due and payable under subsection (c) of this section. The fee is a
23 lien on the real property of the taxpayer as provided in G.S. 105-355(a). The taxing unit shall
24 remit the fee, less fifteen percent (15%) that may be retained for administrative costs, to the
25 Department of Agriculture and Consumer Services within 30 days of collection.

26"

27 SECTION #.(b) G.S. 106-744 is amended by adding a new subsection to read:

28 "(c4) The Commissioner shall credit amounts remitted to the Department under
29 G.S. 105-277.4(c) to the Trust Fund. These funds may be used only for the purposes set forth in
30 subdivisions (1) and (3) of subsection (c) of this section."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H2-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 DRUG MANUFACTURING LICENSING AND REGISTRATION FEES

2 SECTION #.(a) G.S. 106-140.1(h) reads as rewritten:

3 "(h) The Commissioner shall adopt rules to implement the registration requirements of
4 this section. These rules ~~may~~ shall provide for an annual registration fee of ~~up to five hundred~~
5 ~~dollars (\$500.00)~~ one thousand dollars (\$1,000) for companies operating as ~~manufacturers,~~
6 ~~wholesalers, or repackagers.~~ manufacturers or repackagers and seven hundred dollars (\$700.00)
7 for companies operating as wholesalers. The Department of Agriculture and Consumer
8 Services shall use these funds for the implementation of the North Carolina Food, Drug and
9 Cosmetic Act."

10 SECTION #.(b) G.S. 106-145.4(b) reads as rewritten:

11 "§ 106-145.4. Application and fee for license.

12 "(b) Fee. – An application for an initial license or a renewed license as a wholesale
13 distributor shall be accompanied by a nonrefundable fee of ~~five hundred dollars (\$500.00)~~ one
14 thousand dollars (\$1,000) for a manufacturer or ~~three hundred fifty dollars (\$350.00)~~ seven
15 hundred dollars (\$700.00) for any other person."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H3-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

FOOD MANUFACTURER AND RETAILER INSPECTION FEES

SECTION #. G.S. 106-254 reads as rewritten:

"§ 106-254. Inspection fees; wholesalers; retailers and cheese factories.

For the purpose of defraying the expenses incurred in the enforcement of this Article, the owner, proprietor or operator of each ice cream factory where ice cream, milk shakes, milk sherbet, sherbet, water ices, mixes for frozen or semifrozen desserts and other similar frozen or semifrozen food products are made or stored, or any cheese factory or butter-processing plant that disposes of its products at wholesale to retail dealers for resale in this State shall pay to the Commissioner of Agriculture each year an inspection fee of ~~forty dollars (\$40.00)~~ one hundred dollars (\$100.00). Each maker of ice cream, milk shakes, milk sherbet, sherbet, water ices and/or other similar frozen or semifrozen food products who disposes of his product at retail only, and cheese factories, shall pay to the Commissioner of Agriculture an inspection fee of ~~ten dollars (\$10.00)~~ fifty dollars (\$50.00) each year. The inspection fee of ~~ten dollars (\$10.00)~~ fifty dollars (\$50.00) shall not apply to conventional spindle-type milk-shake mixers, but shall apply to milk-shake dispensing and vending machines, which operate on a continuous or automatic basis."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H5-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES SPECIAL FUNDS
TRANSFER/OFFSET GENERAL FUND APPROPRIATION**

SECTION #.(a) The Office of State Budget and Management, in conjunction with the Office of the State Controller and the Department of Agriculture and Consumer Services, shall transfer to the General Fund the sum of one million thirty-four thousand four hundred sixty-four dollars (\$1,034,464) from the Research Stations NR Fund (Budget Code 23700-2185), the sum of two hundred seventy-five thousand three hundred ninety-nine dollars (\$275,399) from the Swine Waste Fund (Budget Code 23704-2730).

SECTION #.(b) The transfers in subsection (a) of this section are to offset reductions in General Fund appropriations to the Department of Agriculture and Consumer Services for the 2015-2016 fiscal year.

SECTION #.(c) The Office of State Budget and Management, in conjunction with the Office of the State Controller and the Department of Agriculture and Consumer Services, shall transfer to the General Fund the sum of one million eighty-one thousand one hundred sixty dollars (\$1,081,160) from the Conservation Reserve Enhancement Program fund (Budget Code 23704-2711).

SECTION #.(d) The transfer in subsection (c) of this section is to offset reductions in General Fund appropriations to the Department of Agriculture and Consumer Services for the 2016-2017 fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-ENV-H4-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

PROSPERITY ZONE DENR LIASONS

SECTION #. Section 4.1 of S.L. 2014-18 reads as rewritten:

"SECTION 4.1. No later than January 1, 2015, the Departments of Commerce, Environment and Natural Resources, and Transportation shall have at least one employee physically located in the same office in each of the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 to serve as that department's liaison with the other departments and with local governments, schools and colleges, planning and development bodies, and businesses in that zone. The departments shall jointly select the office. For purposes of this Part, the Department of Commerce may contract with a North Carolina nonprofit corporation pursuant to G.S. 143B-431A, as enacted by this act, to fulfill the departmental liaison requirements for each office in each of the Collaboration for Prosperity ~~Zones~~. Zones, and the Department of Environment and Natural Resources shall fulfill the departmental liaison requirements from existing and funded positions.

No later than January 1, 2015, the Community Colleges System Office shall designate at least one representative from a community college or from the Community Colleges System Office to serve as a liaison in each Collaboration for Prosperity Zone for the community college system, the community colleges in the zone, and other educational agencies and schools within the zone. A liaison may be from a business center located in a community college. These liaisons are not required to be collocated with the liaisons from the Departments of Commerce, Environment and Natural Resources, and Transportation.

No later than January 1, 2015, the State Board of Education shall designate at least one representative from a local school administrative unit or from the Department of Public Instruction to serve as a liaison in each Collaboration for Prosperity Zone for the local school administrative units and other public schools within the zone. These liaisons are not required to be collocated with the liaisons from the Departments of Commerce, Environment and Natural Resources, and Transportation."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H2-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**IMPROVE FINANCIAL MANAGEMENT OF ENVIRONMENTAL STEWARDSHIP
FUNDS THROUGH CONSERVATION GRANT FUND**

SECTION #. G.S. 147-69.2(d) reads as rewritten:

"(d) The State Treasurer may invest funds deposited pursuant to ~~subdivision~~
~~(a)(17i)~~ subdivisions (a)(17i) or (a)(17j) of this section in any of the investments authorized
under subdivisions (1) through (6) and subdivision (8) of subsection (b) of this section. The
State Treasurer may require a minimum deposit, up to one hundred thousand dollars
(\$100,000), and may assess a reasonable fee, not to exceed 15 basis points, as a condition of
participation pursuant to this subsection. Funds deposited pursuant to this subsection shall
remain the funds of the North Carolina Conservation Easement Endowment ~~Fund~~, Fund or the
Conservation Grant Fund, as applicable, and interest or other investment income earned thereon
shall be prorated and credited to the North Carolina Conservation Easement Endowment ~~Fund~~
Fund or the Conservation Grant Fund on the basis of the amounts ~~thereof~~
~~contributed~~, contributed to the respective Funds, figured according to sound accounting
principles."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H3-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 *ALLOW REVENUE GENERATED FROM TIMBER SALE TO BE RETAINED IN A*
2 *NONREVERTING ACCOUNT FOR A PERIOD OF FOUR YEARS*

3 SECTION #. The Department of Environment and Natural Resources' Stewardship
4 Program may retain revenue generated from timber harvesting on the Great Coharie property in
5 the Conservation Grant Endowment Interest Fund (6705) for the purpose of restoration and
6 stewardship of that property. Any unused portion of this revenue remaining in the Fund on June
7 30, 2019, shall revert to the General Fund.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H13-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

- 1 *SEPARATE NATURAL HERITAGE PROGRAM FROM CLEAN WATER*
- 2 *MANAGEMENT TRUST FUND*
- 3 SECTION #. G.S. 113A-253(c)(8e) is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H15

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***WATER QUALITY REMEDIATION***

2 **SECTION #.** Of the funds appropriated in this Act to the Clean Water
3 Management Trust Fund , the sum of five hundred thousand dollars (\$500,000) shall be used
4 for the remediation and mitigation of stormwater impacts to lakes subject to a Nutrient
5 Management Strategy approved by the Environmental Management Commission.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H14A

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 **SHALLOW DRAFT NAVIGATION CHANNEL DREDGING FUNDING**
2 **EARMARK/AQUATIC WEED CONTROL**

3 SECTION #.(a) G.S. 143-215.73F reads as rewritten:

4 **"§ 143-215.73F. Shallow Draft Navigation Channel Dredging and Lake Maintenance**
5 **Fund.**

6 (a) Fund Established. – The Shallow Draft Navigation Channel Dredging and Lake
7 Maintenance Fund is established as a special revenue fund. The Fund consists of fees credited
8 to it under ~~G.S. 75A-3, 75A-38, G.S. 75A-3 and G.S. 75A-38 and 105-449.126.~~ taxes credited
9 under G.S. 105-449.126.

10 (b) Uses of Fund. – Revenue in the Fund may only be used for the following purposes:

11 (1) ~~to~~ To provide the State's share of the costs associated with any dredging
12 project designed to keep shallow draft navigation channels located in State
13 waters or waters of the state located within lakes navigable and ~~safe,~~ safe.

14 (2) ~~or for~~ For aquatic weed control projects in waters of the State located within
15 lakes under Article 15 of Chapter 113A of the General Statutes. Funding for
16 aquatic weed control projects is limited to five hundred thousand dollars
17 (\$500,000) in each fiscal year.

18 (c) Cost-Share. – Any project funded by revenue from the Fund must be cost-shared
19 with non-State dollars on a one-to-one basis, provided that the cost-share for a lake located
20 within a component of the State Parks System shall be provided by the Division of Parks and
21 Recreation of the Department of Environment and Natural Resources. The Division of Parks
22 and Recreation may use funds allocated to the State Parks System for capital projects under
23 G.S. 113-44.15 for the cost-share.

24 (d) Definition. – For purposes of this section, "shallow draft navigation channel" means
25 (i) a waterway connection with a maximum depth of 16 feet between the Atlantic Ocean and a
26 bay or the Atlantic Intracoastal Waterway, (ii) a river entrance to the Atlantic Ocean through
27 which tidal and other currents flow, or (iii) other interior coastal waterways. "Shallow draft
28 navigation channel" includes the Atlantic Intracoastal Waterway and its side channels, Beaufort
29 Harbor, Bogue Inlet, Carolina Beach Inlet, the channel from Back Sound to Lookout Back,
30 channels connected to federal navigation channels, Lockwoods Folly River,
31 Manteo/Shallowbag Bay, including Oregon Inlet, Masonboro Inlet, New River, New Topsail
32 Inlet, Rodanthe, Rollinson, Shallotte River, Silver Lake Harbor, and the waterway connecting
33 Pamlico Sound and Beaufort Harbor.

34 (e) Designation of Certain Funds. – Of the taxes credited to the Fund under
35 G.S. 105-449.126, the sum of three million five hundred thousand dollars (\$3,500,000) per
36 fiscal year shall be reserved for Oregon Inlet dredging projects. Funds reserved pursuant to this
37 subsection that are unencumbered as of June 30 of the fiscal year in which the funds are
38 reserved may be used for any other purpose permitted by the Fund."

1 **SECTION #.(b)** Of the funds appropriated in this Act for aquatic weed control up
2 to nine hundred thousand dollars (\$900,000) may be made available for aquatic weed control in
3 the State's rivers in the 2015-16 fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H4-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

USE OF OYSTER SHELLS PROHIBITED IN COMMERCIAL LANDSCAPING

SECTION #.(a) Article 20 of Chapter 113 of the General Statutes is amended by adding a new section to read:

"§ 113-270. Use of oyster shells by landscape contractors prohibited.

(a) No landscape contractor shall use oyster shells as a ground cover.

(b) Enforcement of the prohibition set forth in this section shall be under the jurisdiction of the Marine Fisheries Commission.

(c) For purposes of this section, landscape contractor shall have the definition set forth in G.S. 89D-11."

SECTION #.(b) This section is effective October 1, 2015.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H5-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***CORE SOUND OYSTER LEASING***

2 **SECTION #.** The Division of Marine Fisheries of the Department of Environment
3 and Natural Resources shall, in consultation with representatives of the commercial fishing
4 industry, representatives of the shellfish aquaculture industry, and relevant federal agencies,
5 create a proposal to open to shellfish cultivation leasing certain areas of Core Sound that are
6 currently subject to a moratorium on shellfish leasing. The Division will submit a report
7 regarding the plan no later than April 1, 2016, to the Joint Legislative Commission on
8 Governmental Operations.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H6-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 *AMEND SENATOR JEAN PRESTON MARINE SHELLFISH SANCTUARY*
2 *LEGISLATION*

3 SECTION #. Section 44 of S.L. 2014-120 reads as rewritten:

4 "SENATOR JEAN PRESTON MARINE ~~SHELLFISH~~ OYSTER SANCTUARY
5 PROGRAM

6 "SECTION 44.(a) It is the intent of the General Assembly ~~to establish a marine shellfish~~
7 ~~sanctuary in the Pamlico Sound to be named in honor of former Senator Jean Preston, to be~~
8 ~~called the "Senator Jean Preston Marine Shellfish Sanctuary."~~ to enhance shellfish habitats
9 within the Albemarle and Pamlico Sounds and their tributaries to benefit fisheries, water
10 quality, and the economy. This will be achieved through the establishment of a network of
11 oyster sanctuaries, harvestable enhancement sites, and coordinated support for the development
12 of shellfish aquaculture. The network of oyster sanctuaries is to be named in honor of
13 Senator Jean Preston and will be called the "Senator Jean Preston Oyster Sanctuary
14 Network".

15 "SECTION 44.(b) The Division of Marine Fisheries of the Department of Environment
16 and Natural Resources shall ~~designate an area of appropriate acreage within the Pamlico Sound~~
17 ~~as a recommendation to the Environmental Review Commission for establishment of the~~
18 ~~"Senator Jean Preston Marine Shellfish Sanctuary" and create a plan for managing the~~
19 ~~sanctuary that includes develop a plan to construct and manage additional oyster habitats. The~~
20 new sanctuaries, along with selected existing oyster sanctuaries, will be included in the Senator
21 Jean Preston Oyster Sanctuary Network. The plan will include the following components:

22 (1) Location and delineation of the ~~sanctuary.~~ oyster sanctuaries. – The plan
23 should include a ~~location~~ locations for the ~~sanctuaries~~ sanctuary network
24 components that minimizes minimize the impact on commercial trawling. In
25 addition, the sanctuary should be gridded into areas leased to private parties
26 for restoration and harvest and areas operated and maintained by the State
27 for restoration that are not open for harvest. The leased and unleased areas
28 should be arranged in a pattern where leased squares are surrounded on four
29 sides by unleased squares. The location of sanctuaries shall take into account
30 connectivity to existing oyster sanctuaries and proposed oyster enhancement
31 sites. New oyster sanctuaries shall be designed to provide hook-and-line
32 fishing while allowing the development of complex fish habitats and
33 brood-stock oysters that will enhance recruitment in the surrounding reefs.
34 The plan should outline a 10-year development project to accomplish the
35 expansion.

36 (2) Administration. – The plan should include the prices to be charged for the
37 leased portions of the sanctuary, including an administration fee to be
38 retained by the Division to support the leasing and monitoring program. The
39 plan shall also provide that the balance of lease payments collected by the

1 Division be transferred to the General Fund with a recommendation that
2 some or all of the proceeds be used for the support of the State's special
3 education programs in memory of Senator Jean Preston.

4 (3) Enhancement of oyster habitat restoration. – The General Assembly finds
5 that the lack of a reliable State-based supply of oyster seed and inadequate
6 funding for cultch planting are limitations to the expansion of oyster
7 harvesting and the restoration of wild oyster habitat in North Carolina.
8 Therefore, the plan should include the following:

9 a. Provisions and recommendations to facilitate the availability of
10 oyster seed produced in North Carolina for wild oyster habitat
11 restoration projects as well as oyster aquaculture and to reduce
12 potential negative impacts from importation of non-native oyster
13 seed.

14 b. Plans, where feasible, for public-private partnerships for State-based
15 production of viable oyster seed through the creation of one or more
16 production hatcheries and recommendations for increased support of
17 the existing research hatchery at UNC-Wilmington.

18 c. Plans and cost estimates for an expansion of cultch planting in
19 suitable areas of the State's coastal waters in order to expand areas
20 suitable for development of wild oyster habitat.

21 (4) Economic relief. – The plan should consider a waiver of application fees and
22 yearly rental fees for new shellfish leases for an established period of time to
23 further promote and support shellfish aquaculture in North Carolina. The
24 new leasing fee waiver program should include measures to discourage
25 speculation and target persons with a genuine interest in starting a shellfish
26 aquaculture business, such as a requirement that the lease be nontransferable
27 for a five-year period.

28 (5) Outreach. – The plan should include outreach and education that promotes,
29 whenever possible, public-private partnerships utilizing the Sea Grant
30 College Program, local colleges, and other nongovernmental organizations
31 to (i) encourage shellfish aquaculture and provide technical assistance to
32 broaden cost-effective technologies available to leaseholders; (ii) encourage
33 best management practices to leaseholders; and (iii) inform fishermen and
34 the public on the benefits provided by the Senator Jean Preston Oyster
35 Sanctuary Network.

36 (6) Monitoring. – The plan should include a monitoring plan designed to (i)
37 determine the success of oyster reef construction and (ii) evaluate the cost
38 benefit of the oyster sanctuary network and harvestable enhancement sites.

39 (3)(7) Funding. – The plan should include a request for appropriations sufficient to
40 provide funds for the construction of appropriate bottom habitat and shellfish
41 seeding and for Division staff necessary to conduct oyster restoration and
42 monitoring activities. The plan should provide that, whenever possible,
43 construction and shellfish seeding be carried out by contract with private
44 entities for Division staff to expand oyster restoration and monitoring
45 activities for 10 years. The plan should provide that, whenever possible,
46 public-private partnerships are employed to meet the construction, seeding,
47 and outreach requirements of the plan.

48 (4) Commercial fisherman relief. – To promote the diversification of
49 commercial fishing opportunities, the plan should include a program to
50 award free or discounted leases under this section to commercial fishermen

1 who (i) have held one or more commercial fishing licenses continually for a
2 period of 10 or more years and (ii) receive at least fifty percent (50%) of
3 their income from commercial fishing with those licenses.

4 (5)(8) Recommendations. – The plan ~~should~~ shall include recommendations for
5 statutory or regulatory changes needed to expedite the expansion of shellfish
6 restoration and harvesting in order to improve water quality, restore
7 ecological habitats, provide enhanced recreational and commercial fishing
8 opportunities, and expand the coastal economy.

9 (9) No funding for sanctuaries in closed areas. – The plan shall provide that no
10 funding or other resources shall be available in water bodies where a
11 moratorium or other legal prohibition on shellfish leasing under Article 16 of
12 Chapter 113 of the General Statutes is currently in effect. This subdivision
13 does not apply to leasing moratoria imposed because the area is closed to
14 shellfish harvesting or recommended for closure by the State Health Director
15 due to pollution.

16 "SECTION 44.(c) No later than December 1, 2014, ~~and quarterly thereafter until~~
17 ~~submission of a final plan to the Environmental Review Commission, March 1, 2016,~~ the
18 Department of Environment and Natural Resources shall report to the ~~Environmental Review~~
19 ~~Commission~~ Chairs of the House of Representatives Appropriations Committee on Agriculture
20 and Natural and Economic Resources, the Senate Appropriations Committee on Natural and
21 Economic Resources, and the Fiscal Research Division regarding its implementation of this
22 section and its recommended plan."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H7-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

SHELLFISH CULTIVATION LEASING REFORM

SECTION #.(a) G.S. 113-202(i) reads as rewritten:

"§ 113-202. New and renewal leases for shellfish cultivation; termination of leases issued prior to January 1, 1966.

...

(i) After a lease application is approved by the Secretary, the applicant shall submit to the Secretary ~~a survey of the area approved for leasing and~~ information sufficient to define the bounds of the area approved for leasing with markers in accordance with the rules of the Commission. The ~~survey information~~ shall conform to standards prescribed by the Secretary concerning accuracy ~~of survey~~ and the amount of detail to be shown. When ~~an acceptable survey information~~ is submitted, the boundaries are marked and all fees and rents due in advance are paid, the Secretary shall execute the lease on forms approved by the Attorney General. The Secretary is authorized, with the approval of the lessee, to amend an existing lease by reducing the area under lease or by combining contiguous leases without increasing the total area leased. The information required by this subsection may be based on coordinate information produced using a device equipped to receive global positioning system data."

SECTION #.(b) G.S. 113-202(j) reads as rewritten:

(j) Initial leases begin upon the issuance of the lease by the Secretary and expire at noon on the first day of July following the ~~fifth-tenth~~ anniversary of the granting of the lease. Renewal leases are issued for a period of ~~five~~ 10 years from the time of expiration of the previous lease. At the time of making application for renewal of a lease, the applicant must pay a filing fee of one hundred dollars (\$100.00). The rental for initial leases is one dollar (\$1.00) per acre for all leases entered into before July 1, 1965, and for all other leases until noon on the first day of July following the first anniversary of the lease. Thereafter, for initial leases entered into after July 1, 1965, and from the beginning for renewals of leases entered into after that date, the rental is ten dollars (\$10.00) per acre per year. Rental must be paid annually in advance prior to the first day of April each year. Upon initial granting of a lease, the pro rata amount for the portion of the year left until the first day of July must be paid in advance at the rate of one dollar (\$1.00) per acre per year; then, on or before the first day of April next, the lessee must pay the rental for the next full year."

SECTION #.(c) This section applies to shellfish lease applications received by the Department of Environment and Natural Resources on or after the date this act becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H8-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

DYNAMIC PRICING FOR STATE PARKS AND ATTRACTIONS

SECTION #.(a) G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(27) The Department of Environment and Natural Resources with respect to operating hours, admission fees, or related activity fees at:

a. The North Carolina Zoological Park pursuant to G.S. 143B-335.

b. State Parks pursuant to G.S. 113-35.

c. The North Carolina Aquariums pursuant to G.S. 143B-289.44."

SECTION #.(b) The Department of Environment and Natural Resources shall establish admission fees and related activity fees using a dynamic pricing strategy as defined in subsection (c) of this section. Any rule currently in the Administrative Code related to fees covered by subsection (a) of this section are ineffective and repealed upon the effective date of new admission fees and related activity fees adopted by the Department under the authority set out in subsection (a) of this section. Notice of the initial adoption of new admission fees and related activity fees under subsection (a) of this section shall be given by the Department to the Codifier of Rules, who, upon receipt of notice of the initial adoption of new admission fees and related activity fees by the Department, shall note the repeal of these rules in the Administrative Code.

SECTION #.(c) It is the intent of the General Assembly that the Department of Environment and Natural Resources institute dynamic pricing as a flexible pricing strategy for entrance fees and related activity fees for the North Carolina Zoological Park, State Parks, and the North Carolina Aquariums. Dynamic pricing is the adjustment of fees for admission and related activities from time to time to reflect marketing forces, including seasonal variations and special event interests, with the intent and effect to maximize revenues from use of these State resources to the extent practicable to offset appropriations from the General Assembly.

SECTION #.(d) Nothing in this section is intended to authorize the Department of Environment and Natural Resources to charge new entrance or parking fees at the State Parks or to charge new parking fees at the North Carolina Zoological Park or the North Carolina Aquariums.

SECTION #.(e) This section applies to operating hours revised or admission fees or related activity fees charged on or after the effective date of this act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H12-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

STATE PARKS BUDGET/POSITIONS

SECTION #. Effective July 1, 2015, the following positions are eliminated:

	<u>Position number</u>	<u>Title</u>
1	60032794	Accounting Clerk V
2	60033107	Maintenance Mechanic IV
3	60033166	Community Planner III
4	60032860	Park Ranger
5	65020598	Facility Maintenance Supervisor II
6	65020599	Facility Maintenance Supervisor II
7	60032862	Park Ranger
8	60033199	Office Assistant V
9	60032905	Park Ranger
10	60032990	Office Assistant III
11	65011956	Maintenance Mechanic IV
12	65020681	Law Enforcement Officer
13	65020682	Maintenance Mechanic II
14	60032817	Park Ranger
15	60032949	Regional Trails Specialist
16	60032989	Office Assistant III
17	60033209	Park Ranger
18	60032961	Maintenance Mechanic II
19	65020704	Law Enforcement Officer
20	65020707	Office Assistant IV
21	60032797	Park Ranger
22	60032822	Maintenance Mechanic III
23	60032979	Park Ranger
24	60033242	Processing Assistant IV
25	60032935	Mechanic II
26	60032954	Office Assistant IV
27	60033181	Park Ranger
28	60032994	Office Assistant IV
29	60032934	Office Assistant III
30	60033031	Maintenance Mechanic II
31	60033235	Maintenance Mechanic I
32	60033141	Maintenance Mechanic IV
33	60033099	Park Ranger
34	60033226	Office Assistant III
35	60033041	Office Assistant III
36	60033020	Maintenance Mechanic III

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-ENV-H2-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

WATER INFRASTRUCTURE AUTHORITY REVISIONS

SECTION #.(a) G.S. 159G-20(1) is recodified as G.S. 159G-20(1a), and G.S. 159G-20(1a) is recodified as G.S. 159G-20(1c).

SECTION #.(b) G.S. 159G-20, as amended by subsection (a) of this section, reads as rewritten:

"§ 159G-20. Definitions.

The following definitions apply in this Chapter:

(1) Affordability. – The relative affordability of a project for a community compared to other communities in North Carolina based on factors that may include water and sewer service rates, median household income, poverty rates, employment rates, or the population of the served community.

(1a) Asset management plan. – The strategic and systematic application of management practices applied to the infrastructure assets of a local government unit in order to minimize the total costs of acquiring, operating, maintaining, improving, and replacing the assets while at the same time maximizing the efficiency, reliability, and value of the assets.

(1b) Authority. – The State Water Infrastructure Authority created and established pursuant to Article 5 of this Chapter.

...

(9) ~~High unit cost project.~~ – A project that results in an estimated average household user fee for water and sewer service in the area served by the project in excess of the high unit cost threshold. The average household user fee is calculated for a continuous 12-month period.

(10) ~~High unit cost threshold.~~ – Either of the following amounts determined on the basis of data from the most recent federal decennial census and updated by the U.S. Department of Housing and Urban Development's annual estimated income adjustment factors:

a. ~~One and one-half percent (1.5%) of the median household income in an area that receives both water and sewer service.~~

b. ~~Three-fourths of one percent (3/4%) of the median household income in an area that receives only water service or only sewer service.~~

...

(13) Local government unit. – Any of the following:

a. A city as defined in G.S. 160A-1.

b. A county.

c. A consolidated city-county as defined in G.S. 160B-2.

d. A county water and sewer district created pursuant to Article 6 of Chapter 162A of the General Statutes.

- 1 e. A metropolitan sewerage district or a metropolitan water district
2 created pursuant to Article 4 of Chapter 162A of the General
3 Statutes.
4 f. A water and sewer authority created under Article 1 of Chapter 162A
5 of the General Statutes.
6 g. A sanitary district created pursuant to Part 2 of Article 2 of Chapter
7 130A of the General Statutes.
8 h. A joint agency created pursuant to Part 1 of Article 20 of Chapter
9 160A of the General Statutes.
10 i. A joint agency that was created by agreement between two cities and
11 towns to operate an airport pursuant to G.S. 63-56 and that provided
12 drinking water and wastewater services off the airport premises
13 before 1 January 1995.

14 (13a) Merger. – The consolidation of two or more water and/or sewer systems into
15 one system with common ownership, management, and operation.

16 (14) Nonprofit water corporation. – A nonprofit corporation that is incorporated
17 under Chapter 55A of the General Statutes solely for the purpose of
18 providing drinking water or wastewater services and is an eligible applicant
19 for a federal loan or grant from the Rural Utility Services Division, U.S.
20 Department of Agriculture.

21 (15) Public water system. – Defined in G.S. 130A-313.

22 (16) Regionalization. – The physical interconnecting of an eligible entity's
23 wastewater system to another entity's wastewater system for the purposes of
24 providing regional treatment or the physical interconnecting of an eligible
25 entity's public water system to another entity's water system for the purposes
26 of providing regional water supply.

27 (16) ~~Reserved.~~

28 ...

29 (21) Targeted interest rate project. – Either of the following types of projects:

- 30 a. ~~A high-unit-cost project that is awarded a loan.~~ A project that is
31 awarded a loan from the Drinking Water Reserve or the Wastewater
32 Reserve based on affordability.
33 b. A project that is awarded a loan from the CWSRF or the DWSRF
34 and is in a category for which federal law encourages a special focus.

35"

36 SECTION #.(c) G.S. 159G-23 reads as rewritten:

37 "§ 159G-23. ~~Common criteria~~ Priority consideration for loan or grant from Wastewater
38 Reserve or Drinking Water Reserve.

39 The ~~criteria~~ considerations for priority in this section apply to a loan or grant from the
40 Wastewater Reserve or the Drinking Water Reserve. The Division of Water Infrastructure must
41 ~~establish a system of assigning points to applications based on the following criteria:~~ consider
42 the following items when evaluating applications:

- 43 (1) Public necessity. – ~~An applicant must explain how the project~~ A project that
44 promotes public health and protects the environment. ~~A project~~
45 ~~that~~ environment, improves a system that is not in compliance with permit
46 requirements or is under orders from the Department, enables a moratorium
47 to be lifted, or replaces failing septic tanks with a wastewater collection
48 ~~system has priority.~~ system.
49 (2) Effect on impaired waters. – A project that improves designated impaired
50 waters of the ~~State has priority.~~ State.

- 1 (3) Efficiency. – A project that achieves efficiencies in meeting the State's water
2 infrastructure needs or reduces vulnerability to drought consistent with Part
3 2A of Article 21 and Article 38 of Chapter 143 of the General Statutes by
4 one of the following ~~methods has priority methods:~~
- 5 a. The combination of two or more wastewater or public water systems
6 into a regional wastewater or public water system by merger,
7 consolidation, or another means.
 - 8 b. Conservation or reuse of water, including bulk water reuse facilities
9 and waterlines to supply reuse water for irrigation and other
10 approved uses.
 - 11 c. Construction of an interconnection between water systems intended
12 for use in drought or other water shortage emergency.
 - 13 d. Repair or replacement of leaking waterlines to improve water
14 conservation and efficiency or to prevent contamination.
 - 15 e. Replacement of meters and installation of new metering systems.
- 16 (4) Comprehensive land-use plan. – A project that is located in a city or county
17 that has adopted or has taken significant steps to adopt a comprehensive
18 land-use plan under Article 18 of Chapter 153A of the General Statutes or
19 Article 19 of Chapter 160A of the General Statutes ~~has priority over a~~
20 ~~project located in a city or county that has not adopted a plan or has not~~
21 ~~taken steps to do so.~~ Statutes. The existence of a plan has more priority than
22 steps taken to adopt a plan, such as adoption of a zoning ordinance. A plan
23 that exceeds the minimum State standards for protection of water resources
24 has ~~more~~ higher priority than one that does not. A project is considered to be
25 located in a city or county if it is located in whole or in part in that unit. A
26 land-use plan is not considered a comprehensive land-use plan unless it has
27 provisions that protect existing water uses and ensure compliance with water
28 quality standards and classifications in all waters of the State affected by the
29 plan.
- 30 (5) Flood hazard ordinance. – A project that is located in a city or county that
31 has adopted a flood hazard prevention ordinance under ~~G.S. 143-215.54A~~
32 ~~has priority over a project located in a city or county that has not adopted an~~
33 ~~ordinance.~~ G.S. 143-215.54A. A plan that exceeds the minimum standards
34 under G.S. 143-215.54A for a flood hazard prevention ordinance has ~~more~~
35 higher priority than one that does not. A project is considered to be located
36 in a city or county if it is located in whole or in part in that unit. If no part of
37 the service area of a project is located within the 100-year floodplain, the
38 project has ~~the same priority~~ equal consideration under this subdivision as if
39 it were located in a city or county that has adopted a flood hazard prevention
40 ordinance. The most recent maps prepared pursuant to the National Flood
41 Insurance Program or approved by the Department determine whether an
42 area is within the 100-year floodplain.
- 43 (6) Sound management. – A project submitted by a local government unit that
44 has demonstrated a willingness and ability to meet its responsibilities
45 through sound fiscal policies and efficient operation and ~~management has~~
46 priority. management.
- 47 (6a) Asset management plan. – A project submitted by a local government unit
48 with more than 1,000 service connections that has developed and is
49 implementing an asset management plan ~~has priority over a project~~
50 ~~submitted by a local government unit with more than 1,000 service~~

- connections that has not developed or is not implementing an asset management plan.
- (7) Capital improvement plan. – A project that implements the applicant's capital improvement plan for the wastewater system or public water system it manages has priority over a project that does not implement a capital improvement plan. To receive priority, a project must set out the applicant's expected water infrastructure needs for at least 10 years.
- (8) Coastal habitat protection. – A project that implements a recommendation of a Coastal Habitat Protection Plan adopted by the Environmental Management Commission, the Coastal Resources Commission, and the Marine Fisheries Commission pursuant to G.S. 143B-279.8 has priority over other projects that affect counties subject to that Plan. G.S. 143B-279.8. If no part of the service area of a project is located within a county subject to that Plan, the project has equal priority under this subdivision with a project that receives priority under this subdivision.
- (9) High-unit cost threshold. – A high-unit cost project has priority over projects that are not high-unit cost projects. The priority given to a high-unit cost project shall be set using a sliding scale based on the amount by which the applicant exceeds the high-unit cost threshold. Affordability. – The relative affordability of a project for a community compared to other communities in North Carolina.
- (10) Merger and Regionalization. – A project to provide for the planning of regional public water and wastewater systems, to provide for the orderly coordination of local actions relating to public water and wastewater systems, or to help realize economies of scale in regional public water and wastewater systems through consolidation, management, merger, or interconnection of public water and wastewater systems has priority. If an applicant demonstrates that it is not feasible for the project to include regionalization, the funding agency shall assign the project the same priority under this subdivision as a project that includes regionalization.
- (11) State water supply plan. – A project that addresses a potential conflict between local plans or implements a measure in which local water supply plans could be better coordinated, as identified in the State water supply plan pursuant to G.S. 143-355(m), has priority. G.S. 143-355(m).
- (12) Water conservation measures for drought. – A project that includes adoption of water conservation measures by a local government unit that are more stringent than the minimum water conservation measures required pursuant to G.S. 143-355.2 has priority. G.S. 143-355.2.
- (13) Low-income residents. – A project that is located in an area annexed by a municipality under Article 4A of Chapter 160A of the General Statutes in order to provide water or sewer services to low-income residents has priority. For purposes of this section, low income residents are those with a family income that is eighty percent (80%) or less of median family income residents."

SECTION #.(c) G.S. 159G-31 reads as rewritten:

"§ 159G-31. Entities eligible to apply for loan or grant.

(a) A local government unit or a nonprofit water corporation is eligible to apply for a loan or grant from the CWSRF, the DWSRF, the Wastewater Reserve, or the Drinking Water

1 Reserve. An investor-owned drinking water corporation is also eligible to apply for a loan or
2 grant from the DWSRF. Other entities are not eligible for a loan or grant from these accounts.

3 (b) Entities eligible in subsection (a) of this section for grants from the Wastewater
4 Reserve and the Drinking Water Reserve may be limited, based on affordability, to a portion of
5 the total construction costs for the project types defined in G.S. 159G-33(a)(2) and
6 G.S. 159G-34(a)(2).

7 (c) To the extent that funds are available, loans shall be considered for the portion of
8 construction costs not eligible for grant funding."

9 **SECTION #.(d)** G.S. 159G-33(a)(4) is recodified as G.S. 159G-33(a)(5).

10 **SECTION #.(e)** G.S. 159G-33(a), as amended by subsection (d) of this section,
11 reads as rewritten:

12 "(a) Types. – The Department is authorized to make the types of loans and grants listed
13 in this subsection from the Wastewater Reserve. Each type of loan or grant must be
14 administered through a separate account within the Wastewater Reserve.

15 (1) ~~General.—Loan.~~ — A loan or grant is available for a project authorized in
16 G.S. 159G-32(b).

17 (2) ~~High unit cost~~Project grant. – A ~~high unit cost~~project grant is available for a
18 portion of the portion of the construction costs of a wastewater collection
19 system project or project, a wastewater treatment works project that results in
20 an estimated average household user fee for water and sewer service in the
21 area served by the project that exceeds the high unit cost threshold project,
22 or a stormwater quality project as authorized in G.S. 159G-32(b).

23 (3) ~~Technical assistance~~Merger/regionalization feasibility grant. – A ~~technical~~
24 ~~assistance~~merger/regionalization feasibility grant is available to determine
25 the best way to correct the deficiencies in a wastewater collection system or
26 wastewater treatment works that either is not in compliance with its permit
27 limits or, as identified in the most recent inspection report by the Department
28 under G.S. 143-215.3, is experiencing operational problems and is at risk of
29 violating its permit limits feasibility of consolidating the management of
30 multiple utilities into a single utility operation or to provide regional
31 treatment and the best way of carrying out the consolidation or
32 regionalization. The Department shall not make a loan or grant under this
33 subdivision for a merger or regionalization proposal that would result in a
34 new surface water transfer regulated under G.S. 143-215.22L.

35 (4) Asset inventory and assessment grant. – An asset inventory and assessment
36 grant is available to inventory the existing water and/or sewer system and
37 document the condition of the inventoried infrastructure.

38 (5) Emergency loan. – An emergency loan is available in the event the Secretary
39 certifies that a serious public health hazard related to the inadequacy of an
40 existing wastewater collection system or wastewater treatment works is
41 present or imminent in a community."

42 **SECTION #.(f)** G.S. 159G-34(a)(4) is recodified as G.S. 159G-34(a)(5).

43 **SECTION #.(g)** G.S. 159G-34(a), as amended by subsection (f) of this section,
44 reads as rewritten:

45 "(a) Types. – The Department is authorized to make the types of loans and grants listed
46 in this section from the Drinking Water Reserve. Each type of loan or grant must be
47 administered through a separate account within the Drinking Water Reserve.

48 (1) ~~General.—Loan.~~ — A loan or grant is available for a project for a public
49 water system.

- 1 (2) ~~High-unit-cost~~Project grant. – A project grant is available for ~~the a~~ portion of
2 the construction costs of a public water system project ~~that results in an~~
3 ~~estimated average household user fee for water and sewer service in the area~~
4 ~~served by the project that exceeds the high-unit-cost threshold as defined in~~
5 G.S. 159G-32(c).
6 (3) ~~Technical assistance~~Merger/regionalization feasibility grant. – A ~~technical~~
7 ~~assistance~~merger/regionalization grant is available to determine the ~~best way~~
8 ~~to correct the deficiencies in a public water system that does not comply~~
9 ~~with State law or the rules adopted to implement that law.~~feasibility of
10 consolidating the management of multiple utilities into a single utility
11 operation or to provide regional water supply and the best way of carrying
12 out the consolidation or regionalization. The Department shall not make a
13 loan or grant under this subdivision for a merger or regionalization proposal
14 that would result in a new surface water transfer regulated under
15 G.S. 143-215.22L.
16 (4) Asset inventory and assessment grant. – An asset inventory and assessment
17 grant is available to inventory the existing water and/or sewer system and
18 document the condition of the inventoried infrastructure.
19 (5) Emergency loan. – An emergency loan is available to an applicant in the
20 event the Secretary certifies that either a serious public health hazard or a
21 drought emergency related to the water supply system is present or imminent
22 in a community."

23 **SECTION #.(h)** G.S. 159G-35 reads as rewritten:

24 **"§ 159G-35. Criteria for loans and grants.**

25 (a) CWSRF and DWSRF. – Federal law determines the criteria for awarding a loan or
26 grant from the CWSRF or the DWSRF. An award of a loan or grant from one of these accounts
27 must meet the criteria set under federal law. The Department is directed to establish through
28 negotiation with the United States Environmental Protection Agency the criteria for evaluating
29 applications for loans and grants from the CWSRF and the DWSRF and the priority assigned to
30 the criteria. The Department must incorporate the negotiated criteria and priorities in the
31 Capitalization Grant Operating Agreement between the Department and the United States
32 Environmental Protection Agency. The criteria and priorities incorporated in the Agreement
33 apply to a loan or grant from the CWSRF or the DWSRF. ~~The common criteria~~priority
34 considerations in G.S. 159G-23 do not apply to a loan or grant from the CWSRF or the
35 DWSRF.

36 (b) Reserves. – ~~The common criteria~~priority considerations in G.S. 159G-23 apply to a
37 loan or grant from the Wastewater Reserve or the Drinking Water Reserve. The Department
38 may establish by rule other criteria that apply to a loan or grant from the Wastewater Reserve
39 or the Drinking Water Reserve."

40 **SECTION #.(i)** G.S. 159G-36(c) reads as rewritten:

41 "(c) Reserve Recipient Limit. – The following limits apply to ~~a the~~ loan or grant types
42 made from the Wastewater Reserve or the Drinking Water Reserve to the same local
43 government unit or nonprofit water corporation:

- 44 (1) The amount of loans awarded for a fiscal year may not exceed three million
45 dollars (\$3,000,000).
46 (2) The amount of loans awarded for three consecutive fiscal years for targeted
47 interest rate projects may not exceed three million dollars (\$3,000,000).
48 (3) The amount of ~~high-unit-cost~~project grants awarded for three consecutive
49 fiscal years may not exceed three million dollars (\$3,000,000).

- 1 (4) The amount of ~~technical assistance~~merger/regionalization feasibility grants
2 awarded for three consecutive fiscal years may not exceed fifty thousand
3 dollars (\$50,000).
4 (5) The amount of asset inventory and assessment grants awarded for three
5 consecutive fiscal years may not exceed one hundred fifty thousand dollars
6 (\$150,000)."

7 **SECTION #.(j)** The Division of Water Infrastructure of the Department of
8 Environment and Natural Resources shall report to the Environmental Review Commission and
9 the Fiscal Research Division regarding its implementation of the relative affordability of
10 projects criteria for grants from the Wastewater Reserve or Drinking Water Reserve set forth in
11 G.S. 159G-23(9), as amended by this section, within 30 days of the adoption of the
12 affordability criteria.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-ENV-H5-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***WATER INFRASTRUCTURE STATE MATCH SURPLUS FUNDS***

2 **SECTION #.** Notwithstanding G.S. 159G-22, funds appropriated in this act to the
3 Division of Water Infrastructure for the Clean Water State Revolving Fund and the Drinking
4 Water State Revolving Fund to provide State matching funds that are in excess of the amount
5 required to draw down the maximum amount of federal capitalization grant funds may be used
6 for State water and wastewater infrastructure grants awarded from the Wastewater Reserve and
7 the Drinking Water Reserve that benefit rural and economically distressed areas of the State.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-ENV-H3-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

COAL ASH MANAGEMENT FUNDS

SECTION #. Notwithstanding G.S. 62-302.1(d), of the funds remaining in the Coal Combustion Residuals Fund at the end of fiscal year 2014-2015, the sum of three hundred ninety-seven thousand dollars (\$397,000) of the cash balance remaining on June 30, 2015, shall be made available to reimburse the Department of Environment and Natural Resources on a quarterly basis in fiscal year 2015-2016 to carry out the duties in Part 21 of Article 9 of Chapter 103A of the General Statutes. The first quarter distribution shall be made no later than August 1, 2015, and every three months thereafter. These funds are in addition to the one million seven hundred fifty thousand dollars (\$1,750,000) appropriation to the Department from the Coal Combustion Residuals Fund.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-ENV-H6-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES/CLOSE CERTAIN
SPECIAL FUNDS**

SECTION #.(a) The Office of State Budget and Management, in conjunction with the Office of the State Controller and the Department of Environment and Natural Resources, shall transfer the unencumbered cash balances in the following funds as of June 30, 2015, to the General Fund and then close each of these special funds:

- (1) Mining Fees (Special Fund Code 24300-2745).
- (2) Mining Interest (Special Fund Code 24300-2610).
- (3) Storm Water Permits (Special Fund Code 24300-2750).
- (4) UST Soil Permitting (Special Fund Code 24300-2391).

SECTION #.(b) G.S. 74-54.1(b) reads as rewritten:

"(b) ~~The Mining Account is established as a nonreverting account within the Department.~~ Fees collected under this section shall be credited to the Mining Account General Fund and shall be applied to the costs of administering this Article."

SECTION #.(c) G.S. 130A-309.17(i) is repealed.

SECTION #.(d) G.S. 143-215.3A(a) reads as rewritten:

"(a) The Water and Air Quality Account is established as an account within the Department. Revenue in the Account shall be applied to the costs of administering the programs for which the fees were collected. Revenue credited to the Account pursuant to G.S. 105-449.43, G.S. 105-449.125, and G.S. 105-449.136 shall be used to administer the air quality program. Any funds credited to the Account from fees collected for laboratory facility certifications under G.S. 143-215.3(a)(10) that are not expended at the end of each fiscal year for the purposes for which these fees may be used under G.S. 143-215.3(a)(10) shall revert. Any other funds credited to the Account that are not expended at the end of each fiscal year shall not revert. Except for the following fees, all application fees and permit administration fees collected by the State for permits issued under Articles 21, 21A, 21B, and 38 of this Chapter shall be credited to the Account:

- (1) Fees collected under Part 2 of Article 21A and credited to the Oil or Other Hazardous Substances Pollution Protection Fund.
- (2) Fees credited to the Title V Account.
- (3) Repealed by Session Laws 2005-454, s. 7, effective January 1, 2006.
- (4) Fees collected under G.S. 143-215.28A.
- (5) Fees collected under G.S. 143-215.94C shall be credited to the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.
- (6) Fees collected under G.S. 143-215.3D for the following permits and certificates shall be credited to the General Fund for use by the Department to administer the program for which the fees were collected:
 - a. Stormwater permits and certificates of general permit coverage authorized under G.S. 143-214.7.

1 b. Permits to apply petroleum contaminated soil to land authorized
2 under G.S. 143-215.1."

3 **SECTION #.(e)** The transfers in subsection (a) of this section are to offset
4 reductions in General Fund appropriations to the Department of Environment and Natural
5 Resources for the 2015-2016 fiscal year. Fee receipts previously deposited to the funds listed in
6 subsection (a) shall be budgeted to support the programs and functions previously supported by
7 those funds.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H11-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

EDPNC STATE BUDGET ACT EXEMPTION

SECTION #. G.S. 143B-431.01(b) reads as rewritten:

"(b) Contract. – The Department of Commerce is authorized to contract with a North Carolina nonprofit corporation to perform one or more of the Department's functions, powers, duties, and obligations set forth in G.S. 143B-431, except as provided in this subsection. The contract entered into pursuant to this section between the Department and the Economic Development Partnership of North Carolina is exempt from Articles 3 and 3C of Chapter 143 of the General Statutes. ~~Statutes and~~ G.S. 143C-6-23. If the Department contracts with a North Carolina nonprofit corporation to promote and grow the travel and tourism industries, then all funds appropriated to the Department for tourism marketing purposes shall be used for a research-based, comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and not for ancillary activities, such as statewide branding and business development marketing. The Department may not contract with a North Carolina nonprofit corporation regarding any of the following:

- (1) The obligation or commitment of funds under this Article, such as the One North Carolina Fund, the Job Development Investment Grant Program, the Industrial Development Fund, or the Job Maintenance and Capital Development Fund.
- (2) The Division of Employment Security, including the administration of unemployment insurance.
- (3) The functions set forth in G.S. 143B-431(a)(2).
- (4) The administration of funds or grants received from the federal government or its agencies."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H29-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**COMMERCE STUDY TIME SPENT ADMINISTERING PROGRAMS SUPPORTED BY
FEDERAL FUNDS**

SECTION #.(a) The Department of Commerce shall study the amount of time all persons in General Fund-supported positions spend performing duties related to the operation and administration of programs that receive federal funds, including the Division of Employment Security and the Division of Workforce Solutions, to determine whether some or all of the costs related to the performance of these duties should be supported by federal indirect cost receipts and, therefore, should be paid for with federal funds instead of General Fund appropriations.

SECTION #.(b) No later than March 1, 2016, the Department of Commerce shall report the findings of the study required under subsection (a) of this section to the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H25-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

DEPARTMENT OF COMMERCE/CONFORMING STATUTORY CHANGES

SECTION #.(a) G.S. 20-81.12 reads as rewritten:

"§ 20-81.12. Collegiate insignia plates and certain other special plates.

...

(b124) Travel and Tourism. – The Division must receive 300 or more applications for the "Travel and Tourism" plate before the plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of "Travel and Tourism" plates to the ~~Division of Tourism, Film, and Sports Development~~ Department of Commerce to be used for programs in support of travel and tourism in North Carolina.

...."

SECTION #.(b) G.S. 143B-434.2 reads as rewritten:

"§ 143B-434.2. Travel and Tourism Policy Act.

...

(d) The Department of Commerce, and the ~~Division of Tourism, Film, and Sports Development~~ within that Department, nonprofit corporation with whom the Department contracts pursuant to G.S. 143B-431.01(b) to promote and market tourism, shall implement the policies set forth in this section. The ~~Division of Tourism, Film, and Sports Development~~ nonprofit corporation shall make an annual report to the General Assembly regarding the status of the travel and tourism industry in North Carolina; the report shall be submitted to the General Assembly by October 15 of each year beginning ~~October 15, 2011~~ October 15, 2015. The duties and responsibilities of the ~~Department of Commerce~~ through the Division of Tourism, Film, and Sports Development nonprofit corporation shall be to:

- (1) Organize and coordinate programs designed to promote tourism within the State and to the State from other states and foreign countries.
- (2) Measure and forecast tourist volume, receipts, and impact, both social and economic.
- (3) Develop a comprehensive plan to promote tourism to the State.
- (4) Encourage the development of the State's tourism infrastructure, facilities, services, and attractions.
- (5) Cooperate with neighboring states and the federal government to promote tourism to the State from other countries.
- (6) Develop opportunities for professional education and training in the tourism industry.
- (7) Provide advice and technical assistance to local public and private tourism organizations in promoting tourism to the State.
- (8) Encourage cooperation between State agencies and private individuals and organizations to advance the State's tourist interests and seek the views of

- 1 these agencies and the private sector in the development of State tourism
2 programs and policies.
- 3 (9) Give leadership to all concerned with tourism in the State.
- 4 (10) Perform other functions necessary to the orderly growth and development of
5 tourism.
- 6 (11) Develop informational materials for visitors which, among other things,
7 shall:
- 8 a. Describe the State's travel and tourism resources and the State's
9 history, economy, political institutions, cultural resources, outdoor
10 recreational facilities, and principal festivals.
- 11 b. Urge visitors to protect endangered species, natural resources,
12 archaeological artifacts, and cultural treasures.
- 13 c. Instill the ethic of stewardship of the State's natural resources.
- 14 (12) Foster an understanding among State residents and civil servants of the
15 economic importance of hospitality and tourism to the State.
- 16 (13) Work with local businesses, including banks and hotels, with educational
17 institutions, and with the United States Travel and Tourism Administration,
18 to provide special services for international visitors, such as currency
19 exchange facilities.
- 20 (14) Encourage the reduction of architectural and other barriers which impede
21 travel by physically handicapped persons."

22 **SECTION #.(c)** G.S. 143B-472.35 reads as rewritten:

23 **"§ 143B-472.35. Establishment of fund; use of funds; application for grants; disbursal;
24 repayment; inspections; rules; reports.**

25 ...
26 (a2) Definitions. – For purposes of this section, the following definitions shall apply:

27 ...
28 (9) Main Street Center. – The agency within the North Carolina Department of
29 ~~Commerce, Office of Urban Development, Commerce~~ which receives
30 applications and makes decisions with respect to Main Street Solutions Fund
31 grant applications from eligible local governments.

32"

33 **SECTION #.(d)** The Department of Commerce shall, in accordance with Article
34 2A of Chapter 150B of the General Statutes, amend its rules to reflect the division name
35 changes provided for in this act.

36 **SECTION #.(e)** The Revisor of Statutes may conform names and titles changed by
37 this section, and may correct statutory references as required by this section, throughout the
38 General Statutes. In making the changes authorized by this section, the Revisor may also adjust
39 subject and verb agreement and the placement of conjunctions.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H17-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

NER BLOCK GRANTS/2016 AND 2017 PROGRAM YEARS

SECTION #.(a) Appropriations from federal block grant funds are made for the fiscal years ending June 30, 2016, and June 30, 2017, according to the following schedule:

COMMUNITY DEVELOPMENT BLOCK GRANT

01. State Administration	\$ 1,037,500
02. Economic Development	15,737,500
03. Infrastructure	26,725,000

TOTAL COMMUNITY DEVELOPMENT

BLOCK GRANT – 2016 Program Year \$ 43,500,000

2017 Program Year \$ 43,500,000

SECTION #.(b) Decreases in Federal Fund Availability. – If federal funds are reduced below the amounts specified in this section after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

SECTION #.(c) Increases in Federal Fund Availability. – Any block grant funds appropriated by the Congress of the United States in addition to the funds specified in this section shall be expended as follows: each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.

SECTION #.(d) Limitations on Community Development Block Grant Funds. – Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to one million thirty-seven thousand five hundred dollars (\$1,037,500) may be used for State Administration; up to fifteen million seven hundred thirty-seven thousand five hundred dollars (\$15,737,500) may be used for Economic Development; and up to twenty-six million seven hundred twenty-five thousand dollars (\$26,725,000) may be used for Infrastructure. If federal block grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

SECTION #.(e) The Department of Commerce shall consult with the Joint Legislative Commission on Governmental Operations prior to reallocating Community Development Block Grant Funds. Notwithstanding the provisions of this subsection, whenever the Director of the Budget finds that:

- (1) A reallocation is required because of an emergency that poses an imminent threat to public health or public safety, the Director of the Budget may

1 authorize the reallocation without consulting the Commission. The
2 Department of Commerce shall report to the Commission on the reallocation
3 no later than 30 days after it was authorized and shall identify in the report
4 the emergency, the type of action taken, and how it was related to the
5 emergency.

- 6 (2) The State will lose federal block grant funds or receive less federal block
7 grant funds in the next fiscal year unless a reallocation is made. The
8 Department of Commerce shall provide a written report to the Commission
9 on the proposed reallocation and shall identify the reason that failure to take
10 action will result in the loss of federal funds. If the Commission does not
11 hear the issue within 30 days of receipt of the report, the Department may
12 take the action without consulting the Commission.

13 **SECTION #.(f)** By September 1, 2015, and September 1, 2016, the Department of
14 Commerce shall report to the Joint Legislative Commission on Governmental Operations and
15 the Fiscal Research Division on the use of Community Development Block Grant Funds
16 appropriated in the prior fiscal year. The report shall include the following:

- 17 (1) A discussion of each of the categories of funding and how the categories
18 were selected, including information on how a determination was made that
19 there was a statewide need in each of the categories.
20 (2) Information on the number of applications that were received in each
21 category and the total dollar amount requested in each category.
22 (3) A list of grantees, including the grantee's name, county, category under
23 which the grant was funded, the amount awarded, and a narrative description
24 of the project.

25 **SECTION #.(g)** For purposes of this section, eligible activities under the category
26 of Infrastructure in subsection (a) of this section shall be defined as provided in the HUD State
27 Administered Community Development Block Grant definition of the term "infrastructure".
28 Notwithstanding the provisions of subsection (e) of this section, funds allocated to the
29 Infrastructure category in subsection (a) of this section shall not be reallocated to any other
30 category.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H10-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**USE OF DEOBLIGATED COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
AND SURPLUS FEDERAL ADMINISTRATIVE FUNDS**

SECTION #.(a) Throughout each year, deobligated funds arise in the various funding categories and program years of the Community Development Block Grant (CDBG) program as a result of (i) projects coming in under budget, (ii) projects being cancelled, or (iii) projects being required to repay funds. Surplus federal administrative funds in the CDBG program may vary from year-to-year based upon the amount of State-appropriated funds allocated and the amount of eligible in-kind funds identified.

SECTION #.(b) To allow the Department of Commerce and the Department of Environment and Natural Resources to quickly deploy deobligated and surplus federal administrative funds as they are identified throughout the program year, the following shall apply to the use of deobligated CDBG funds and surplus federal administrative funds:

- (1) All surplus federal administrative funds shall be divided equally between the Departments of Commerce and Environment and Natural Resources and shall be used as provided in subdivisions (2) and (3) of this subsection.
- (2) All deobligated funds allocated to the Department of Commerce and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:
 - a. To issue grants in the CDBG economic development program category.
 - b. For providing training and guidance to local governments relative to the CDBG program, its management, and administrative requirements.
 - c. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.
- (3) All deobligated funds allocated to the Department of Environment and Natural Resources and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:
 - a. To issue grants in the CDBG infrastructure program category.
 - b. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H16-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**UNDERSERVED AND LIMITED RESOURCE COMMUNITIES/ECONOMIC
DEVELOPMENT GRANTS**

SECTION #. Article 10 of Chapter 143B of the General Statutes is amended by
adding a new Part to read as follows:

"PART 23.

"UNDERSERVED AND LIMITED RESOURCE COMMUNITIES.

"§ 143B-472.135. Competitive Grant Program.

(a) The Department of Commerce shall establish an Economic Development
Competitive Grant Program for Underserved and Limited Resource Communities. The purpose
of the Program is to provide grants to local governments and nonprofit organizations to
encourage the development of economic development activities, services, and projects that
benefit underserved populations and limited resource communities across the State.

(b) The Department shall develop guidelines and procedures for the administration and
distribution of funds allocated to the Economic Development Competitive Grant Program for
Underserved and Limited Resource Communities that include, at a minimum, the following:

- (1) Eligible organizations shall be nonprofit organizations and local
governments that target underserved populations or limited resource
communities.
- (2) Eligible organizations shall make their application in accordance with
procedures established by the Department.
- (3) Eligible organizations shall not use funds allocated in this section for renting
or purchasing land or buildings or for financing debt.
- (4) Priority shall be given to eligible organizations that demonstrate established
community partnerships and business involvement.
- (5) Priority shall be given to eligible organizations that match funds or have at
least one other significant source of funding.
- (6) Priority shall be given to eligible organizations that prioritize independent
fund-raising to achieve financial sustainability apart from State-funded
appropriations.

(c) By September 1 of each year, the Department shall submit a report on the following
prior fiscal year activities to the Chairs of the House of Representatives Appropriations
Committee on Agriculture and Natural and Economic Resources and the Senate Appropriations
Committee on Natural and Economic Resources and the Fiscal Research Division:

- (1) The number of grants awarded.
- (2) The name of each grantee, and the city and county in which the grantee is
located.
- (3) A description of the economic development activity, service, or project
undertaken by the grantee.

- 1 (4) The names of the community partners or businesses involved in the
2 economic development activity, service, or project, and a description of the
3 ways in which the partners or businesses contributed to the activity, service,
4 or project.
5 (5) The amount of matching funds or other significant source of funding
6 provided by the grantee."

7 § 143B-472.136 through 143B-472.140: Reserved for future codification.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H28-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***FUNDS TO CERTAIN COUNTIES FOR APPALACHIAN REGIONAL COMMISSION***
2 ***MATCH***

3 **SECTION #.(a)** Of the funds appropriated in this act to the Department of
4 Commerce for the Rural Grant Program Expansion for the 2015-2016 fiscal year, the sum of
5 two hundred fifty-three thousand nine hundred fifty-six dollars (\$253,956) in nonrecurring
6 funds shall be allocated to the following counties to be used for the Appalachian Regional
7 Commission match requirement:

8	(1)	Cherokee	\$63,606
9	(2)	Graham	103,450
10	(3)	Rutherford	43,450
11	(4)	Swain	43,450.

12 **SECTION #.(b)** The match funds provided for in subsection (a) of this section
13 shall be used for infrastructure projects only.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H27-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**LABOR AND ECONOMIC ANALYSIS DIVISION/VACANT POSITIONS TO BE
RECEIPT-SUPPORTED**

SECTION #.(a) Beginning July 1, 2015, the following vacant positions in the Department of Commerce, Labor and Economic Analysis Division, which are partially supported by General Fund appropriations and partially funded by receipts, shall become fully receipt-supported:

- 60080027 – Administrative Assistant I
- 60080007 – Bus. & Tech. Applic. Analyst
- 60080008 – Bus. & Tech. Applic. Analyst
- 60079991 – Bus. & Tech. Applic. Specialist
- 60081028 – Bus. & Tech. Applic. Specialist
- 60080988 – Economist
- 60079956 – Office Assistant IV
- 60079968 – Outreach and Training Manager
- 60081029 – Policy Analyst
- 60081194 – Policy Analyst
- 60079989 – Social/Clinical Research Assistant
- 60079953 – Social/Clinical Research Specialist
- 60079960 – Social/Clinical Research Specialist
- 60079975 – Social/Clinical Research Specialist
- 60079978 – Social/Clinical Research Specialist
- 60079967 – Social/Clinical Research Manager
- 60079951 – Social/Clinical Research Executive.

SECTION #.(b) The Secretary of the Department of Commerce shall reconfigure the vacant positions described in subsection (a) of this section, as needed, to ensure that the positions are fully receipt-supported.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H7-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

MODIFY ECONOMIC DEVELOPMENT GRANT REPORT

SECTION #.(a) G.S. 143B-437.07 reads as rewritten:

"§ 143B-437.07. Economic development grant reporting.

(a) Report. – The Department of Commerce must publish on or before October 1 of each year the information required by this subsection, itemized by business entity, for each business or joint private venture to which the State has, in whole or in part, granted one or more economic development incentives during the ~~previous fiscal year~~ relevant time period. The relevant time period ends June 30 preceding the publication date of this subsection and begins (i) for incentives not awarded under Part 2G of this Article with the 2007 calendar year and (ii) for incentives awarded under Part 2G of this Article with the 2002 calendar year. The information in the report must include all of the following:

(3) The name, mailing address, telephone number, and Web site of the business recipient, or recipients if a joint venture, and the physical location of the site receiving the incentive. If the physical location of the site is undecided, then the name of the county in which the site will be located. The information regarding the physical location must indicate whether the physical location is a new or expanded facility.

(3a) A determination of whether the award is to a business that is new to the State or an expansion of an existing business within the State.

...."

SECTION #.(b) This section is effective for reports published for fiscal years beginning on or after July 1, 2015.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H12A-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

WORKFORCE DEVELOPMENT BOARDS/CHANGES TO CONFORM WITH FEDERAL LAW

SECTION #.(a) G.S. 143B-438.10 reads as rewritten:

"§ 143B-438.10. ~~Commission on Workforce Development.~~ NCWorks Commission.

(a) Creation and Duties. – There is created within the Department of Commerce the ~~North Carolina Commission on Workforce Development.~~ NCWorks Commission (hereinafter "Commission"). The Commission shall have the following powers and duties:

...
(9) To serve as the State's Workforce Investment Board for purposes of the federal ~~Workforce Investment Act of 1998.~~ Workforce Innovation and Opportunity Act.

...
(13) To develop performance accountability measures for local workforce development boards consistent with the requirements of Section 116 of the Workforce Innovation and Opportunity Act and to recommend to the Governor sanctions against local workforce development boards that fail to meet the performance accountability measures.

(14) To develop fiscal control and fund accounting procedures for local workforce development boards consistent with the requirements of Section 184 of the Workforce Innovation and Opportunity Act and to recommend to the Governor sanctions against local workforce development boards that fail to meet the fiscal control and fund accounting procedures.

(b) Membership; Terms. — ~~Effective January 1, 2013, the Membership. – The Commission on Workforce Development shall consist of 25-33 members appointed as follows:~~

(1) By virtue of their offices, the following ~~department and agency heads or their respective designees~~ persons, or their designees, shall serve on the Commission: ~~the~~

a. The Governor.

b. The Secretary of the Department of Administration, ~~the Administration.~~

c. The Secretary of the Department of Commerce.

d. The Secretary of the Department of Health and Human Services, ~~the Services.~~

e. The Superintendent of Public Instruction, ~~the Instruction.~~

f. The President of the Community Colleges System Office, ~~the Commissioner of the Department of Labor, and the Secretary of the Department of Commerce Office.~~

g. The President of The University of North Carolina System.

- 1 (2) ~~The Pursuant to the provisions of Section 101 of the Workforce Innovation~~
2 ~~and Opportunity Act, the Governor shall appoint 19-26 members as follows:~~
3 a. ~~Two-Seventeen members representing public, postsecondary, and~~
4 ~~vocational education, business and industry in the State.~~
5 b. ~~One member-Seven members representing community-based~~
6 ~~organizations, the workforce in the State.~~
7 c. ~~Three members representing labor. One member representing local~~
8 ~~elected city officials in the State.~~
9 d. ~~Thirteen members representing business and industry. One member~~
10 ~~representing local elected county officials in the State.~~

11 (3) ~~The terms of the members appointed by the Governor shall be for four years.~~

12 (b1) Terms. – The persons listed in subdivision (1) of subsection (b) of this section shall
13 serve on the Commission while they hold their respective offices. The terms of the members
14 appointed by the Governor pursuant to subdivision (2) of subsection (b) of this section shall be
15 for four years, except as provided in this subsection. The terms shall be staggered and shall
16 begin on August 1 and expire on July 31. Upon the expiration of the term of each member in
17 subdivision (2) of subsection (b) of this section, the Governor shall fill the vacancy by
18 reappointing the member or appointing another person of like qualification to serve a four-year
19 term. If a vacancy occurs for any reason other than the expiration of the member's term, the
20 Governor shall appoint a person of like qualification to serve for the remainder of the unexpired
21 term.

22 In order to provide for staggered terms, six persons appointed to the positions designated in
23 sub-subdivision a. of subdivision (2) of subsection (b) of this section and three persons
24 appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b)
25 of this section shall be appointed for initial terms ending on July 31, 2019. Five persons
26 appointed to the positions designated in sub-subdivision a. of subdivision (2) of subsection (b)
27 of this section, two persons appointed to the positions designated in sub-subdivision b. of
28 subdivision (2) of subsection (b) of this section, and one person appointed to the position
29 designated in sub-subdivision c. of subsection (2) of subsection (b) of this section shall be
30 appointed for initial terms ending on July 31, 2017. Six persons appointed to the positions
31 designated in sub-subdivision a. of subdivision (2) of subsection (b) of this section, two persons
32 appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b)
33 of this section, and one person appointed to the position designated in sub-subdivision d. of
34 subdivision (2) of subsection (b) of this section shall be appointed for initial terms ending on
35 July 31, 2016.

36 "

37 **SECTION #.(b)** The terms of office of the Commissioner of the Department of
38 Labor and the 19 public members appointed by the Governor and currently serving on the
39 North Carolina Commission on Workforce Development shall expire on July 31, 2015.

40 **SECTION #.(c)** G.S. 143B-438.11 reads as rewritten:

41 **"§ 143B-438.11. Local Workforce Development Boards.**

42 (a) Duties. – Local Workforce Development Boards shall have the following powers
43 and duties:

44 ...

45 (7) To serve as the Workforce Investment Board for the designated substate area
46 for the purpose of the federal Workforce Investment Act of 1998. Innovation
47 and Opportunity Act.

48 (7a) To designate through a competitive selection process, by no later than July 1,
49 2014, the providers of adult and dislocated worker services authorized in the
50 Workforce Investment Act of 1998. Innovation and Opportunity Act.

(8) To provide the appropriate guidance and information to Workforce ~~Investment~~ Innovation and Opportunity Act consumers to ensure that they are prepared and positioned to make informed choices in selecting a training provider. Each local Workforce Development Board shall ensure that consumer choice is properly maintained in the one-stop centers and that consumers are provided the full array of public and private training provider information.

...
(10) To comply with the performance accountability measures established by the NCWorks Commission pursuant to Section 116 of the Workforce Innovation and Opportunity Act.

(11) To comply with the fiscal control and fund accounting procedures established by the NCWorks Commission pursuant to Section 184 of the Workforce Innovation and Opportunity Act.

(b) Members. – Members of local Workforce Development Boards shall be appointed by local elected officials in accordance with criteria established by the Governor and with provisions of the federal Workforce ~~Investment~~ Innovation and Opportunity Act. The local Workforce Development Boards shall have a majority of business members and shall also include representation of workforce and education providers, labor organizations, community-based organizations, and economic development boards as determined by local elected officials. The Chairs of the local Workforce Development Boards shall be selected from among the business members.

(c) Assistance. – The ~~North Carolina Commission on Workforce Development~~ NCWorks Commission and the Department of Commerce shall provide programmatic, technical, and other assistance to any local Workforce Development Board that realigns its service area with the boundaries of a local regional council of governments established pursuant to G.S. 160A-470."

SECTION #.(d) G.S. 96-32 reads as rewritten:

"§ 96-32. Common follow-up information management system created.

...
(d) The LEAD shall do the following:

(1) Collaborate with the ~~Commission on Workforce Development~~ NCWorks Commission to develop common performance measures across workforce programs in the Department of Commerce, the Department of Health and Human Services, the Community Colleges System Office, the Department of Administration, and the Department of Public Instruction that can be tracked through the CFS in order to assess and report on workforce development program performance.

...."

SECTION #.(e) G.S. 143B-157 reads as rewritten:

"§ 143B-157. Commission for the Blind – creation, powers and duties.

There is recreated the Commission for the Blind of the Department of Health and Human Services with the power and duty to adopt rules governing the conduct of the State's rehabilitative programs for the blind that are necessary to carry out the provisions and purposes of this Article.

...
(3e) The Commission shall coordinate with other councils within the State, including the statewide Independent Living Council established under section 705 of the federal Rehabilitation Act, 29 U.S.C. § 720, et seq., the advisory panel established under section 612(a)(21) of the Individuals with

1 Disabilities Education Act, 20 U.S.C. § 1413(A)(12), the Council on
2 Developmental Disabilities described in section 124 of the Developmental
3 Disabilities Assistance and Bill of Rights Act, 42 U.S.C. § 6024, the State
4 Mental Health Planning Council established pursuant to section 1916(e) of
5 the Public Health Service Act, 42 U.S.C. § 300x-4(e), and the ~~Commission~~
6 ~~on Workforce Development~~; NCWorks Commission;

7"

8 **SECTION #.(f) G.S. 143B-158 reads as rewritten:**

9 **"§ 143B-158. Commission for the Blind.**

10 (a) The Commission for the Blind of the Department of Health and Human Services
11 shall consist of 19 members as follows:

12 ...

13 (12) One representative of the ~~Commission—on—Workforce~~
14 ~~Development~~; NCWorks Commission.

15"

16 **SECTION #.(g) G.S. 143B-438.12 reads as rewritten:**

17 **"§ 143B-438.12. Federal Program Administration.**

18 (a) Federal Workforce ~~Investment—Innovation and Opportunity~~ Act. – In accordance
19 with the federal Workforce ~~Investment—Innovation and Opportunity~~ Act, the ~~Commission on~~
20 ~~Workforce Development—NCWorks Commission~~ shall develop a ~~Five-Year Strategic Plan~~
21 ~~Four-Year Unified State Plan~~ to be submitted to the U.S. Secretary of Labor. The ~~Strategic Plan~~
22 ~~Unified State Plan~~ shall describe the ~~workforce development activities to be undertaken in the~~
23 ~~State to implement the federal Workforce Investment Act and how special populations shall be~~
24 ~~served~~. State's strategic vision and goals for preparing an educated and skilled workforce as
25 required in Section 102 of the federal Workforce Innovation and Opportunity Act.

26 (b) Other Workforce Grant Applications. – The ~~Commission on Workforce~~
27 ~~Development—NCWorks Commission~~ may submit grant applications for workforce
28 development initiatives and may manage the initiatives and demonstration projects."

29 **SECTION #.(h) G.S. 143B-438.13 reads as rewritten:**

30 **"§ 143B-438.13. Employment and Training Grant Program.**

31 (a) Employment and Training Grant Program. – There is established in the Department
32 of Commerce, Division of ~~Employment and Training—Workforce Solutions~~, an Employment
33 and Training Grant Program. Grant funds shall be allocated to local Workforce Development
34 Boards for the purposes of enabling recipient agencies to implement local employment and
35 training programs in accordance with existing resources, local needs, local goals, and selected
36 training occupations. The State program of workforce performance standards shall be used to
37 measure grant program outcomes.

38 (b) Use of Grant Funds. – Local agencies may use funds received under this section for
39 the purpose of providing services, such as training, education, placement, and supportive
40 services. Local agencies may use grant funds to provide services only to individuals who are (i)
41 18 years of age or older and meet the federal Workforce ~~Investment Act, Innovation and~~
42 ~~Opportunity Act~~, title I adult eligibility definitions, or meet the federal Workforce ~~Investment~~
43 ~~Innovation and Opportunity Act~~, title I dislocated worker eligibility definitions, or (ii)
44 incumbent workers with annual family incomes at or below two hundred percent (200%) of
45 poverty guidelines established by the federal Department of Health and Human Services.

46 (c) Allocation of Grants. – The Department of Commerce may reserve and allocate up
47 to ten percent (10%) of the funds available to the Employment and Training Grant Program for
48 State and local administrative costs to implement the Program. The Division of ~~Employment~~
49 ~~and Training—Workforce Solutions~~ shall allocate employment and training grant funds to local
50 Workforce Development Boards serving federal Workforce ~~Investment—Innovation and~~

1 Opportunity Act local workforce ~~investment-development~~ areas based on the following
2 formula:

- 3 (1) One-half of the funds shall be allocated on the basis of the relative share of
4 the local workforce ~~investment-development~~ area's share of federal
5 Workforce ~~Investment-Innovation and Opportunity Act~~, title I adult funds as
6 compared to the total of all local areas adult shares under the federal
7 Workforce ~~Investment-Innovation and Opportunity Act~~, title I.
8 (2) One-half of the funds shall be allocated on the basis of the relative share of
9 the local workforce ~~investment-development~~ area's share of federal
10 Workforce ~~Investment-Innovation and Opportunity Act~~, title I dislocated
11 worker funds as compared to the total of all local areas dislocated worker
12 shares under the federal Workforce ~~Investment-Innovation and Opportunity~~
13 Act, title I.
14 (3) Local workforce ~~investment-development~~ area adult and dislocated shares
15 shall be calculated using the current year's allocations to local areas under
16 the federal Workforce ~~Investment-Innovation and Opportunity Act~~, title I.
17 (d) Repealed by Session Laws 2009-451, s. 14.5(d), effective July 1, 2009.
18 (e) Nonreverting Funds. – Funds appropriated to the Department of Commerce for the
19 Employment and Training Grant Program that are not expended at the end of the fiscal year
20 shall not revert to the General Fund, but shall remain available to the Department for the
21 purposes established in this section."

22 **SECTION #.(i)** G.S. 143B-438.14 reads as rewritten:

23 **"§ 143B-438.14. "No Adult Left Behind" Initiative.**

24 (a) The ~~Commission on Workforce Development~~, NCWorks Commission, acting as the
25 lead agency, with the cooperation of other participating agencies, including the Department of
26 Labor, the Department of Commerce, the Employment Security Commission, the North
27 Carolina Community College System, The University of North Carolina, and the North
28 Carolina Independent Colleges and Universities shall initiate the "No Adult Left Behind"
29 Initiative (Initiative) geared toward achievement of major statewide workforce development
30 goals. The Initiative may also include community-based nonprofit organizations that provide
31 services or assistance in the areas of worker training, workforce development, and transitioning
32 North Carolinians between industries in the current global labor market.

33 (b) The first goal of the Initiative is to increase dramatically to forty percent (40%) the
34 percentage of North Carolinians who earn associate degrees, other two-year educational
35 credentials, and baccalaureate degrees. Specific fields of study may be selected for the most
36 intense efforts. The ~~Commission on Workforce Development~~ NCWorks Commission shall, as
37 the lead agency along with the North Carolina Community College System and The University
38 of North Carolina as key cooperating institutions, do all of the following:

39 ...
40 (c) The ~~Commission on Workforce Development~~ NCWorks Commission and the other
41 lead participating institutions may enter into contracts with other qualified organizations,
42 especially community-based nonprofits, to carry out components of the Initiative set forth in
43 subsection (b) of this section.

44 (d) The ~~Commission on Workforce Development~~ NCWorks Commission shall submit
45 to the Governor and to the General Assembly by May 1, 2012, and annually thereafter, details
46 of its implementation of this section that shall include at least the following:

47"

48 **SECTION #.(j)** The Revisor of Statutes may conform names and titles changed by
49 this section, and may correct statutory references as required by this section, throughout the

- 1 General Statutes. In making the changes authorized by this section, the Revisor may also adjust
- 2 subject and verb agreement and the placement of conjunctions.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H18-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

- 1 ***REPEAL STATUTES AUTHORIZING TRADE JOBS FOR SUCCESS/INITIATIVE***
- 2 ***ENDED JUNE 30, 2013***
- 3 **SECTION #.** Part 3C of Article 10 of Chapter 143B of the General Statutes is
- 4 repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H20-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

- 1 *REPEAL APPRENTICESHIP FEE*
- 2 SECTION #. G.S. 94-12 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H13-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***INDUSTRIAL COMMISSION/USE OF IT FUNDS***

2 **SECTION #.** In each year of the 2015-2017 fiscal biennium, the Industrial
3 Commission, in consultation with the State Chief Information Officer, may use available funds
4 in Budget Code 24611 (Fund 2200) to maintain its Consolidated Case Management System,
5 including, but not limited to, covering the costs of related service contracts and information
6 technology personnel.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H31-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 **UTILITIES COMMISSION/PUBLIC STAFF REALIGN CERTIFIED BUDGET WITH**
2 **ANTICIPATED AGENCY REQUIREMENTS**

3 **SECTION #.(a)** No later than November 1, 2015, the Utilities Commission and
4 Public Staff, in conjunction with the Department of Commerce and the Office of State Budget
5 and Management, shall realign the certified budget for the following funds for each year of the
6 2015-2017 fiscal biennium to reflect the anticipated spending requirements for the Utilities
7 Commission and Public Staff for each year of the 2015-2017 biennium:

	Budget Code	Fund	Description
8	54600	5211	Utilities – Commission Staff
9	54600	5217	Utilities – Gas Pipelines
10	54600	5218	PUC Capacity Grant – ARRA
11	54600	5221	Utilities – Public Staff
12	54600	5221	Utilities – Public Staff
13	64605	6431	Utility and Public Staff.

14 **SECTION #.(b)** In realigning the certified budget for the funds described in
15 subsection (a) of this section, the Utilities Commission and Public Staff shall prioritize
16 eliminating unnecessary vacant positions and making line-item modifications that reflect
17 anticipated agency requirements. The Utilities Commission and Public Staff shall not expend
18 any funds unless they are appropriated in this act for fiscal year 2015-2016 and fiscal year
19 2016-2017.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H21A-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

SET REGULATORY FEE FOR UTILITIES COMMISSION

SECTION #.(a) G.S. 62-302(a) reads as rewritten:

"(a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The cost of regulating public utilities is a burden incident to the privilege of operating as a public utility. Therefore, for the purpose of defraying the cost of regulating public utilities, every public utility subject to the jurisdiction of the Commission shall pay a quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section. The fees collected shall be used only to pay the expenses of the Commission and the Public Staff in regulating public utilities in the interest of the ~~public~~ public and to maintain a reasonable margin for a reserve fund. The amount of the reserve may not exceed one-half of the cost of operating the Commission and the Public Staff as reflected in the certified budget for the previous fiscal year.

It is also the policy of the State to provide limited oversight of certain electric membership corporations as provided in G.S. 62-53. Therefore, for the purpose of defraying the cost of providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1, each fiscal year each electric membership corporation whose principal purpose is to furnish or cause to be furnished bulk electric supplies at wholesale as provided in G.S. 117-16 shall pay an annual fee as provided in this section."

SECTION #.(b) Subdivisions 14.19(e1)(4), (5), (6), and (10) of S.L. 2009-451 are repealed.

SECTION #.(c) G.S. 62-302, as amended by subsection (a) of this section, reads as rewritten:

"(a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The cost of regulating public utilities is a burden incident to the privilege of operating as a public utility. Therefore, for the purpose of defraying the cost of regulating public utilities, every public utility subject to the jurisdiction of the Commission shall pay a quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section. The fees collected shall be used only to pay the expenses of the Commission and the Public Staff in regulating public utilities in the interest of the public and to maintain a reasonable margin for a reserve fund. The amount of the reserve may not exceed one-half of the cost of operating the Commission and the Public Staff as reflected in the certified budget for the previous fiscal year.

It is also the policy of the State to provide limited oversight of certain electric membership corporations as provided in G.S. 62-53. Therefore, for the purpose of defraying the cost of providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1, each fiscal year each electric membership corporation whose principal purpose is to furnish or cause to be furnished bulk electric supplies at wholesale as provided in G.S. 117-16 shall pay an annual fee as provided in this section.

(b) Public Utility Rate. –

- (1) Repealed by Session Laws 2000-140, s. 56, effective July 21, 2000.
- (2) Unless adjusted under subdivision (3) of this subsection, the public utility fee is a percentage of a utility's jurisdictional revenues as follows:
- | | |
|---|---------------|
| <u>Noncompetitive jurisdiction revenues</u> | <u>0.148%</u> |
| <u>Subsection (h) competitive jurisdictional revenues</u> | <u>0.06%</u> |
| <u>Subsection (m) competitive jurisdictional revenues</u> | <u>0.05%</u> |

~~For noncompetitive jurisdictional revenues as defined in sub-subdivision (4)a. of this subsection, the public utility regulatory fee for each fiscal year is the greater of (i) a percentage rate, established by the General Assembly, of each public utility's noncompetitive jurisdictional revenues for each quarter or (ii) six dollars and twenty-five cents (\$6.25) each quarter. For subsection (h) competitive jurisdictional revenues as defined in sub-subdivision (4)b. of this subsection, and subsection (m) competitive jurisdictional revenues as defined in sub-subdivision (4)c. of this subsection, the public utility regulatory fee for each fiscal year is a percentage rate established by the General Assembly of each public utility's competitive jurisdictional revenues for each quarter.~~

~~When the Commission prepares its budget request for the upcoming fiscal year, the Commission shall propose a percentage rate of the public utility regulatory fee. For fiscal years beginning in an odd-numbered year, that proposed rate shall be included in the budget message the Governor submits to the General Assembly pursuant to G.S. 143C-3-5. For fiscal years beginning in an even-numbered year, that proposed rate shall be included in a special budget message the Governor shall submit to the General Assembly. The General Assembly shall set the percentage rate of the public utility regulatory fee by law.~~

~~The percentage rate may not exceed the amount necessary to generate funds sufficient to defray the estimated cost of the operations of the Commission and the Public Staff for the upcoming fiscal year, including a reasonable margin for a reserve fund. The amount of the reserve may not exceed the estimated cost of operating the Commission and the Public Staff for the upcoming fiscal year. In calculating the amount of the reserve, the General Assembly shall consider all relevant factors that may affect the cost of operating the Commission or the Public Staff or a possible unanticipated increase or decrease in North Carolina jurisdictional revenues.~~

- (3) In the first half of each calendar year, the Commission shall review the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including a reasonable margin for the reserve fund allowed under this section. In making this determination, the Commission shall consider all relevant factors that may affect the cost of operating the Commission or the Public Staff or a possible unanticipated change in competitive and noncompetitive jurisdictional revenues. If the estimated receipts provided for under this section are less than the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including the reasonable margin for the reserve fund, then If the Commission, the Public Staff, or both experience a revenue shortfall, the Commission shall may implement a temporary increase the public utility regulatory fee surcharge on noncompetitive jurisdictional revenues effective for the next fiscal year. to avert the deficiency that would otherwise occur. In no event may the total

percentage rate of the public utility regulatory fee on noncompetitive jurisdictional revenues plus any surcharge established by the Commission exceed twenty five hundredths percent (0.25%) seventeen and one-half hundredths of one percent (0.175%). If the estimated receipts provided for under this section are more than the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including the reasonable margin for the reserve fund, then the Commission shall decrease the public utility regulatory fee on noncompetitive jurisdictional revenues effective for the next fiscal year.

(4) As used in this section:

- a. "Noncompetitive jurisdictional revenues" means all revenues derived or realized from intrastate tariffs, rates, and charges approved or allowed by the Commission or collected pursuant to Commission order or rule, but not including tap-on fees or any other form of contributions in aid of construction.
- b. "Subsection (h) competitive jurisdictional revenues" means all revenues derived from retail services provided by local exchange companies and competing local providers that have elected to operate under G.S. 62-133.5(h).
- c. "Subsection (m) competitive jurisdictional revenues" means all revenues derived from retail services provided by local exchange companies and competing local providers that have elected to operate under G.S. 62-133.5(m).

(b1) Electric Membership Corporation Rate. – The electric membership corporation regulatory fee for each fiscal year ~~shall be a dollar amount as established by the General Assembly by law~~ is two hundred thousand dollars (\$200,000).

~~When the Commission prepares its budget request for the upcoming fiscal year, the Commission shall propose the amount of the electric membership corporation regulatory fee. For fiscal years beginning in an odd-numbered year, the proposed amount shall be included in the budget message the Governor submits to the General Assembly pursuant to G.S. 143C-3-5. For fiscal years beginning in an even-numbered year, the proposed amount shall be included in a special budget message the Governor shall submit to the General Assembly.~~

~~The amount of the electric membership corporation regulatory fee proposed by the Commission may not exceed the amount necessary to defray the estimated cost of the operations of the Commission and the Public Staff for the regulation of the electric membership corporations in the upcoming fiscal year, including a reasonable margin for a reserve fund. The amount of the reserve may not exceed the estimated cost of the Commission and the Public Staff for the regulation of the electric membership corporations for the upcoming fiscal year.~~

...
(e) ~~Recovery of fee increase~~ Fee Changes. – If a utility's regulatory fee obligation is ~~increased, changed,~~ the Commission shall either adjust the utility's rates to reflect the change ~~allow for the recovery of the increased fee obligation,~~ or approve the utility's request for an accounting order allowing deferral of the ~~increase~~ change in the fee obligation."

SECTION #.(d) G.S. 62-302(b)(2), as amended by subsection (c) of this section, reads as rewritten:

"(2) Unless adjusted under subdivision (3) of this subsection, the public utility fee is a percentage of a utility's jurisdictional revenues as follows:

Noncompetitive jurisdiction revenues	0.148%
Subsection (h) competitive jurisdictional revenues	0.06% <u>0.04%</u>
Subsection (m) competitive jurisdictional revenues	0.05% <u>0.02%</u> "

1 **SECTION #.(e)** Subsection (c) of this section is effective July 1, 2015, and applies
2 to jurisdictional revenues earned in each quarter that begins on or after July 1, 2015. Subsection
3 (d) of this section is effective July 1, 2016, and applies to jurisdictional revenues earned in each
4 quarter that begins on or after July 1, 2016. The remainder of this section is effective on the
5 date this act becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H22-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

NC BIOTECHNOLOGY CENTER

SECTION #.(a) Of the funds appropriated in this act to the North Carolina Biotechnology Center (hereinafter "Center"), the sum of thirteen million six hundred thousand three hundred thirty-eight dollars (\$13,600,338) for each fiscal year in the 2015-2017 biennium shall be allocated as follows:

- (1) Job Creation: Ag Biotech Initiative, Economic and Industrial Development, and related activities – \$2,924,073;
- (2) Science and Commercialization: Science and Technology Development, Centers of Innovation, Business and Technology Development, Education and Training, and related activities – \$8,813,019; and
- (3) Center Operations: Administration, Professional and Technical Assistance and Oversight, Corporate Communications, Human Resource Management, Financial and Grant Administration, Legal, and Accounting – \$1,863,246.

SECTION #.(b) The Center shall prioritize funding and distribution of loans over existing funding and distribution of grants.

SECTION #.(c) Except to provide administrative flexibility, up to ten percent (10%) of each of the allocations in subsection (a) of this section may be reallocated to one or more of the other allocations in subsection (a) of this section if, in the judgment of Center management, the reallocation will advance the mission of the Center.

SECTION #.(d) The Center shall comply with the following reporting requirements:

- (1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.
- (2) Provide to the Fiscal Research Division a copy of the Center's annual audited financial statement within 30 days of issuance of the statement.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

**DRAFT
SPECIAL PROVISION**



2015-COMM-H23-P

Department of Commerce House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 GRASSROOTS SCIENCE PROGRAM

2 **SECTION #.(a)** Of the funds appropriated in this act to the Department of
3 Commerce for State-Aid, the sum of two million four hundred forty-eight thousand four
4 hundred twenty-nine dollars (\$2,448,429) is allocated as grants-in-aid for each fiscal year of the
5 2015-2017 biennium as follows:

	2015-2016	2016-2017
6		
7 Aurora Fossil Museum	\$60,748	\$60,748
8 Cape Fear Museum	\$73,887	\$73,887
9 Carolina Raptor Center	\$73,855	\$73,855
10 Catawba Science Center	\$87,610	\$87,610
11 Colburn Earth Science Museum, Inc.	\$62,084	\$62,084
12 Core Sound Waterfowl Museum	\$67,132	\$67,132
13 Discovery Place	\$293,907	\$293,907
14 Eastern NC Regional Science Center	\$59,388	\$59,388
15 Fascinate-U	\$64,934	\$64,934
16 Granville County Museum Commission,		
17 Inc.-Harris Gallery	\$60,424	\$60,424
18 Greensboro Children's Museum	\$78,491	\$78,491
19 Greensboro Science Center	\$122,903	\$122,903
20 Hands On! - A Child's Gallery	\$61,411	\$61,411
21 Highlands Nature Center	\$62,067	\$62,067
22 Imagination Station	\$64,339	\$64,339
23 The Iredell Museums, Inc.	\$60,300	\$60,300
24 Kidsenses	\$62,667	\$62,667
25 Marbles Kids Museum	\$138,355	\$138,355
26 Museum of Coastal Carolina	\$65,135	\$65,135
27 North Carolina Estuarium	\$61,674	\$61,674
28 North Carolina Museum of Life		
29 and Science	\$179,599	\$179,599
30 Pisgah Astronomical Research Institute	\$79,487	\$79,487
31 Port Discover: Northeastern		
32 North Carolina's Center for		
33 Hands-On Science, Inc.	\$60,388	\$60,388
34 Rocky Mount Children's Museum	\$64,004	\$64,004
35 Schiele Museum of Natural History		
36 and Planetarium, Inc.	\$93,802	\$93,802
37 Sci Works Science Center and		
38 Environmental Park of Forsyth County	\$83,181	\$83,181
39 Sylvan Heights Waterfowl Park		

1	and Eco-Center	\$68,668	\$68,668
2	Western North Carolina Nature Center	\$70,091	\$70,091
3	Wilmington Children's Museum	\$67,898	\$67,898
4	Total	\$2,448,429	\$2,448,429

5 **SECTION #.(b)** No later than March 1, 2016, the Department of Commerce shall
6 report to the Fiscal Research Division all of the following information for each museum that
7 receives funds under this section:

- 8 (1) For museums that operate on a fiscal year, the actual operating budget for
9 the 2014-2015 fiscal year. For museums that operate on a calendar year, the
10 actual operating budget for the 2014 calendar year.
- 11 (2) The proposed operating budget for the 2015-2016 fiscal year.
- 12 (3) The total attendance at the museum during the 2015 calendar year.

13 **SECTION #.(c)** No later than March 1, 2017, the Department of Commerce shall
14 report to the Fiscal Research Division all of the following information for each museum that
15 receives funds under this section:

- 16 (1) For museums that operate on a fiscal year, the actual operating budget for
17 the 2015-2016 fiscal year. For museums that operate on a calendar year, the
18 actual operating budget for the 2015 calendar year.
- 19 (2) The proposed operating budget for the 2016-2017 fiscal year.
- 20 (3) The total attendance at the museum during the 2016 calendar year.

21 **SECTION #.(d)** As a condition for qualifying to receive funding under this
22 section, all of the following documentation shall, no later than November 1 of each year of the
23 2015-2017 fiscal biennium, be submitted for each museum under this section to the Department
24 of Commerce for the fiscal year that most recently ended and only those costs that are properly
25 documented under this subsection are allowed by the Department in calculating the distribution
26 of funds under this section:

- 27 (1) Each museum under this section shall submit its IRS (Internal Revenue
28 Service) Form 990 to show its annual operating expenses, its annual report,
29 and a reconciliation that explains any differences between expenses as
30 shown on the IRS Form 990 and the annual report.
- 31 (2) Each friends association of a museum under this section shall submit its IRS
32 Form 990 to show its reported expenses for the museum, its annual report,
33 and a reconciliation that explains any differences between expenses as
34 shown on the IRS Form 990 and the annual report, unless the association
35 does not have both an IRS Form 990 and an annual report available; in
36 which case, it shall submit either an IRS Form 990 or an annual report.
- 37 (3) The chief financial officer of each county or municipal government that
38 provides funds for the benefit of the museum shall submit a detailed signed
39 statement of documented costs spent for the benefit of the museum that
40 includes documentation of the name, address, title, and telephone number of
41 the person making the assertion that the museum receives funds from the
42 county or municipality for the benefit of the museum.
- 43 (4) The chief financial officer of each county or municipal government or each
44 friends association that provides indirect or allocable costs that are not
45 directly charged to a museum under this section but that benefit the museum
46 shall submit in the form of a detailed statement enumerating each cost by
47 type and amount that is verified by the financial officer responsible for the
48 completion of the documentation and that includes the name, address, title,
49 and telephone number of the person making the assertion that the county,

1 municipality, or association provides indirect or allocable costs to the
2 museum.

3 **SECTION #.(e)** As used in subsection (d) of this section, "friends association"
4 means a nonprofit corporation established for the purpose of supporting and assisting a
5 museum that receives funding under this section.

6 **SECTION #.(f)** Each museum listed in subsection (a) of this section shall do the
7 following:

8 (1) By September 1 of each year, and more frequently as requested, report to the
9 Joint Legislative Commission on Governmental Operations and the Fiscal
10 Research Division on prior State fiscal year program activities, objectives,
11 and accomplishments and prior State fiscal year itemized expenditures and
12 fund sources.

13 (2) Provide to the Fiscal Research Division a copy of the organization's annual
14 audited financial statement within 30 days of issuance of the statement.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H24-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

COMMERCE NONPROFITS/REPORTING REQUIREMENTS

SECTION #. Cleveland County ALWS Baseball, Inc., High Point Furniture Market Authority, North Carolina Arboretum, RTI International, and The Support Center shall do the following:

- (1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.
- (2) Provide to the Fiscal Research Division a copy of the entity's annual audited financial statement within 30 days of issuance of the statement.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H32-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 *NC ARBORETUM/FUNDS*

2 **SECTION #.(a)** Of the funds appropriated in this act to the Department of
3 Commerce for State-Aid, the sum of eight hundred fifty-eight thousand three hundred eighty
4 dollars (\$858,380) in nonrecurring funds for each year of the 2015-2017 biennium shall be
5 allocated to the North Carolina Arboretum (Arboretum) as follows:

6 (1) Bent Creek Institute \$500,000

7 (2) Germplasm Repository 358,380.

8 **SECTION #.(b)** The Arboretum shall, by March 1, 2016, and March 1, 2017,
9 report to the chairs of the House of Representatives Appropriations Committee on Agriculture
10 and Natural and Economic Resources and the Senate Appropriations Committee on Natural and
11 Economic Resources and the Fiscal Research Division on the Arboretum's efforts to attract,
12 grow, and support the natural and nutraceutical product industry.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H30-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

FUNDS FOR THE BREVARD STATION MUSEUM

SECTION #.(a) Of the funds appropriated in this act to the Department of Commerce for State Aid, the sum of fifty thousand dollars (\$50,000) in nonrecurring funds for the 2015-2016 fiscal year shall be allocated to the Town of Stanley to distribute to the Brevard Station Museum. These funds shall be used by the Museum to support its efforts to preserve the history of Stanley, North Carolina.

SECTION #.(b) The Town of Stanley shall do the following:

- (1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the Museum's prior State fiscal year activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.
- (2) Provide to the Fiscal Research Division a copy of the Museum's annual audited financial statement within 30 days of issuance of the statement.

House Agriculture and Natural and Economic Resources Appropriations Committee
and Senate Natural and Economic Resources Appropriations Committee

Below please find responses to questions raised at Joint (ANER) Appropriations Committee meeting on Thursday, April 2, 2015.

Can the executive branch move ahead with the proposed transfer of the Parks, Museum of Natural Science, Zoo and Aquariums from DENR to DCR without the approval of the General Assembly?

The Governor does have authority to reorganize the functions, powers, and duties of the administrative departments and agencies of the State. However, if the reorganization affects existing law, the Governor must follow the steps that are prescribed in the NC Constitution. Specifically, the Governor must set forth the proposed reorganization in an executive order and must submit that executive order to the General Assembly no later than the 60th day calendar day of its session. The proposed reorganization becomes effective and has the force of law upon sine die adjournment unless specifically disapproved by resolution of either house of the General Assembly or modified by joint resolution of both houses of the General Assembly.

Because the Zoo, Aquariums, Museum of Natural Science and the Division of Parks and Recreation are all established in statute under the Department of Environment and Natural Resources, the Governor cannot move those entities to the Department of Cultural Resources without issuing an executive order or proposing the transfer in his budget. Both of these methods require General Assembly involvement.

How much money is being dedicated to the marketing efforts for the State Parks Centennial and from what source?

According to DENR, in 2014 the Division of Parks and Recreation was allowed to use \$148,600 in lapsed salary to hire MSA, a Raleigh-based multi-faceted marketing firm, to develop a marketing plan to promote the North Carolina state parks system's Centennial Celebration in 2016. MSA was hired after a comprehensive RFP and review process. The marketing firm is expected to deliver the marketing plan, which will include action items, advertising, promotion activities and other outreach efforts, along with a breakdown of anticipated costs, in June 2015. In 2014, the division also reallocated an existing position to a marketing position at a salary of \$48,000 per year to carry out the marketing efforts. Funds for that reallocated position are from appropriations. No other specific funds have been available, earmarked or spent on marketing. The division has included messages and outreach information on existing communication tools, such as the web site, Facebook page, the newsletter, brochures and through e-mail communications, speeches, remarks and other public events. The division does not have an advertising budget.

Why are NC's rules/laws more stringent on SAV than the federal's rules/laws. If the federal rules on SAV governs the size and amount oyster aquaculture allowed, how is (why is) Virginia able to develop more aquaculture farms than NC? What is unique about NC that prohibits oyster aquaculture? Does NC have some rule/law, that poses barriers to oyster aquaculture? Please coordinate a response with the Corps, if necessary, that addresses this concern?

According to DENR, the Nationwide Permit 48 issued by the Wilmington District of the Army Corps—which governs oyster harvesting—is more restrictive than the similar Nationwide Permits issued by the other Corps Districts in Norfolk, for example. So it is a Corps (federal) issue.

What are the quantifiable efficiencies generated as a result of the transfer of the DENR's natural resource divisions to DCR? Please provide the quantifiable efficiencies to be achieved that are a direct result of merging NC with DCR.

No specific response. See responses to related questions below.

How much administrative funding will be transferred?

According to DENR, \$1,405,527 in appropriations from DENR Central Administration will be transferred which includes the Assistant Secretary for Natural Resources Office, Legislative Affairs, Human Resources, and Financial Services. \$4,326,952 in total requirements (appropriations and receipts) located within the Divisions will be transferred in the areas of Legal, Information Technology, Public Information, Budget, Purchasing, Accounting, and Human Resources.

How much administrative funding will remain?

According to DENR, \$7,340,702 in total requirements supported by appropriations and receipts in DENR Central Administration (excluding non-admin functions and IT) will remain. These resources will support DENR and the eight remaining divisions which have total budgeted requirements for SFY 2015 of approximately \$672M.

And how was that division of funds was arrived at?

According to DENR, funding from DENR Central Administration was based on positions identified for the following areas; Financial Services, Human Resources, Internal Audit, Legislative Affairs, Secretary's Office, and operating expenses.

All administrative funding and positions located within the four divisions are being transferred to DCR.

What are the administrative savings or efficiencies to be gained from the transfer of the Natural Resource divisions to DCR?

According to DENR, adoption of best practices in areas such as marketing (destination marketing), facility management, contracting, programming, gift shops, admission fees, shared resources, etc.

How are the savings contained in the NC GEAR report generated?

According to DENR, projected increase in receipts due to fee increase and dynamic pricing from all the patronized assets, and donation potential.

How much is from increased donations, fee increases/dynamic pricing, etc.?

According to NCGEAR this is a net \$3.3 million.

How much of the savings is attributable to State parks, zoo, historic sites, etc?

According to DENR, additional revenues to be generated by all the patronized assets.

Could these savings be generated if the same flexibility was given to each of the departments as they currently exist? If not, what specifically will the merger allow that couldn't be done separately.

According to DENR, the merger will allow operations that share common goals and mission to work together more efficiently and generate synergy rather than operate independently in different departments. This initiative combines the state's cultural, historical, and natural patronized assets under one department. Combined they will be able to share expertise and best practices which will result in greater advantage of opportunities and improved utilization of resources.

Why wasn't the other natural resource division, Marine Fisheries, part of the transfer? How does the Department's plan to incorporate this division into the environmental regulatory structure?

According to DENR, the Division of Marine Fisheries is not a natural resources patronized asset. It has a rule making commission and a law enforcement component. The mission of the division fits in with the overall mission of the other regulatory divisions within DENR.

Since the divisions remaining in DENR are regulatory in nature, the Division of Marine Fisheries has more in common with them than the natural resource divisions that are transferring.

Why wasn't the CWMTF part of the transfer? How does it mission fit within the new DENR mission and structure?

According to DENR, the intent of the Clean Water Management Trust Fund is protection of water resources and natural heritage areas. The mission and activities of the CWMTF are closely aligned with DENR's overall protection of the environment.

Why wasn't Environmental Education part of the transfer? How does its mission fit within the new DENR mission and structure?

According to DENR, the Environmental Education section is important to DENR as a tool for explaining to the public the importance of the regulatory divisions in protecting the State's valuable natural resources.

A significant part of the mission of the regulatory divisions within DENR is to convey to the public the need for rules and regulations protecting the environment.



Committee Sergeants at Arms

NAME OF COMMITTEE AG/NER

DATE: 05-14-2015 Room: 421

House Sgt-At Arms:

1. Name: Bill Bass

2. Name: Chris McCracken

3. Name: Mark Cone

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

5-14-2015

Date

(8:30-10:00)

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Will Morgan	TNC
Elizabeth Bisco	Brooks River
Steve Gausin	Shawmut Science Museum
BETH KNOTT	NC DENR
Celia Cox	NC OSBM
Greg Jones	NC DOC
Heather Horton	NC DOC
Amanda Styron	JDA
Catherine Stogner	Agriculture & Consumer Services
Joy Hicks	NLDA
Paul Stern	NCFB



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

5-14-2015

Date

(8:30 AM - 1000)

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Val Procopio	WLLC
Craig Sene	NSIC
Alma Miller	NCDOC
Kasey Ginsberg	gn's office
Edgar Miller	CTN
Jennifer Hargraves	NCDOC
Sarah Koonce	NCDOC
Cathy Miller	NC Consulting Network
Betsy McCorkle	NCSEA
Gordon Myers	NCWRC
Ashton Godwin	11



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

5-14-2015

Date

(8:30-10:00)

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Carr McLamb	TSS
Rose Conner	NC CUD
Prayer Gibson	NCTA
Lockhart Taylor	NC-DES
Hugh Johnson	NC ACC
Matthew Dockham	NCDENR
Allen Hardison	CRSOWMA
Anne Line	CPSA
Alan Briggs	NC Food Banks
Mike Carpenter	Nelson
Steve Weiss	NCHRA
Rob Hammer	REA



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

5-14-2015

Date

(8:30-)

10:00)

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Skyp David

Kochanek Law



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

5-14-2015

Date _____

(8:30-10:00)

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Singapore

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NCLL

Kara Weishaar

SA



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet as follows:

DAY & DATE: Thursday, May 14, 2015
TIME: **Immediately After Session**
LOCATION: **421 LOB**
COMMENTS: **Continuation From This Mornings Meeting.**

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 10:34 AM on Thursday, May 14, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



**North Carolina House of Representatives
Appropriations Committee**

RULES FOR SUBJECT AREA COMMITTEE PROCEDURES

May 14, 2015

The following rules govern the eligibility of amendments to proposed committee reports:

1. Amendments must be offered by formal amendments.
2. Amendments cannot increase total spending within the proposed committee report.
3. Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the committee and may not cause a change in another committee's appropriations.
4. Amendments cannot adjust salary and benefit appropriations for the departments, agencies, or programs within the committee report.
5. Amendments cannot spend reversions or include "shall not revert" or "carry forward" language.
6. Amendments cannot use nonrecurring reductions to fund recurring items.
7. Amendments cannot change the recurring and nonrecurring designation of funds.
8. Amendments cannot change substantive policy or law.
9. Amendments may not fund items with "management flexibility reductions."
10. Amendments may not affect agency or program transfers to other committees.
11. Amendments may not include fees or other Finance-related matters.



12:00 PM

[illegible]



House Committee on Appropriations, Agriculture and Natural and Economic Resources
Thursday, May 14, 2015 at Immediately After Session
Room 421 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Agriculture and Natural and Economic Resources met Immediately After Session on May 14, 2015 in Room 421 of the Legislative Office Building. Representatives Dixon, Harrison, McElraft, Millis, Presnell, Richardson, B. Turner, West, and Wray attended.

Rep. Pat McElraft called the meeting back to order to take up amendments at 12:00 PM.

Aubrey Incorvaia finished presenting the Overview of Proposed Appropriations.

Rep. Pat McElraft presided over presenting the amendments made to the Subcommittee on Natural and Economic Resources budget. (See Attachments)

Amendment #1	Motion: Passed
Amendment #2	Motion: Passed
Amendment #3	Motion: Passed
Amendment #4	Motion: Passed
Amendment #5	Motion: Passed
Amendment #6	Motion: Passed
Amendment #7	Motion: Passed
Amendment #8	Motion: Passed
Amendment #9	Motion: Passed
Amendment #10	Motion: Passed

Rep. West moved that the Agriculture and Natural and Economic Resources adopt the Appropriations subcommittee report as amended, and further move that staff be authorized to make technical corrections and conforming changes related to the reconciling the various amendments adopted, and that the appropriate totals may be adjusted accordingly.

The meeting adjourned at 1:00 PM.


Select or Type Name of Presiding Chair
Presiding


Nancy Fox, Committee Clerk





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

AMENDMENT NO. #1
(to be filled in by
Principal Clerk)

H97-ALM-12 [v.3]

Page 1 of 1

Amends Title [NO]
First Edition

Date 2015

Representative McElraft

1 moves to amend the House ANER Money Report on page H-8, by deleting Items 24 and 25;

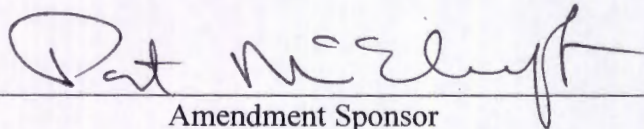
2
3 and on page H-8, Item 26, by deleting from the description for that Item, the figure "3.18" and
4 substituting "1.68" and by deleting the following positions: 60013109 – OSHA – Safety
5 Compliance Office II (0.5), and 60013140-OSHA- Safety Compliance Office I (1.0);

6
7 on page H-8, by adding a new Item to read as follows:

8 "	FY 15-16	FY 16-17
9		
10 26A Operating Reduction	(\$25,229)R	(\$25,229)R
11 Reduces operating budget for OSHA.";		

12
13 And by adjusting the appropriate totals accordingly.

14
15
16
17
SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* H 9 7 - A L M - 1 2 - V - 3 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

AMENDMENT NO. # 2
(to be filled in by
Principal Clerk)

H97-ALM-13 [v.3]

Page 1 of 1

Amends Title [NO]
First Edition

Date 2015

Representative McElraft

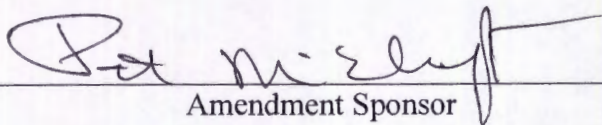
1 moves to amend the House ANER Money Report on page H-23, Item 73, by deleting that Item;

2
3 and on page H-23, by adding a new Item to read as follows:

4 " **FY 15-16** **FY 16-17**
5 **73A Legal Services** (\$93,626)R (\$93,626)R
6 Reduces legal services funding in the
7 Department. Remaining funds
8 available for this purpose total approximately
9 \$450,000.";

10
11 And by adjusting the appropriate totals accordingly.
12
13

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED ☒

FAILED ☐

TABLED ☐



* H 9 7 - A L M - 1 3 - V - 3 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

AMENDMENT NO. # 3
(to be filled in by
Principal Clerk)

Page 1 of 1

H97-ALM-11 [v.1]

Amends Title [NO]
First Edition

Date _____, 2015

Representative McElraft

1 moves to amend the House ANER Money Report on page H-11, Item 45, by deleting from the
2 description for that Item the phrase "\$52 million" and substituting "\$50 million";
3
4 and on page H-33, Item 100, by rewriting the first sentence of the description for that Item to
5 read as follows: "Provides nonrecurring funds to the Research Triangle Institute."
6
7

SIGNED

Pat O'Shea
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

AMENDMENT NO. # 4
(to be filled in by
Principal Clerk)

H97-ALM-8 [v.5]

Page 1 of 2

Amends Title [NO]
First Edition

Date 2015

Representative

WRAU

moves to amend the House ANER Special Provisions Report on page 65, line 1, through page 66, line 4, by rewriting those lines to read as follows:

"GRASSROOTS SCIENCE PROGRAM

SECTION #.(a) Of the funds appropriated in this act to the Department of Commerce for State-Aid, the sum of two million four hundred forty-eight thousand four hundred twenty-nine dollars (\$2,448,429) is allocated as grants-in-aid for each fiscal year of the 2015-2017 biennium as follows:

	2015-2016	2016-2017
Aurora Fossil Museum	\$60,540	\$60,540
Cape Fear Museum	\$72,685	\$72,685
Carolina Raptor Center	\$72,655	\$72,655
Catawba Science Center	\$85,369	\$85,369
Colburn Earth Science Museum, Inc.	\$61,775	\$61,775
Core Sound Waterfowl Museum	\$66,441	\$66,441
Discovery Place	\$276,055	\$276,055
Discovery Place KIDS (Rockingham, NC)	\$58,000	\$58,000
Eastern NC Regional Science Center	\$59,283	\$59,283
Fascinate-U	\$64,410	\$64,410
Granville County Museum Commission, Inc. – Harris Gallery	\$60,240	\$60,240
Greensboro Children's Museum	\$76,940	\$76,940
Greensboro Science Center	\$117,992	\$117,992
Hands On! – A Child's Gallery	\$61,152	\$61,152
Highlands Nature Center	\$61,759	\$61,759
Imagination Station	\$63,859	\$63,859
The Iredell Museums, Inc.	\$60,126	\$60,126
Kidsenses	\$62,314	\$62,314
Marbles Kids Museum	\$132,274	\$132,274
Museum of Coastal Carolina	\$64,595	\$64,595
North Carolina Estuarium	\$61,396	\$61,396
North Carolina Museum of Life and Science	\$170,396	\$170,396



* H 9 7 - A L M - 8 - V - 5 *

NORTH CAROLINA GENERAL ASSEMBLY

AMENDMENT

House Bill 97

AMENDMENT NO. _____

(to be filled in by

Principal Clerk)

H97-ALM-8 [v.5]

Page 2 of 2

1	Pisgah Astronomical Research Institute	\$77,861	\$77,861
2	Port Discover: Northeastern		
3	North Carolina's Center for		
4	Hands-On Science, Inc.	\$60,208	\$60,208
5	Rocky Mount Children's Museum	\$63,550	\$63,550
6	Schiele Museum of Natural History		
7	and Planetarium, Inc.	\$91,093	\$91,093
8	Sci Works Science Center and		
9	Environmental Park of Forsyth County	\$81,275	\$81,275
10	Sylvan Heights Waterfowl Park		
11	and Eco-Center	\$67,861	\$67,861
12	Western North Carolina Nature Center	\$69,176	\$69,176
13	Wilmington Children's Museum	\$67,149	\$67,149
14	Total	\$2,448,429	\$2,448,429";

And by adjusting the appropriate totals accordingly.

SIGNED _____

Amendment Sponsor

SIGNED _____

Committee Chair if Senate Committee Amendment

ADOPTED _____

FAILED _____

TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

AMENDMENT NO. #5
(to be filled in by
Principal Clerk)

H97-ALM-10 [v.2]

Page 1 of 1

Amends Title [NO]
First Edition

Date _____, 2015

Representative Harrison

moves to amend the House ANER Money Report on page H-13, Item 63, by reducing the appropriation for that Item by \$78,550 in recurring funds for the 2015-2016 fiscal year and the 2016-2017 fiscal year; and

on page H-10, Item 35, by deleting the recurring reduction for that Item for the 2015-2016 fiscal year and the 2016-2017 fiscal year, and by rewriting the description for that Item to read as follows: "Budgets Petroleum Violation Escrow (PVE) settlement funds transferred from budget code 64327 to partially offset support of the university energy centers at North Carolina State University, North Carolina Agriculture and Technical State University, and Appalachian State University on a nonrecurring basis."; and

by adjusting the appropriate totals accordingly.

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

AMENDMENT NO. #6
(to be filled in by
Principal Clerk)

H97-ALM-9 [v.6]

Page 1 of 2

Amends Title [NO]
First Edition

Date _____, 2015

Representative Harrison

moves to amend the House ANER Special Provisions Report on pages 49-50 by inserting between those pages a new special provision to read as follows:

"COMMERCE & DENR STUDY COASTAL RESTORATION AS AN ECONOMIC DEVELOPMENT STRATEGY

SECTION #.(a) The Department of Commerce shall study how coastal restoration, including wetland restoration, oyster bed restoration, living shorelines, and stormwater retrofit efforts, contribute to the coastal economy and, if and how, coastal restoration is consistent with State, regional, and rural economic development policies. The Department shall consult with other State agencies and private organizations in conducting this study. The Department shall report its findings, including any proposed revisions and implementations of these policies, to the Environmental Review Commission by March 1, 2016.

SECTION #.(b) The Departments of Commerce and Environment and Natural Resources shall work with the United States Department of Agriculture, Natural Resources Conservation Service, as well as for-profit and nonprofit organizations, to develop recommendations to identify and fully capitalize on the conservation programs funded through the federal Farm Bill, including the potential to help pay for oyster restoration, wildlife enhancement, and wetland restoration with federal dollars. The Departments shall also determine how the State of North Carolina compares to other states in accessing federal restoration funding. The Departments shall report their findings and recommendations to the Environmental Review Commission by March 1, 2016.

SECTION #.(c) The Department of Environment and Natural Resources shall identify regulatory reform opportunities for the construction of voluntary natural resource restoration and enhancement projects and shall develop proposals that reduce the cost of and approval time for projects that restore oysters, wetlands, coastal shorelines, and other natural resources. The Department shall consider all of the following: (i) opportunities to streamline the permitting of voluntary natural resource restoration and enhancement projects; (ii) opportunities to reduce permitting fees for voluntary natural resource restoration and enhancement projects; (iii) providing for flexibility in applying environmental standards to restoration and enhancement projects with long-term environmental and natural resource benefits; (iv) allowing de minimis environmental impacts during construction of restoration or enhancement projects in the interest of long-term environmental and natural resource benefits, consistent with State and federal law; and (v) opportunities to focus existing Department



NORTH CAROLINA GENERAL ASSEMBLY

AMENDMENT

House Bill 97

H97-ALM-9 [v.6]

AMENDMENT NO. _____

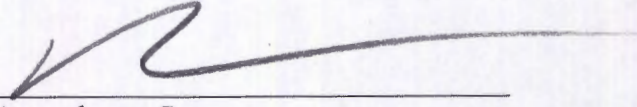
(to be filled in by

Principal Clerk)

Page 2 of 2

- 1 resources on restoration and enhancement of natural resources. The Department shall submit its
- 2 findings and recommendations to the Environmental Review Commission by March 1, 2016."
- 3
- 4
- 5

SIGNED _____


Amendment Sponsor

SIGNED _____

Committee Chair if Senate Committee Amendment

ADOPTED _____

✓

FAILED _____

TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

AMENDMENT NO. # 7
(to be filled in by
Principal Clerk)

H97-AMH-19 [v.5]

Page 1 of 1

Amends Title [NO]
PCS

Date 2015

Representative West

1 moves to amend the House ANER Money Report on page H-1, by deleting item 1;
2
3 and on page H-2, by deleting items 14 and 15;
4
5 and on page H-3, item 16, by increasing the recurring funding in each fiscal year by
6 \$1,700,000, by decreasing the nonrecurring expansion by \$1,034,464 and by rewriting the
7 description of the item to read:
8 "Increases recurring funding to the farmland preservation trust fund and provides an additional
9 \$2.6 million in nonrecurring funds in FY 2015-16.";
10
11 and on page H-13, item 63, by reducing the recurring increases in each year of the biennium by
12 \$1,797,466;
13
14 and further moves to amend the House ANER Provision Package on page 7, lines 1-30, by
15 deleting those lines;
16
17 and on page 10, lines 5-7, by rewriting those lines to read:
18 "shall transfer to the General Fund the sum of two hundred seventy-five thousand three
19 hundred ninety-nine dollars";
20
21 and by adjusting the appropriate totals accordingly.

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* H 9 7 - A M H - 1 9 - V - 5 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

AMENDMENT NO. #8
(to be filled in by
Principal Clerk)

H97-AMH-20 [v.2]

Page 1 of 1

Amends Title [NO]
PCS

Date _____, 2015

Representative Richardson

1 moves to amend the House ANER Money Report on page H-12, item 52, by reducing the
2 recurring reduction in each fiscal year by \$456,224, and by reducing the position reduction in
3 each fiscal year by 14.5 positions; + 356,000
4
5 and on page H-9, item 32, by increasing the recurring reduction in each fiscal year by
6 \$256,224;
7
8 and on page H-12, item 55, by increasing the recurring reduction in each fiscal year by
9 \$200,000, and by rewriting the second sentence of the item description to read:
10 "Also reduces the legal services line item by \$214,427, leaving \$338,227 for these services.";
11
12 and further moves to amend the House ANER Provision Package, on page 25, line 30 through
13 page 26, line 1, by deleting those lines.

SIGNED

Bobbie J. Richardson
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



1894



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

AMENDMENT NO. #9
(to be filled in by
Principal Clerk)

H97-ALM-14 [v.4]

Page 1 of 2

Amends Title [NO]
First Edition

Date _____, 2015

Representative McElraft

moves to amend the House ANER Money Report on page H-13, Item 63, by reducing the appropriation for that Item for each year of the 2015-2017 biennium by \$300,000 in recurring funds;

and on page H-33, by adding a new Item to read as follows:

	FY 15-16	FY 16-17
101A Grassroots Science Program	\$300,000 R	\$300,000 R
Provides additional funds for Grassroots Science Museums. Total funding is \$2.7 million."		

And moves to amend the House ANER Special Provision Report on page 65, line 1 through page 66, line 4, by rewriting those lines to read as follows:

"GRASSROOTS SCIENCE PROGRAM

SECTION #.(a) Of the funds appropriated in this act to the Department of Commerce for State-Aid, the sum of two million seven hundred forty-eight thousand four hundred twenty-nine dollars (\$2,748,429) is allocated as grants-in-aid for each fiscal year of the 2015-2017 biennium as follows:

	2015-2016	2016-2017
Aurora Fossil Museum	\$61,616	\$61,616
Cape Fear Museum	\$78,904	\$78,904
Carolina Raptor Center	\$78,861	\$78,861
Catawba Science Center	\$96,959	\$96,959
Colburn Earth Science Museum, Inc.	\$63,374	\$63,374
Core Sound Waterfowl Museum	\$70,016	\$70,016
Discovery Place	\$368,395	\$368,395
Discovery Place KIDS (Rockingham)	\$58,000	\$58,000
Eastern NC Regional Science Center	\$59,827	\$59,827
Fascinate-U	\$67,124	\$67,124
Granville County Museum Commission, Inc.—Harris Gallery	\$61,189	\$61,189
Greensboro Children's Museum	\$84,960	\$84,960
Greensboro Science Center	\$143,396	\$143,396



NORTH CAROLINA GENERAL ASSEMBLY

AMENDMENT

House Bill 97

AMENDMENT NO. _____

(to be filled in by

Principal Clerk)

H97-ALM-14 [v.4]

Page 2 of 2

1	Hands On! – A Child's Gallery	\$62,487	\$62,487
2	Highlands Nature Center	\$63,351	\$63,351
3	Imagination Station	\$66,341	\$66,341
4	The Iredell Museums, Inc.	\$61,027	\$61,027
5	Kidsenses	\$64,140	\$64,140
6	Marbles Kids Museum	\$163,727	\$163,727
7	Museum of Coastal Carolina	\$67,388	\$67,388
8	North Carolina Estuarium	\$62,833	\$62,833
9	North Carolina Museum of Life		
10	and Science	\$217,993	\$217,993
11	Pisgah Astronomical Research Institute	\$86,272	\$86,272
12	Port Discover: Northeastern		
13	North Carolina's Center for		
14	Hands-On Science, Inc.	\$61,143	\$61,143
15	Rocky Mount Children's Museum	\$65,900	\$65,900
16	Schiele Museum of Natural History		
17	and Planetarium, Inc.	\$105,107	\$105,107
18	Sci Works Science Center and		
19	Environmental Park of Forsyth County	\$91,131	\$91,131
20	Sylvan Heights Waterfowl Park		
21	and Eco-Center	\$72,036	\$72,036
22	Western North Carolina Nature Center	\$73,908	\$73,908
23	Wilmington Children's Museum	\$71,024	\$71,204
24	Total	\$2,748,429	\$2,748,429";

And by adjusting the appropriate totals accordingly.

SIGNED _____

Amendment Sponsor

SIGNED _____

Committee Chair if Senate Committee Amendment

ADOPTED _____

FAILED _____

TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. ANER PROVISIONS

H. B. No. 97

DATE 5/14/2015

S. B. No. _____

Amendment No. 10

COMMITTEE SUBSTITUTE X

(to be filled in by
Principal Clerk)

(Rep.)

Dixon

(Sen.)

Amendment 5 (H97-ALM-14)

1 moves to amend the bill on page _____, line 5 24-29

2 () WHICH CHANGES THE TITLE

3 by inserting between these lines:

4 "Cowan Museum of History and Science xxx xxx

5 _____

6 and by inserting in place of "xxx" the

7 correct proportionate share of grassroots science funding.

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED Jimmy Dixon

ADOPTED ✓ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

VISITOR REGISTRATION SHEET

AGNER

Name of Committee

5-14-2015

Date

12:08 PM

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Lauren C.	DOA
Stewart Weiss	NCAABA
Sam Morris	DOA
Bret Hager	NCEL
James Fugerey	NCEL
Paul Sherman	NCFB
Don Camute	NCAABA
Steven Webb	NCAABA
Alan Briggs	NC Food Banks
Kara Weiskner	SN
Lexi Morgan	NCAABA



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

5-14-2015

Date 12:08 AM

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Edgar Muhl	CTNC
Will Morgan	TNC
Stephen Myers	NCWRC
Maggie Clark	NCSEA
August Wolf	NC SEA
Betsy McCorkle	NCSEA
Dianne Downey	PSNCUC
Chris Ayers	PSNCUC
Terri Oueron	AG
Catherine Stagner	Dept. of Agriculture
Joy Hilder	NZDAICS



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

5-14-2015

Date

12:08 pm

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Kelsey Ginsberg	gov 501a
Alia Miller	NCDOC
Caroline Hansen	" "
Shelly Jones	" " " " " "
John H. Comari	" "
Edgar Miller	C TNC
Susanna Dori	NCEA
Amanda Gynn	JDA
Rob Lawrence	PCA



VISITOR REGISTRATION SHEET

AGNER

Name of Committee

5-14-2015

Date

12:08 PM

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

ANDY WALSH

SA



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

You are hereby notified that the **House Committee on Appropriations, Agriculture and Natural and Economic Resources** will meet as follows:

DAY & DATE: Wednesday, July 1, 2015
TIME: 8:30 AM
LOCATION: 421 LOB
COMMENTS: Rep. Dixon, presiding
Discuss differences between House & Senate budget

Respectfully,

Representative Jimmy Dixon, Co-Chair
Representative Pat McElraft, Co-Chair
Representative Roger West, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 9:50 AM on Thursday, June 25, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Nancy Fox (Committee Assistant)



House Committee on Appropriations, Agriculture and Natural and Economic Resources
Wednesday, July 1, 2015 at 8:30 AM
Room 421 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Agriculture and Natural and Economic Resources met at 8:30 AM on July 1, 2015 in Room 421 of the Legislative Office Building. Representatives Catlin, Dixon, Harrison, Langdon, McElraft, Millis, Presnell, Richardson, B. Turner, and Yarrowborough attended.

Rep. Jimmy Dixon, presided.

The following bills were considered: Discussion between the difference in budgets (House, Senate, Governor)

Rep. Dixon welcomes everyone in attendance and informs everyone of the schedule of meetings we have coming up and how we shall proceed.

Rep. Dixon then acknowledges the Sgt at Arms and the Paige's who were helping. See Attachment #2

Rep. Dixon calls on Fiscal to review the differences between House & Senate Budgets.

Tim Dale from Fiscal Research reviews money report See Atch # 2

Pg. 1- 14

Rep. Dixon calls on Jennifer Hoffman to continue the money report she picks up on pg. 14 and goes thru pg. 33. Atch #2

Jennifer continues on pg 61 and goes thru end of attachment #2.

Rep. Dixon then calls on Aubrey Inconvaia who discusses commerce pg. 37-47

Aubrey then discusses pg 48-50 State Aid; 51-58 Cultural Resources;

Jennifer Hoffman then discusses Atch #3 Marine Fisheries pg 34-35 are the differences between House and Senate Budgets as it relates to Marine Fisheries.

Dr. Louis Daniel head of Dept. goes over the Marine Fisheries needs and the differences between both chambers. See Attach #3

Doug Edgerton from Biotech Center gives differences as it relates to Bio Tech Center. See Attach #4 & #5

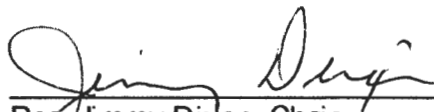
Rep. Dixon calls on Public comments;

Jerry Schill- Fisherman: Has issue with way the Commission (Fisheries) is handling Flounder issue. Need admendment to correct.

Chuck Lockridge, Commission Member see attach. #6

Rep. Dixon then adjourns the meeting

The meeting adjourned at 10:56am.


Rep. Jimmy Dixon, Chair
Presiding


Michael Wiggins, Committee Clerk



House Committee on Agriculture and Natural and Economic Resources

Agenda

Wednesday July 1, 2015, 8:30 A.M.
Room 421, Legislative Office Building

Rep. Dixon, Presiding

1. Welcome and Opening Comments

Rep. Dixon

2. Overview of House & Senate Budget Items in Controversy

Timothy Dale, *Fiscal Research*

Jennifer Hoffmann, *Fiscal Research*

Aubrey Incorvaia, *Fiscal Research*

**3. Response to House & Senate Budget Proposals:
NC Department of Environment & Natural Resources'
Division of Marine Fisheries**

Dr. Louis Daniel, Division Director

**4. Response to House & Senate Budget Proposals:
North Carolina Biotechnology Center**

Doug Edgeton, President & Chief Executive Officer

5. Committee Questions & Discussion

6. Adjourn

House Appropriations Committee on ANER

Rep. Dixon (Chair)

Rep. McElraft (Chair)

Rep. West (Chair)

Rep. Catlin (Vice Chair)

Rep. Pierce (Vice Chair)

Reps. Harrison, Langdon, Millis, Presnell,
Richardson, Turner, Wray, and Yarborough



VISITOR REGISTRATION SHEET

AG/NER

7-01-2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
J. GRAYER SHER RILL	NC FIB
Ryan Boyce	NCIC
Walt Gray	NCIC
Skye David	KLG
David Knight	NCWF
Tom BERN	EDF, NCSEA, NCWF
Coralyn Alton	NCCN
Chuck Laughridge	Public/MFL
Jennifer Henshaw	NC DOL
Sean McCabe	NC DOL
Sarah Kuvance	NC DOL



VISITOR REGISTRATION SHEET

AG/NER

7-01-2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Dana Simpson	SIA
Wang Edgeton	NC Biotechnology Center
Richard Stevens	SPA
Robin Deacle	NC Biotech Center
JERRY SCHILL	NQFA
Brad Hunt	DENR
RESTON HOWARD	NICMA
Allan Hardison	CISWMA
Dave Fenton	City of Charlotte
Sarah Collins	NCLM
Alex Bowen	CCS
John Cooper	CCS



VISITOR REGISTRATION SHEET

AG/NER

7-01-2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Clayton DeHiguer	NCEA & CS
Kelsey Ginsberg	governor's office
Joy Tucker	NCEA & CS
DAVID SNEED	COASTAL CONSERVATION ASSOC. NC
Keith Johnson	coastal conservation ASS'n of NC
Greg Hurt	" "
Tom Goffe	NCEA
Scott Linton	SSGNK
Betsy McCorkle	NCSEA
Corey Jones	NC DOC
Heather Horton	NC DOC



VISITOR REGISTRATION SHEET

AG/NER

7-01-2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Lexi Morgan Arthur	NLRMA
Janey Lovelace	CFSA
Jonathan Hill	CTNC
Sara Stuckey	consultant
[Signature]	NETIA
[Signature]	
Carr McLamb	TSS
Isabel Villalobos	NGA
[Signature]	WRC



VISITOR REGISTRATION SHEET

AG/NER

Name of Committee

7-01-2015

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Martha Jensen

✓

Steve Lacey

Harrods Prairie Museum

John Dorn

NC DÂN R



ATTACH #1

Committee Sergeants at Arms

NAME OF COMMITTEE AG/NER

DATE: 7-01-2015 Room: 421

House Sgt-At Arms:

1. Name: Bill Bass
2. Name: Mark Cone
3. Name: David Leighton
4. Name: _____
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____



#1

Wednesday, July 1
APPROPRIATIONS
AG AND NER

Room
421

Time
8:30 am

<u>Name</u>	<u>County</u>	<u>Sponsor</u>
Brandon Farris	Gaston	Kelly E. Hastings
Trey Jones III	Columbus	James L. Boles, Jr.
Meredith Levy	Gaston	Dana Bumgardner



*Attach
#2*

NATURAL & ECONOMIC RESOURCES

AGRICULTURE & NATURAL & ECONOMIC RESOURCES

Section H

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House/Senate Comparison Report - Combined Budget

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
13700/Agriculture and Consumer Services					
1 Reserve for Salaries and Benefits	Compensation Increase Reserve			\$1,477,586	\$1,477,586
Provides funds for a 2% salary increase for State agency employees.					
2 Reserve for Salaries and Benefits	State Retirement Contributions			\$276,508	\$210,386
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund the annual required contribution, provide a 2.0% cost-of-living adjustment to retirees, provide additional benefits to probation/parole officers, and fund retiree medical premiums. Total General Fund appropriation across all sections in the committee report is \$45.9 million in FY 2015-16 and \$34.9 million in FY 2016-17.					
3 Reserve for Salaries and Benefits	State Health Plan			\$133,385	\$133,385
Provides additional funding to reflect the passage of H.B. 56 and continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.					
4 Department-wide	Workers' Compensation Adjustment Reserve	\$143,429	\$143,429		
Provides funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net General Fund appropriations. Agencies are directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all fund sources.					

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
5 Administration	Indirect Cost Receipts (1991)	(\$2,772)	(\$2,772)	(\$2,772)	(\$2,772)
Reduces requirements from fund code 1991 to match budgeted indirect cost receipts.					
6 Food & Drug	Registration Fee Receipts (1100)	(\$450,000)	(\$450,000)	(\$450,000)	(\$450,000)
Budgets additional receipts generated by increasing annual registration fees for drug manufacturers, repackagers, and distributors. Annual registration fees for drug manufacturers or repackagers are increased from \$500 to \$1,000. Annual registration fees for drug wholesalers are increased from \$350 to \$700. Fees were last increased in 1988.					
7 Food & Drug	License Fee Receipts (1100)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Budgets additional receipts generated by increasing annual licensing fees for wholesale drug distributors. Annual licensing fees for drug manufacturers are increased from \$500 to \$1,000. Annual licensing fees for non-manufacturers are increased from \$350 to \$700. Fees were last increased in 1988.					
8 Food & Drug	Dairy Inspection Fee Receipts (1100)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)
Budgets additional receipts generated by increasing annual inspection fees for dairy retailers and wholesalers. Annual inspection fees for dairy retailers are increased from \$10 to \$50. Annual inspection fees for dairy wholesalers are increased from \$40 to \$100. Fees were last increased in 1989.					

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Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
9 Food & Drug	Food & Drug Receipts (1070)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)
Budgets \$250,000 in receipts previously transferred to support the Spay and Neuter program.					
10 Food & Drug	Food Safety Modernization Act Education (FSMA) (1100)	\$280,000 ✓ 4.00	\$280,000 ✓ 4.00		
Provides funding to the Food & Drug Division on a recurring basis to increase awareness of federal FSMA food safety regulations.					
11 Food & Drug	Food Safety Modernization Act Education (FSMA) (1100)			4.00 \$280,000 NR	4.00 \$280,000 NR
Provides funding to the Food & Drug Division on a nonrecurring basis for the biennium to increase awareness of federal FSMA food safety regulations.					
12 Food Distribution	Federal Funds Reserve (1210)			(\$74,000)	(\$74,000)
Eliminates the budgeted federal funds reserve requirement and maintains existing budgeted federal receipts.					
13 Food Distribution	Diesel Fuel (1210)			\$100,000 ✓	\$100,000
Provides \$100,000 in additional funding for the Division's increased fuel requirements.					

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
14 Forest Service	Vacant Position Reduction (1510)			(\$94,713) -1.50	(\$94,713) -1.50
	Eliminates 1.5 positions vacant for more than 1 year:				
	60031916 - NCSU Assoc Ranger (0.5)				
	60032247 - Forestry Supervisor (1.0)				
15 Marketing	Agricultural Marketing (1020)	\$100,000	\$100,000		
	Provides \$100,000 in recurring funds to support the marketing of NC-based agricultural products. Total annual General Fund support of the Division is \$8.3 million.				
16 Meat & Poultry Inspection	Vacant Positions (1140)			(\$85,351) -2.00	(\$85,351) -2.00
	Eliminates 2.0 positions vacant for more than 1 year:				
	60012266 - Meat & Poultry Inspector I (0.5)				
	60012293 - Meat & Poultry Inspector III (0.5)				
	60012265 - Meat & Poultry Inspector I (0.5)				
	60012303 - Meat & Poultry Inspector I (0.5)				
17 Plant Industry	Plant Industry Fee Receipts (1180)	(\$125,000)	(\$125,000)		
	Budgets \$125,000 in fee receipts to more closely align to actual collections.				

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
18 Plant Industry	Federal Funds Reserve (1180)			(\$125,000)	(\$125,000)

Eliminates the budgeted federal funds reserve requirement and maintains existing budgeted federal receipts.

19 Research Stations	Vacant Position Reduction (1190)			(\$91,068) -2.00	(\$91,068) -2.00
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Eliminates 2.0 positions vacant for more than 1 year:

60012619 - Safety Officer II (1.0)
60012656 - Research Technician (1.0)

20 Research Stations	Research Station Receipts (1190)	(\$45,000)	(\$45,000)		
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(\$10,000) NR

Budgets an additional \$55,000 in anticipated receipts in FY 2015-16 and \$45,000 in anticipated receipts in FY 2016-17 to more closely align to actual collections.

21 Research Stations	Bioenergy Development (1190)	(\$500,000) NR			
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Budgets \$500,000 in TVA Settlement receipts to replace existing funding to the Bioenergy Development program in FY 2015-16. Total funds available for the grant program remain at \$1,278,652.

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
22 Reserves & Transfers	Military Buffers (1990)	\$1,000,000	\$1,000,000		
Provides additional recurring funds to the ADFPTF specifically for the purpose of acquiring buffers around military bases. Total annual funding provided to the ADFPTF is \$2,608,376.					
23 Reserves & Transfers	Agricultural Development & Farmland Preservation Trust Fund (ADFPTF) (1990)	(\$500,000) NR			
Budgets \$500,000 in TVA Settlement receipts to replace existing funding to the ADFPTF in FY 2015-16. Total annual funding provided to the ADFPTF is \$2,608,376.					
24 Reserves & Transfers	Agricultural Development & Farmland Preservation Trust Fund (ADFPTF) (1990)			\$91,624	\$91,624
				\$2,573,912 NR	
Increases recurring funding to the ADFPTF and provides an additional \$2.6 million in nonrecurring funds in FY 2015-16.					
25 Reserves & Transfers	FFA Foundation (1990)	\$60,000	\$60,000		
Provides an additional \$60,000 in recurring funding to support the FFA program. Total annual funds supporting the program is \$100,000.					

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
26 Reserves & Transfers	Tobacco Trust Fund Program Expansion (1990)			\$559,133 (NR)	\$1,000,000 NR
	Provides nonrecurring funding to the Tobacco Trust Fund for the biennium to expand the grant program. Total funding for the program is approximately \$2.5 million in FY 2015-16 and \$3 million in FY 2016-17.				
27 Soil & Water Conservation	Agriculture Cost Share (ACS) Program (1611)	(\$1,000,000) NR			
	Budgets \$1 million in TVA Settlement receipts to replace existing funding to the ACS program in FY 2015-16. Total funding provided to the program in FY 2015-16 is approximately \$6.6 million.				
28 Soil & Water Conservation	Conservation Reserve Enhancement Program (CREP) (1611)	(\$140,000) NR	(\$140,000) NR		
	Reduces funding for the CREP program on a nonrecurring basis for both years of the biennium. The Department may use existing cash balance available in the CREP special fund (27304-2711) to fund program requirements.				
29 Soil & Water Conservation	Conservation Reserve Enhancement Program (CREP) (1611)				(\$1,081,160) NR
	Budgets receipts transferred from the CREP special fund (23704-2711) cash balance in FY 2016-17.				
30 Soil & Water Conservation	Operating Funds (1611)	(\$275,399) NR		(\$275,399) NR	
	Budgets receipts transferred from the Swine Waste special fund (23704-2730).				

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
31 Standards	Gasoline and Oil Inspections (1160)		SENATE ONLY		

Eliminates the recurring inspection tax transfer of \$5,223,690 and budgets a nonrecurring transfer of \$5,223,690 of motor fuel tax proceeds in FY 2015-16. The program is also subject to a Continuation Review.

32 Structural Pest Control & Pesticides	Pesticide Fee Receipts (1090)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)
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Budgets an additional \$150,000 in receipts from pesticide registration and licensing fees to more closely align to actual collections.

33 Veterinary Services	Spay and Neuter Account (1130)	\$250,000	\$250,000		
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Replaces the \$250,000 transfer from the Food & Drug Division with a direct \$250,000 in recurring funding to support the Spay and Neuter program. Total annual program funding is approximately \$460,000.

34 Veterinary Services	Spay and Neuter Account (1130)			\$500,000	\$500,000
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Replaces the \$250,000 transfer from the Food & Drug Division with a direct \$500,000 in recurring funding to support the Spay and Neuter program. The program will receive a net funding increase of \$250,000.

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
35 Veterinary Services	Vacant Position Reduction (1130)			(\$196,736) -1.60	(\$196,736) -1.60
	Eliminates 1.6 positions vacant for more than 1 year:				
	60012147 - Veterinary Laboratory Specialist (1.0)				
	60012130 - Medical Laboratory Supervisor III (0.6)				
36 Veterinary Services	Cervid Farming (1130)	\$149,000 2.00	\$149,000 2.00		
	Provides funding to support 2.0 additional positions for the Captive Cervid program transferred to the Department in S513.				
<u>Department Totals</u>		\$824,657 6.00 (\$2,425,399) NR	\$824,657 6.00 (\$140,000) NR	\$924,463 -3.10 \$3,137,646 NR	\$858,341 -3.10 \$198,840 NR

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
13800/Labor					
37 Reserve for Salaries and Benefits	Compensation Increase Reserve			\$273,340	\$273,340
	Provides funds for a 2% salary increase for State agency employees.				
38 Reserve for Salaries and Benefits	State Retirement Contributions			\$51,170	\$38,934
	Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund the annual required contribution, provide a 2.0% cost-of-living adjustment to retirees, provide additional benefits to probation/parole officers, and fund retiree medical premiums. Total General Fund appropriation across all sections in the committee report is \$45.9 million in FY 2015-16 and \$34.9 million in FY 2016-17.				
39 Reserve for Salaries and Benefits	State Health Plan			\$21,399	\$21,399
	Provides additional funding to reflect the passage of H.B. 56 and continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				
40 Department-wide	Workers' Compensation Adjustment Reserve	\$29,114	\$29,114		
	Provides funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net General Fund appropriations. Agencies are directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all fund sources.				

Budget Code **Department Name**

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
41 Administration	Fund Shift Positions (1120)	(\$130,150) -2.00	(\$130,150) -2.00	(\$130,150) -2.00	(\$130,150) -2.00
	Fund shifts 2.0 positions to receipt-support from boiler inspection fees.				
	60012882 - Admin Officer (1.0)				
	60013046 - Health Benefits Officer (1.0)				
42 Occupational Safety & Health	Operating Reduction (1352)	(\$25,229)	(\$25,229)		
Technical Difference	Reduces the operating budget for the OSH program by 4.6%, leaving \$527,065 in General fund support available for operating expenses.				
43 Occupational Safety & Health	Operating Reduction (1352)			(\$25,229)	(\$25,229)
Technical Difference	Reduces the operating budget for the OSH program.				
44 Occupational Safety & Health	Vacant Position Reduction (1350 & 1352)			(\$103,826) -1.68	(\$103,826) -1.68
	Eliminates 1.68 positions vacant for more than 1 year:				
	60013080 - OSHA - Safety Compliance Officer II (0.5)				
	60013269 - Office Assistant IV (0.18)				
	60013194 - Industrial Hygiene Inspector (1.0)				

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u>	<u>Senate</u>	<u>House</u>	<u>House</u>
		FY 15-16	FY 16-17	FY 15-16	FY 16-17
45 Standards & Inspections	Mine & Quarry Inspections (1330)	(\$346,492) -4.60	(\$346,492) -4.60		
Eliminates funding for the Mine & Quarry Inspection Division.					
60012971 - Mine Safety & Health Consultant (1.0)					
60012969 - Mine Safety & Health Consultant (1.0)					
60012968 - Mine Safety & Health Consultant (1.0)					
60012966 - Mine Safety & Health Consultant (1.0)					
60012964 - Mine Safety & Health Consultant (0.6)					
<u>Department Totals</u>		(\$472,757) -6.60	(\$472,757) -6.60	\$86,704 -3.68	\$74,468 -3.68

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
14300/Environment & Natural Resources					
46 Reserve for Salaries and Benefits	Compensation Increase Reserve			\$1,769,640	\$1,769,640
	Provides funds for a 2% salary increase for State agency employees.				
47 Reserve for Salaries and Benefits	State Retirement Contributions			\$329,298	\$250,553
	Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund the annual required contribution, provide a 2.0% cost-of-living adjustment to retirees, provide additional benefits to probation/parole officers, and fund retiree medical premiums. Total General Fund appropriation across all sections in the committee report is \$45.9 million in FY 2015-16 and \$34.9 million in FY 2016-17.				
48 Reserve for Salaries and Benefits	State Health Plan			\$159,798	\$159,798
	Provides additional funding to reflect the passage of H.B. 56 and continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				
49 Department-wide	Workers' Compensation Adjustment Reserve	\$173,960	\$173,960		
	Provides funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net General Fund appropriations. Agencies are directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all fund sources.				

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u>	<u>Senate</u>	<u>House</u>	<u>House</u>
		FY 15-16	FY 16-17	FY 15-16	FY 16-17
50 Department-wide	Operating Reduction	(\$1,000,000)	(\$1,000,000)		

Reduces the following line items throughout the Department:

Other Information Tech Svcs	\$400,000
Engineering Services	\$60,000
Misc Contractual Services	\$150,000
Rent/Lease - Buildings/Office	\$55,000
Rent/Lease - Motor Vehicles	\$100,000
Transportation-Ground In-State	\$50,000
Lodging - In State	\$25,000
Meals - In State	\$25,000
Postage, Freight & Delivery	\$35,000
General Office Supplies	\$100,000

51 Administrative Services	Administrative Operating		(\$284,686)	(\$284,686)
	Reduction (1140)		-2.00	-2.00

Reduces the department's administrative services operating budget. Also shifts 2 accounting positions (60036006 and 60036000) to federal indirect cost receipts. Total reduction to the operating budget is 13%, leaving approximately \$1.9 million in operating support for administration.

52 Administrative Services	Administrative Operating	(\$159,025)	(\$159,025)		
	Reduction (1140)				

Reduces the Department's administrative services operating budget by 7.4%, leaving approximately \$2 million in receipts to support the administrative operating budget in each year of the biennium.

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
53 Administrative Services	Vacant Position Reduction (1140) Eliminates positions vacant greater than 6 months. 60036034- Budget Analyst (1.0) 60036039- Purchaser (1.0) 60035496- Office Assistant III (0.4) 60036041- Purchaser (1.0) 60033389- Safety Officer III (1.0) 60036060- Business And Technology Applic Specialist (1.0) 60035034- Technology Support Analyst(1.0) 60035318- IT Security Specialist (1.0) 60035984- Personnel Analyst (1.0) 60032527- Policy Development Analyst (0.45)			(\$694,539) -8.85	(\$694,539) -8.85
54 Administrative Services	Vacant Position Reduction (1140) Reduces funding for a vacant Ombudsman (60035953); position becomes half-time, supported from receipts.			(\$76,276) -0.50	(\$76,276) -0.50
55 Administrative Services	Vacant Position Reduction (1140) Eliminates a vacant Policy Development Analyst position (60035952) in the Secretary's Office.			(\$93,198) -1.00	(\$93,198) -1.00

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u>	<u>Senate</u>	<u>House</u>	<u>House</u>
		FY 15-16	FY 16-17	FY 15-16	FY 16-17
56 Administrative Services	Administrative Positions (1140)	(\$2,528,742) -30.39	(\$2,528,742) -30.39		

Eliminates 24.39 vacant administrative positions and 6 filled administrative positions due to the transfer of the Zoo, Aquariums, Museum of Natural Sciences, and the Parks System. These positions will be reestablished in the newly renamed Department of Natural and Cultural Resources.

Filled Positions:

60036186 - Chief Deputy II (1.0)
60035027 - Attorney II (1.0)
60036019 - Accounting Technician (1.0)
65010186 - Engineer (1.0)
60036012 - Accountant (1.0)
60035979 - Artist Illustrator (1.0)

Vacant Positions:

60032766 -Accountant (1.0)
60034828- Agency Legal Specialist II (1.0)
60035991 -EEO Administrator (1.0)
60036006- Accounting Technician (1.0)
60036029 -Budget Manager (1.0)
60036031 -Budget Analyst (1.0)
60036034- Budget Analyst (1.0)
60036039- Purchaser (1.0)
60035958- Environmental Program Supervisor II (1.0)
60035952- Policy Development Analyst (1.0)
60035829- Staff Development Coordinator (1.0)
60035950 -GS 5th Floor Receptionist (1.0)
60035984 -Personnel Analyst (1.0)
60036041 -Purchaser (1.0)
60036023- Auditor (1.0)
60034575- Technology Support Analyst(1.0)
60035501- Technology Support Analyst(1.0)
60035318- IT Security Specialist (1.0)
60036060 -Business and Technology Applic SpecI (1.0)
60036063- Business and Technology Applic SpecI (1.0)
60035986- W/A Recruitment Analyst(1.0)
60035955- DENR Administrative Operations Director (1.0)
60035996 - Personnel Assistant IV (1.0)
60035953 - Ombudsman (0.54)
60032527 - Info Communication Specialist (0.45)

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
	60035496 - Office Assistant (0.40)				

57 Administrative Services	Administrative Efficiencies (1140)	(\$506,509) -8.00	(\$506,509) -8.00
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Eliminates 8 positions due to administrative efficiencies resulting from the transfer of the Zoo, Aquariums, Museum of Natural Sciences and the Parks System.

60036004 - Accounting Tech
 60036014 - Accounting Tech
 60036017 - Accounting Tech
 60035942 - Special Asst to the Director
 60035949 - HR Representative
 60035998 - Deputy HR Director
 60036013 - Accounting Tech
 60036042 - Purchaser

58 Aquariums	Vacant Position Reduction (1355)		(\$240,717) -4.50	(\$240,717) -4.50
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Eliminates positions vacant greater than 6 months.
 60034946- Conserv & Research Coordinator (0.5)
 60034848 -Tech Support Analyst (1.0)
 60034829 -Receptionist (1.0)
 60034938- Exhibit Technician (1.0)
 60034915 - Housekeeper (1.0)

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
59 Aquariums	Aquariums Admission Receipts (1355)	(\$356,224)	(\$356,224) ✓		
Technical Difference	Budgets additional admission receipts transferred from the North Carolina Aquariums Fund (24300-2865) to support the operations of the State's 3 aquariums. After this change, the aquariums' total budget of \$9.65 million will be supported by \$2.97 million in admission fee receipts and \$6.68 in net General Fund appropriations.				
60 Aquariums	Aquarium Admission Receipts (1355)			(\$356,224)	(\$356,224) ✓
Technical Difference	Budgets additional admission receipts transferred from the North Carolina Aquariums Fund (24300-2865) to support the operations of the State's 3 aquariums.				
61 Aquariums	Aquariums Base Budget (1355)	(\$7,390,067) -118.50 \$615,839 NR	(\$7,390,067) -118.50		
	Eliminates the base budget for the aquariums from the Department of Environment and Natural Resources (DENR) due to the transfer of this function to the newly renamed Department of Natural and Cultural Resources (DNCR), effective August 1, 2015. A nonrecurring appropriation is provided to DENR, which is the equivalent of 1 month operating support for the aquariums. Any funds remaining in DENR after all outstanding liabilities for the aquariums have been fulfilled will be transferred to DNCR.				
62 Coastal Management	Lease Support (1625)	(\$30,523)	(\$30,523)	(\$30,523)	(\$30,523)
	Replaces State funds for lease expenses with federal funds available within the Division due to a reduction in force in FY 2013-14.				

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
63 Energy, Mineral and Land Resources	Federal Grant Receipts (1749)	(\$37,483) -0.33	(\$37,483) -0.33	(\$37,483) -0.33	(\$37,483) -0.33
Budgets additional federal grant funds to support one-third of the Energy Section Chief's salary and benefits (65020508).					
64 Energy, Mineral and Land Resources	University Energy Centers (1749)			(\$722,672) NR	
Budgets Petroleum Violation Escrow (PVE) settlement funds transferred from budget code 64327 to partially offset support of the university energy centers at North Carolina State University, North Carolina Agricultural and Technical State University and Appalachian State University on a nonrecurring basis.					
65 Energy, Mineral and Land Resources	University Energy Centers (1749)	(\$654,038) NR			
Budgets remaining Petroleum Violation Escrow (PVE) settlement funds transferred from budget code 64327 to partially offset support of the university energy centers at NC A&T and UNC-C on a nonrecurring basis.					
66 Energy, Mineral and Land Resources	University Energy Centers (1749)	\$54,309	\$54,309		
Increases funding for the State Energy Office grants to university energy centers by 5%, bringing total annual grant funding to \$1,111,242. Funding is allocated to support the energy center at North Carolina Agricultural and Technical State University (NC A&T, \$794,148) and a new center at the University of North Carolina at Charlotte (UNC-C, \$317,094). Funding for North Carolina State University and Appalachian State University is eliminated.					

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
67 Energy, Mineral and Land Resources	Vacant Position Reduction (1735 & 1749) Eliminates positions vacant greater than 1 year. 65019617 - Geologist - Advanced (1.0) 60032415 - Hydro/Geologist (1.0)			(\$176,200) -2.00	(\$176,200) -2.00
68 Energy, Mineral and Land Resources	Position Reduction (1730) Eliminates a filled Rules Review Coordinator position (65019618), which was created to coordinate the development of shale gas rules that went into effect March 16, 2015.	(\$68,036) -1.00	(\$68,036) -1.00	(\$68,036) -1.00	(\$68,036) -1.00
69 Energy, Mineral and Land Resources	Cash Balances (1740 & 1735) (\$345,000) NR Technical Difference Budgets the following special fund cash balances transferred to the Division's General Fund budget on a one-time basis. A related provision in the Appropriations Act also closes these special funds and directs the Division to budget fee receipts in the General Fund. Mining Fees \$165,000 Mining Interest \$85,000 Storm Water Permits \$95,000				
70 Energy, Mineral and Land Resources	Cash Balances (1740) (\$345,000) NR Technical Difference Transfers the following special fund cash balances to the Division's General Fund on a one-time basis. A related provision in the Appropriations Act also closes these special funds and directs the division to budget fee receipts in the General Fund. Mining Fees \$165,000 Mining Interest \$85,000 Storm Water Permits \$95,000				

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
71 Energy, Mineral and Land Resources	Coal Ash Management (1125)				HOUSE ONLY
	Budgets \$397,000 from the cash balance of the Coal Combustion Residuals Fund to support the implementation of the Coal Ash Management Act.				
72 Energy, Mineral and Land Resources	Dam Safety Program (1740)	\$250,000 NR	\$250,000 NR		
	Provides funds to hire contract or temporary positions to manage and conduct the initial review and subsequent annual reviews of Emergency Action Plans (EAP) and associated dam safety inspections and technical assistance for the 1,559 intermediate and high hazard dams as required by Part 5 of S.L. 2014-122.				
73 Energy, Mineral and Land Resources	Dam Safety Program (1740)			\$264,852 2.00	\$264,852 2.00
	Provides funds to hire two engineers to manage and conduct the initial review and subsequent annual reviews of Emergency Action Plans (EAP) and associated dam safety inspections and technical assistance for the 1,559 intermediate and high hazard dams as required by Part 5 of S.L. 2014-122.				
74 Energy, Mineral and Land Resources	Shale Gas (1749)	\$500,000 NR			
	Provides nonrecurring funding to contract for a comprehensive analysis of onshore natural gas resources. Contract may include the digitization, analysis, or reanalysis of geological data related to natural gas exploration including utilization of existing seismic reflection data.				

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
75 Environmental Assistance and Customer Service	Operating and Position Reduction (1130 & 1615)			(\$95,649) -1.00	(\$95,649) -1.00
Abolishes a vacant Environmental Specialist position (60035085) in the Department's recycling program. Reduces the rent line item in the Department's regional offices, leaving over \$2.4 million for this expense. Also reduces various line items in the Office of Environmental Assistance and Customer Service by 4%, leaving \$446,505 in operating support.					
76 Environmental Assistance and Customer Service	Operating Reduction (1130 & 1615)	(\$35,077)	(\$35,077)		
Reduces the rent line item in the Department's regional offices, leaving over \$2.4 million for this expense. Also reduces various line items in the Office of Environmental Assistance and Customer Service by 4%, leaving \$446,505 in operating support.					
77 Land and Water Stewardship	Salary Reserve (1115)	(\$99,821)	(\$99,821)	(\$99,821)	(\$99,821)
Reduces salary reserve in the Office of Land and Water Stewardship, leaving approximately \$1.76 million in the personnel line items.					
78 Land and Water Stewardship	Clean Water Management Trust Fund (1115)	(\$764,726) -9.10	(\$764,726) -9.10	(\$750,000)	(\$750,000)
Separates funding for the Natural Heritage Program from the Clean Water Management Trust Fund budget.					
79 Land and Water Stewardship	Natural Heritage Program (1115)			\$675,000	\$675,000
Provides funding for the Natural Heritage Program.					

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
80 Land and Water Stewardship	Natural Heritage Program (1115)	\$689,726 9.10	\$689,726 9.10		
Provides funding for the Natural Heritage Program. Total funding for the program is reduced by 9.8%					
81 Land and Water Stewardship	Operating Funds (1115)	(\$1,127,452) -9.60	(\$1,127,452) -9.60		
Separates funding for administrative expenses from Clean Water Management Trust Fund's annual appropriation.					
82 Land and Water Stewardship	Clean Water Management Trust Fund Operating (1115)	\$1,127,452 9.60	\$1,127,452 9.60		
Provides recurring funds to support the Clean Water Management Trust Fund's administrative expenses rather than funding administration from grant funds.					
83 Land and Water Stewardship	Military Buffers (1115)			\$2,000,000 NR	\$2,000,000 NR
Provides funding to the Clean Water Management Trust Fund for the purpose of acquiring buffers around military bases.					
84 Land and Water Stewardship	Military Buffers (1115)	\$1,000,000	\$1,000,000		
Provides additional funding to the Clean Water Management Trust Fund (CWMTF) to be allocated specifically for the purpose of acquiring buffers around military bases. This action brings total General Fund support for all CWMTF grants to \$38.3 million and funding from all sources to \$46.7 million over the biennium.					

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
85 Land and Water Stewardship	Grant Program Expansion (1115) Provides additional grant funds for the Clean Water Management Trust Fund bringing total funding from all sources to approximately \$50 million over the biennium.			\$500,000 \$11,500,000 NR	\$683,765
86 Land and Water Stewardship	Grant Program Expansion (1115) Provides additional grant funds for the Clean Water Management Trust Fund bringing total General Fund support for grants to approximately \$36.3 million over the biennium. Total funding from all sources, including special license plate revenue, is \$44.7 million over the biennium.	\$2,023,210	\$10,362,793 \$500,000 NR		
87 Marine Fisheries	Eliminate Vacant Positions (1315, 1320, & 1325) Eliminates positions vacant greater than 6 months. 60032662 - Marine Fisheries District Manager (1.0) 60032661 - Marine Fisheries District Manager (1.0) 60032569 - Office Assistant IV (1.0) 60032721 - Marine Fisheries Telecommunicator (1.0)			(\$235,474) -4.00	(\$235,474) -4.00
88 Marine Fisheries	Shellfish Rehabilitation (1320) Provides additional funds for cultch planting.			\$300,000	\$600,000

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
89 Marine Fisheries	Shellfish Rehabilitation (1320)	\$50,000	\$600,000		
		\$250,000 NR			
	Provides additional funds for cultch planting due to an increase in the price of oyster shells. Total General Fund support doubles in FY 2015-16 from \$300,000 to \$600,000 and increases again in FY 2016-17 to \$900,000.				
90 Marine Fisheries	Oyster Research and Development (1320)	\$450,000	\$500,000		
				\$250,000 (NR)	\$500,000 NR
	Provides funds to contract with UNC-W to develop oyster brood stock to provide seed for aquaculture.				
91 Marine Fisheries	Oyster Sanctuaries (1320)		\$200,000		
Technical Difference	Provides funding to support a network of oyster sanctuaries in FY 2016-17. Total General Fund support for this purpose is \$483,969.				
92 Marine Fisheries	Oyster Sanctuaries (1320)				\$200,000
Technical Difference	Provides funding to support a network of oyster sanctuaries.				
93 Museum of Natural Sciences	Museum of Natural Sciences at Whiteville (1360)	(\$150,232) -1.00	(\$150,232) -1.00		
	Reduces funding for the Museum of Natural Sciences at Whiteville.				

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
94 Museum of Natural Sciences	Vacant Position Reduction (1360)			(\$463,184) -6.50	(\$463,184) -6.50
	Eliminates positions vacant greater than 6 months. 65013244- Science Historian (0.5) 60034963- Accounting Clerk V (1.0) 60034965- Processing Assistant III (1.0) 60034989- Director Of Public Affairs I (1.0) 60034991- Research Curator, Fishes (1.0) 65014889- Marketing Coordinator (1.0) 65014777- Chief Webmaster (1.0)				
95 Museum of Natural Sciences	Grassroots Science Museums (1360)		\$2,000,000		
	Establishes a competitive grant program for North Carolina science centers/museums and children's museums with science and STEM (science, technology, engineering and mathematics) exhibits and programming.				
96 Museum of Natural Sciences	Museum Base Budget (1360)	(\$12,143,205) -148.88 \$1,011,934 NR	(\$12,143,205) -148.88		
	Eliminates the base budget for the Museum from the Department of Environment and Natural Resources (DENR) due to the transfer of this function to the newly renamed Department of Natural and Cultural Resources (DNCR), effective August 1, 2015. The transfer includes 3.12 receipt-supported positions. A nonrecurring appropriation is provided to DENR, which is the equivalent of 1 month operating support for the Museum. Any funds remaining in DENR after all outstanding liabilities for the Museum have been fulfilled will be transferred to DNCR.				

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
97 Parks and Recreation	Vacant Position Reduction (1280)			(\$1,341,904) -27.50	(\$1,341,904) -27.50
	Eliminates positions vacant greater than 6 months and associated operating costs of \$28,377. A list of positions can be found in the Appropriations Act.				
98 Parks and Recreation	Centennial Funding (1280)				
		\$300,000 NR	\$200,000 NR	\$316,156 NR	\$210,759 NR
	Provides nonrecurring funds for the promotion of the 100th Anniversary of the North Carolina State Park System, including marketing funds, special exhibits and improved signage.				
99 Parks and Recreation	Parks and Recreation Trust Fund (PARTF) (1280)				\$1,483,765
				\$12,500,000 NR	
	Provides additional funding for PARTF bringing total funding from all sources to approximately \$42.5 million over the biennium.				
100 Parks and Recreation	Parks and Recreation Trust Fund (PARTF) (1280)	\$440,924	\$4,427,007		
	Provides additional funding for PARTF bringing total grant funding from all sources to approximately \$31.6 million over the biennium.				
101 Parks and Recreation	Park Restoration (1280)				
		\$50,000 NR			
	Provides nonrecurring funds to restore Brock's Mill House and Pond.				

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
102 Parks and Recreation	Parks Base Budget (1280)	(\$42,807,443) -463.50 \$3,567,287 NR	(\$42,807,443) -463.50		
Eliminates the base budget for the Parks System from the Department of Environment and Natural Resources (DENR) due to the transfer of this function to the newly renamed Department Natural and Cultural Resources (DNCR), effective August 1, 2015. The transfer includes 17 receipt-supported positions. A nonrecurring appropriation is provided to DENR, which is the equivalent of 1 month operating support for the Park System. Any funds remaining in DENR after all outstanding liabilities for the Parks System have been fulfilled will be transferred to DNCR.					
103 Waste Management	Position and Operating Reduction (1760)			(\$282,259) -1.00	(\$282,259) -1.00
Eliminates a filled Environmental Specialist (60034599) in the Solid Waste Section. Also reduces the legal services line item by \$214,427 leaving \$338,227 for these services.					
104 Waste Management	Position Reduction (1760)	(\$282,259) -1.00	(\$282,259) -1.00		
Eliminates a filled Environmental Specialist position (60034599) in the Solid Waste Section. Also reduces the legal services line item by \$144,042 leaving \$458,612 for these services and the communications and data processing line item by \$70,385 leaving \$292,613 for this purpose.					
105 Waste Management	Cash Balance (1671)	(\$42,155) NR		(\$42,155) NR	
Budgets the cash balance in the UST Soil Permitting special fund (24300-2391) in the Division's General Fund on a one-time basis. A provision in the Appropriations Act directs the Division to budget fee receipts directly in the General Fund.					

Budget Code **Department Name**

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
106 Waste Management	Noncommercial Leaking Underground Storage Tank Fund (1990)	\$2,275,040 NR			
Provides nonrecurring funds to eliminate the backlog of claims against the Noncommercial Leaking Petroleum Underground Storage Tank Fund and for releases reported prior to August 1, 2015.					
107 Waste Management	Noncommercial Leaking Underground Storage Tank Fund (1990)			\$2,343,674 NR	
Provides nonrecurring funds to eliminate the backlog of claims against the Noncommercial Leaking Petroleum Underground Storage Tank Fund.					
108 Waste Management	Noncommercial Leaking Underground Storage Tank Fund (1990)	(\$3,417,105)	(\$3,417,105)		
Eliminates funding for the Noncommercial Leaking Petroleum Underground Storage Tank Fund for releases reported after August 1, 2015.					
109 Waste Management	Noncommercial Leaking Underground Storage Tank Program (1671)	SENATE ONLY			
Eliminates the transfer of \$1,641,785 from the Noncommercial Leaking Underground Storage Tank Cleanup Fund to the Division's General Fund to support the underground storage tank program starting in FY 2016-17.					

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
110 Waste Management	Texfi (1990)			\$25,000 NR	\$25,000 NR
	Provides nonrecurring funds to be used for the cleanup and monitoring of groundwater and other contamination located at the Texfi site in Fayetteville as well as any emergency cleanup activities at that site. Funds will be transferred to the Inactive Hazardous Sites Cleanup Fund for this purpose.				
111 Water Infrastructure	Operating Reduction (1460)	(\$1,592)	(\$1,592)	(\$1,592)	(\$1,592)
	Reduces funds for cellular phone service by 29%, leaving \$3,908 in the Division for this service.				
112 Water Infrastructure	Drinking Water State Revolving Funds (DWSRF) (1460)	(\$478,825)	(\$478,825)	(\$478,825)	(\$478,825)
	Reduces funding for the State match for the DWSRF to more closely align with actual requirements; \$4.5 million in State funds remain to fully match the federal capitalization grant.				
113 Water Infrastructure	State Match for CWSRF (1460)	\$100,000	\$100,000	\$100,000	\$100,000
	Provides additional funds for the State match for the CWSRF to more closely align with actual needs of the program. Total State funding is \$5.1 million.				

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
114 Water Infrastructure	Clean Water State Revolving Fund (CWSRF) (1460)	\$5,100,000 NR		\$5,100,000 NR	
	Provides nonrecurring funds to enable the division to draw down federal capitalization funds available in FFY 2014-15. Also puts the CWSRF on schedule to draw down federal funds in FFY 2015-16 when they become available at the beginning of the year rather than at the end of the fiscal year.				
115 Water Infrastructure	State Grant Program Expansion (1460)			\$1,093,984	\$2,742,749
				\$10,000,000 NR	\$10,000,000 NR
	Provides additional funds for the State water and wastewater infrastructure grants benefiting rural economically distressed areas. Total State grant funding available over the biennium is approximately \$33.8 million.				
116 Water Resources	Vacant Position Reduction (1635 & 1690)			(\$131,924) -2.00	(\$131,924) -2.00
	Eliminates positions vacant greater than 6 months. 60035172- Chemist I (1.0) 60035505- Environmental Program Consultant (1.0)				
117 Water Resources	Aquatic Weed Control (1990)			\$900,000 NR	\$300,000 NR
	Provides additional funding for aquatic weed control in State lakes and rivers. Funds will be transferred to the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund.				

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
118 Water Resources	Dredging Funds (1990) \$12,183,423 NR Provides additional funds for the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund. Total funding available in FY 2015-16 is estimated to be \$20 million.				
119 Water Resources	Deep Draft Dredging (1990) \$1,000,000 NR Provides \$1 million in nonrecurring funds for deep draft dredging needs. Funds will be transferred for this purpose to a newly established special fund, Deep Draft Dredging Fund.				
120 Water Resources	404 Permitting Program (1990) \$250,000 NR Provides funds to contract for a consultant to complete and submit an application to the federal government for the State to assume responsibility of the 404 permitting process.				
121 Zoo	Vacant Position Reduction (1305) Eliminates positions vacant greater than 6 months. 60033302 -Maintenance Mechanic V (0.45) 60033383- Plant Maintenance Supervisor I (1.0) 60033274 -Grounds Superintendent I (1.0)			(\$165,847) -2.45	(\$165,847) -2.45

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
122 Zoo	Zoo Receipts (1305)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Budgets additional receipts to support the operations of the NC Zoo.					
123 Zoo	Zoo Base Budget (1305)	(\$10,733,824) -213.35 (\$894,485 NR)	(\$10,733,824) -213.35		
Eliminates the base budget for the Zoo from the Department of Environment and Natural Resources (DENR) due to the transfer of this function to the newly renamed Department of Natural and Cultural Resources (DNCR), effective August 1, 2015. The transfer includes 49.9 receipt-supported positions. A nonrecurring appropriation is provided to DENR, which is the equivalent of 1 month operating support for the Zoo. Any funds remaining in DENR after all outstanding liabilities for the Zoo have been fulfilled will be transferred to DNCR.					
Department Totals		(\$78,108,589) -985.95 \$27,206,815 NR	(\$62,982,923) -985.95 \$950,000 NR	(\$1,011,789) -62.63 \$43,825,003 NR	\$2,725,761 -62.63 \$13,035,759 NR

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
14350/Wildlife Resources Commission					
124 Reserve for Salaries and Benefits	Compensation Increase Reserve			\$197,156	\$197,156
Provides funds for a 2% salary increase for State agency employees.					
125 Reserve for Salaries and Benefits	State Retirement Contributions			\$36,321	\$27,636
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund the annual required contribution, provide a 2.0% cost-of-living adjustment to retirees, provide additional benefits to probation/parole officers, and fund retiree medical premiums. Total General Fund appropriation across all sections in the committee report is \$45.9 million in FY 2015-16 and \$34.9 million in FY 2016-17.					
126 Reserve for Salaries and Benefits	State Health Plan			\$16,084	\$16,084
Provides additional funding to reflect the passage of H.B. 56 and continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.					
127 Department-wide	Workers' Compensation Adjustment Reserve	\$111,493	\$111,493		
Provides funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net General Fund appropriations. Agencies are directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all fund sources.					

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
128 Department-wide	Agency Reduction	(\$2,700,990)	(\$2,775,990)		
	Reduces funding to the Wildlife Resources Commission by approximately 21% due to an increase in budgeted receipts, leaving approximately \$70 million in the budget from all sources.				
129 Wildlife Resources Commission	Agency-wide Reduction			(\$3,090,990)	(\$3,090,990)
	Reduces funding to the Wildlife Resources Commission by 23% due to an increase in budgeted receipts, leaving approximately \$70 million in the budget from all sources.				
130 Wildlife Resources Commission	Operating Reduction (1135 & 1166)	(\$226,651) -3.75	(\$226,651) -3.75	(\$226,651) -3.75	(\$226,651) -3.75
	Reduces printing and postage line items related to the production of the Wildlife magazine and budgets timber receipts to support a portion of the following Forester positions:				
	60034105 - Forester (0.50)				
	60034121 - Forester (0.50)				
	60034156 - Forester (0.25)				
	60033832 - Forester (0.25)				
	60033837 - Forester (0.25)				
	60033851 - Forester (0.25)				
	60033867 - Forester (0.25)				
	60033876 - Forester (0.25)				
	60089496 - Forester (0.25)				
	60033847 - Forester (0.25)				
	60033848 - Forester (0.25)				
	60033849 - Forester (0.25)				
	60033574 - Forester (0.25)				

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
131 Wildlife Resources Commission	Beaver Management Assistance Program (BMAP) (1131)			\$250,000	\$250,000
Provides additional funds for the BMAP, bringing total State funding to \$635,000.					
<u>Department Totals</u>		(\$2,816,148) -3.75	(\$2,891,148) -3.75	(\$2,818,080) -3.75	(\$2,826,765) -3.75

Budget Code **Department Name**

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
14600/Commerce					
132 Reserve for Salaries and Benefits	Compensation Increase Reserve			\$249,156	\$249,156
	Provides funds for a 2% salary increase for State agency employees.				
133 Reserve for Salaries and Benefits	State Retirement Contributions			\$46,643	\$35,489
	Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund the annual required contribution, provide a 2.0% cost-of-living adjustment to retirees, provide additional benefits to probation/parole officers, and fund retiree medical premiums. Total General Fund appropriation across all sections in the committee report is \$45.9 million in FY 2015-16 and \$34.9 million in FY 2016-17.				
134 Reserve for Salaries and Benefits	State Health Plan			\$18,907	\$18,907
	Provides additional funding to reflect the passage of H.B. 56 and continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				
135 Department-wide	Workers' Compensation Adjustment Reserve	\$37,965	\$37,965		
	Provides funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net General Fund appropriations. Agencies are directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all fund sources.				

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
136 Department-wide	Management Flexibility Reserve Provides Secretary discretion to find efficiencies in agency.			(\$295,516)	(\$295,516)
137 Department-wide	Legal Services Reduces legal services funding in the Department. Remaining funds available for this purpose total approximately \$450,000.	(\$93,626)	(\$93,626)	(\$93,626)	(\$93,626)
138 Administration	Public Information Officer Position (1111) Eliminates vacant Public Information Officer position (60077157).			(\$35,483) -1.00	(\$35,483) -1.00
139 Administration	Indirect Cost Receipts (1111) Budgets federal indirect cost receipts for portions of 8 positions, including: 60077151 - Secretary of Commerce (0.15) 60080847 - Chief of Staff (0.15) 60077152 - General Counsel (0.15) 60077155 - Director of Strategic & Economic Communications (0.15) 60077189 - Director of Legislative Affairs (0.15) 60077163 - Chief Financial Officer (0.15) 60077164 - Budget Officer (0.10) 60081258 - Deputy Communications Director (0.10)	(\$147,519) -1.10	(\$147,519) -1.10		

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
140 Administration	Communications Director (1111)	(\$92,609) -1.00	(\$92,609) -1.00		
Eliminates a filled position (60077185); 2 General Funded supported communications position remain, including Director of Strategic & Economic Communications and Deputy Communications Director.					
141 Administration	Executive Assistant to the Secretary (1111)	(\$63,558) -1.00	(\$63,558) -1.00		
Eliminates a filled position (60077177); 1 receipt-supported Executive Assistant to the Secretary position remains.					
142 Administration	Base Realignment and Closure (BRAC) (1111)			\$345,100 NR	
Provides nonrecurring funding for the State's preparation for Department of Defense BRAC activities.					
143 Administration	Human Resources Operating Budget Reduction	(\$61,070)	(\$61,070)		
Reduces the operating budget for Human Resources.					
144 Administration	Deputy General Counsel (1111)	(\$32,211) -0.50	(\$32,211) -0.50	(\$32,211) -0.50	(\$32,211) -0.50
Reduces funding for Deputy General Counsel (60080998) by 50%; receipts will support one-half of the position.					

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
145 Administration	Business Recruitment/Expansion (1111)	\$25,000	\$25,000	\$25,000	\$25,000

Funds Secretary's business recruitment/expansion activities, accomplished in partnership with the Economic Development Partnership of North Carolina (EDPNC).

146 Commerce Finance Center	Job Maintenance and Capital Development Fund (JMAC) (1581)	\$6,869,254	\$8,500,000	\$6,869,254	\$8,500,000
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Provides funds for JMAC payments to Bridgestone, Domtar, Evergreen, and Goodyear.

147 Commerce Finance Center	Operating Costs (1581)	\$200,000	\$200,000
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Technical Difference

Provides funds for administration of the One North Carolina Fund and other economic development incentive programs. Commerce Finance Center operating budget totals approximately \$865,000, of which approximately \$221,000 is provided by receipts.

148 Commerce Finance Center	Operating Costs (1581)			\$200,000	\$200,000
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Technical Difference

Provides funds for administration of the One North Carolina Fund and other economic development incentive programs.

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
149 Economic Dev Partnership of NC (EDPNC)	EDPNC Contract (1114)	SENATE ONLY			
Eliminates \$982,379 in special registration plate fee receipts that have historically been transferred from the Department of Transportation for use in out-of-state print and other media advertising for promotion of travel and industrial development per G.S. 20-79.7(c)(3)a.					
150 Economic Dev Partnership of NC (EDPNC)	EDPNC Contract (1114)	(\$525,060)	(\$525,060)		
Reduces budget for EDPNC contract by 3%; remaining funds total \$16 million.					
151 Economic Dev Partnership of NC (EDPNC)	EDPNC Contract (1114)			(\$276,783)	(\$276,783)
Reduces budget for EDPNC contract by 1.6%; remaining funds total \$17.2 million.					
152 Economic Dev Partnership of NC (EDPNC)	Tourism Advertising (1114)			\$1,000,000	\$2,000,000
Provides additional funding to the EDPNC for tourism advertising. In accordance with G.S. 143B-431.01.(b), these funds are restricted for a research-based, comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and not for ancillary activities, such as Statewide branding and business development marketing.					

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
153 Graphics	Comprehensive Branding (1520) Eliminates recurring funding provided to the Department of Commerce to develop a comprehensive branding strategy to promote North Carolina.	(\$1,500,000)	(\$1,500,000)		
154 Graphics	Operating Funds (1520) Technical Difference Eliminates excess funds remaining post EDPNC contract implementation; remaining funds total \$1.7 million (\$1.5 million for State branding contract and 2 filled graphic designer positions).			(\$142,834)	(\$142,834)
155 Graphics	Operating Funds (1520) Technical Difference Eliminates excess funds remaining post EDPNC contract implementation; remaining funds total nearly \$138,000 to support partial positions.	(\$142,834)	(\$142,834)		
156 Graphics	Graphics Positions (1520) Reduces funding for 2 Artist Illustrator II positions (60081262 & 60081263) by 75% and 1 temporary position by 100%. Positions will be supported by receipts.	(\$118,146) -1.50	(\$118,146) -1.50	(\$118,146) -1.50	(\$118,146) -1.50
157 Industrial Commission	Over-realized Receipts (1831) Reduces State funding due to a projected net increase in receipts.	(\$375,000)	(\$375,000)	(\$375,000)	(\$375,000)

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
158 Industrial Commission	Regional Offices (1831)	(\$276,387)	(\$425,182)		
Reduces funding due to cost savings associated with relocation of duty stations from Raleigh into regional offices.					
159 Industrial Commission	Regional Offices (1831)			(\$276,387)	(\$425,182)
Reduces funding due to cost savings associated with relocation of duty stations from Raleigh into regional offices; provides nonrecurring start-up funding for establishing offices.					
160 Industrial Commission	Operating Reduction (1831)	(\$100,000)	(\$100,000)		
Reduces the operating budget for the Industrial Commission; remaining General Fund support totals \$4.4 million. Certified Budget receipts total \$8.6 million.					
161 Industrial Commission	Operating Reduction (1831)			(\$217,141)	(\$217,141)
Reduces the operating budget for the Industrial Commission.					

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
162 Industrial Commission	Information Technology Positions (1831) Provides funding for 3 Information Technology positions that will support ongoing administration of the Consolidated Case Management System, including: Operations & Systems Specialist (1.0) Bus & Tech App Analyst (1.0) Technology Support Specialist (1.0)	\$297,411 3.00	\$297,411 3.00	\$297,411 3.00	\$297,411 3.00
163 Industrial Commission	Processing Assistant IV (1831) Eliminates a position (60080765) vacant for more than 1 year.			(\$38,566) -1.00	(\$38,566) -1.00
164 Industrial Commission	Insurance Regulatory Surcharge Receipts (1831) Directs the Commission to budget \$2.4 million for Insurance Regulatory Surcharge receipts.				
165 Labor and Economic Analysis	Vacant Position Reduction (1130) Reduces funding for vacant positions.			(\$87,509)	(\$87,509)

Budget Code **Department Name**

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
166 Office of Science and Technology	One NC Small Business Fund (1113) Provides nonrecurring funds to offer early-stage technology development grants for small businesses that receive federal awards from the Small Business Innovative Research program or Small Business Technology Transfer program.			\$5,000,000 NR	\$5,000,000 NR
167 Office of Science and Technology	One NC Small Business Fund (1113) Provides nonrecurring funds to offer early-stage technology development grants for small businesses that receive federal awards from the Small Business Innovative Research program or Small Business Technology Transfer program. Total biennium funding is \$6 million.	\$3,000,000 NR	\$3,000,000 NR		
168 Rural Economic Development	Underserved & Limited Resource Communities Grants (ULRC) (1534) Eliminates the ULRC program, a competitive grant program for underserved and low resource communities that was active for 1 year in FY 2014-15.	(\$1,250,000)	(\$1,250,000)		
169 Rural Economic Development	Assistant Director of Community Assistance (1620) Eliminates a position (60081168) vacant for more than 1 year.			(\$85,747) -1.00	(\$85,747) -1.00

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
170 Rural Economic Development	Grant Program Expansion (1534)	(\$390,000)	(\$390,000)		
		\$4,410,000 NR	\$4,410,000 NR		
	Reduces recurring funding and provides nonrecurring expansion for Rural Economic Development Division grant programs. Total annual funding is \$17.5 million.				
171 Rural Economic Development	Grant Program Expansion (1534)				\$929,804
				\$9,600,000 NR	\$10,000,000 NR
	Provides additional funds for Rural Economic Development Division grant programs. Total FY 2016-17 funding is \$24.4 million.				
172 Rural Economic Development	Main Street Solutions Fund (1620)				
				\$1,000,000 NR	
	Provides nonrecurring funds to offer reimbursable matching grants to local governments to assist planning agencies and small businesses with efforts to revitalize downtown areas.				
173 Rural Economic Development	Man Street Solutions Furd (1620)				
		\$2,000,000 NR			
	Provides nonrecurring funds to offer reimbursable matching grants to local governments to assist planning agencies and small businesses with efforts to revitalize downtown areas. Total FY 2015-16 funding is \$2 million.				
174 Rural Economic Development	Strategic Analysis of Qualified Business (1534)				
				\$400,000 NR	
	Directs funds to be used by the Department to obtain a strategic analysis of qualified business facilities as specified in House Bill 108, 2015 Regular Session.				

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
175 Rural Economic Development	Challenge Grant for Study of Future Use of Broughton Hospital (1912) Provides nonrecurring funds for a challenge grant for a study of the future use of Broughton Hospital facilities.	H.H.S. Funds	Technical Diff	\$200,000 NR	X ✓
176 Travel Inquiry	Visitor Services Director (1551) Budgets federal indirect cost receipts for one-half of a filled position (60080871).	(\$52,358) -0.50	(\$52,358) -0.50	(\$52,358) -0.50	(\$52,358) -0.50
177 Workforce Solutions	Apprenticeship Program (1912) Eliminates General Fund support for the program; \$350,000 in federal Workforce Innovation and Opportunity Act funding remains available for the program.	(\$850,315)	(\$850,315)		
178 Workforce Solutions	Apprenticeship Program (1912) Eliminates Apprenticeship fees (G.S. 94-12) and reduces budgeted receipts by \$300,000.		SENATE & HOUSE IDENTICAL		✓
<u>Department Totals</u>		\$1,358,937 -2.60 \$9,410,000 NR	\$2,840,888 -2.60 \$7,410,000 NR	\$6,579,064 -2.50 \$16,695,100 NR	\$9,979,665 -2.50 \$15,000,000 NR

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
14601/Commerce - State Aid					
179 American Legion World Series Baseball (1913)	American Legion World Series (ALWS) Baseball Inc. Provides nonrecurring funding to ALWS, the nonprofit organization responsible for hosting the 2015 American Legion Baseball World Series.			\$200,000 NR	
180 Biotechnology Center	Biotechnology Center (1121) Provides recurring funding for the Biotechnology Center; funding totals \$13.6 million.			\$5,000,000	\$5,000,000
181 Biotechnology Center	Biotechnology Center (1121) Eliminates funding for the Biotechnology Center.	(\$8,600,338)	(\$8,600,338)		
182 Brevard Station Museum	Brevard Station Museum (1913) Provides nonrecurring funding for the Brevard Station Museum in Stanley.			\$50,000 NR	
183 Grassroots Science Museums (1913)	Grassroots Science Museums Provides additional funds for Grassroots Science Museums. Total funding is \$2.7 million.			\$300,000	\$300,000

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
184 Grassroots Science Museums (1913)	Grassroots Science Museums (1913)	(\$198,430)	(\$2,448,430)		
Reduces funds for Grassroots Science Museums. Total funding in FY 2015-16 is \$2.25 million. In FY 2016-17, transfers funding to the Museum of Natural Sciences to establish a competitive grant program for North Carolina science centers/museums and children's museums.					
185 High Point Market Authority	High Point Market Authority (HPMA) (1913)	\$500,000	\$500,000		
Provides additional funding for HPMA marketing; total funding is \$1.2 million.					
186 North Carolina Arboretum	NC Arboretum (1913)			\$858,380 NR	\$858,380 NR
Provides nonrecurring funding for the Bent Creek Institute, Inc. and the Germplasm Repository in Asheville to attract, grow, and support the natural and neutraceutical product industry.					
187 Research Triangle Institute (1913)	Research Triangle Institute Grant			\$800,000 NR	\$500,000 NR
Provides nonrecurring funds to the Research Triangle Institute. FY 2015-16 monies will match US Department of Energy grants for clean energy research and development.					

Budget Code/Department Name**Division Name (Code)****Description****Senate**
FY 15-16**Senate**
FY 16-17**House**
FY 15-16**House**
FY 16-17

188 The Support Center (1913) The Support Center

\$2,500,000 NR

\$2,500,000 NR

Provides nonrecurring funding to The Support Center for each year of the biennium to provide small business loans and financial training to start-ups and existing businesses and lending services to community-based organizations.

Department Totals

(\$8,298,768)

(\$10,548,768)

\$5,300,000

\$5,300,000

\$4,408,380 NR

\$3,858,380 NR

Budget Code **Department Name**

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
14800/Cultural Resources					
189 Reserve for Salaries and Benefits	Compensation Increase Reserve Provides funds for a 2% salary increase for State agency employees.			\$645,330	\$645,330
190 Reserve for Salaries and Benefits	State Health Plan Provides additional funding to reflect the passage of H.B. 56 and continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.			\$62,908	\$62,908
191 Reserve for Salaries and Benefits	State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund the annual required contribution, provide a 2.0% cost-of-living adjustment to retirees, provide additional benefits to probation/parole officers			\$120,809	\$91,920
192 Reserve for Salaries and Benefits	Transportation Museum Director Salary Adjustment Provides additional funds to reclassify and/ or increase the compensation of the Director of the Transportation Museum position. The increase will allow the salary of this position to be increased to \$75,000.			\$30,715	\$30,715

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
193 Department-wide	Workers' Compensation Adjustment Reserve	\$284,701	\$284,701		
Provides funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net General Fund appropriations. Agencies are directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all fund sources.					
194 A+ Schools	A+ Schools			\$250,000 NR	\$250,000 NR
Provides additional funds for the management and execution of the A+ school program. The total amount of funds for this effort is \$767,289 for each year of the biennium.					
195 Administration	Position Elimination			(\$87,731) -1.00	(\$87,731) -1.00
Eliminates position 60083300 Business and Applications Analyst.					
196 Archeology	Queen Anne's Revenge			\$1,500,000 NR	
Provides funding for the continued archeological work for the Queen Anne's Revenge excavation project.					
197 Art Museum	North Carolina Museum of Art			\$130,000 NR	
Provides nonrecurring funds to the North Carolina Museum of Art for FY 2015-16. State appropriations total \$6,311,036 for FY 2015-16.					

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
198 Arts Council Grants	Grassroots Art Grants			\$500,000 NR	\$500,000 NR
	Provides additional funds for the Grassroots Art Grants program. The total funding for this grants program will be \$2,803,708 for each year of the biennium.				
199 Historic Preservation	Staff Support for Federal Historic Tax Credits			\$190,730 4.00	\$190,730 4.00
	Provides funding for staff to support historic revitalization and federal tax credits.				
200 Historic Sites	Tryon Palace	\$100,000 NR	\$50,000 NR		
	Provides additional operating funds for Tryon Palace. Total funding for Tryon Palace is \$2,992,302 in FY 2015-16 and \$2,942,302 in FY 2016-17.				
201 Historic Sites	Tryon Palace			\$50,000	\$50,000
	Provides additional operating funds for Tryon Palace. Total funding for Tryon Palace in FY 2015-16 is \$2,942,302.				
202 History Museum	Chief Curator Positions			\$102,000 2.00	\$102,000 2.00
	Provides funds for the creation of 2 chief curator positions to serve the history museums.				

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
203 Library Grant Program	Library Grants			\$10,000,000 NR	
Provides additional funds for the creation of a competitive grant process within Department of Cultural Resources. Funds for the library grant program total \$29,084,777 for FY 2015-16 and \$19,084,777 for FY 2016-17.					
204 Reserves	Aquariums Base Budget	\$6,774,228 118.50	\$7,390,067 118.50		
Creates an aquariums reserve to be used to establish the base budget for the aquariums transferred from the Department of Environment and Natural Resources (DENR) to the newly renamed Department of Natural and Cultural Resources (DNCR), effective August 1, 2015.					
205 Reserves	Museum Base Budget	\$11,131,271 148.88	\$12,143,205 148.88		
Creates a museum reserve to be used to establish the base budget for the museum transferred from the Department of Environment and Natural Resources (DENR) to the newly renamed Department of Natural and Cultural Resources (DNCR), effective August 1, 2015. The transfer includes 3.12 receipt-supported positions.					
206 Reserves	Parks Base Budget	\$39,240,156 463.50	\$42,807,443 463.50		
Creates a parks reserve to be used to establish the base budget for the parks system transferred from the Department of Environment and Natural Resources (DENR) to the newly renamed Department of Natural and Cultural Resources (DNCR), effective August 1, 2015. The transfer includes 17 receipt-supported positions.					

Budget Code Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
207 Reserves	Zoo Base Budget	\$9,839,339 213.35	\$10,733,824 213.35		

Creates a zoo reserve to be used to establish the base budget for the zoo transferred from the Department of Environment and Natural Resources (DENR) to the newly renamed Department of Natural and Cultural Resources (DNCR), effective August 1, 2015. The transfer includes 49.9 receipt-supported positions.

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
208 Reserves	Administrative Positions	\$2,528,742 30.39	\$2,528,742 30.39		

Establishes 30.39 administrative positions due to the transfer of the Zoo, Aquariums, Museum of Natural Sciences and the Parks System. These positions will be eliminated in the Department of Environment and Natural Resources.

Filled Positions:

60036186 - Chief Deputy II (1.0)
60035027 - Attorney II (1.0)
60036019 - Accounting Technician (1.0)
65010186 - Engineer (1.0)
60036012 - Accountant (1.0)
60035979 - Artist Illustrator (1.0)

Vacant Positions:

60032766 -Accountant (1.0)
60034828- Agency Legal Specialist II (1.0)
60035991 -EEO Administrator (1.0)
60036006- Accounting Technician (1.0)
60036029 -Budget Manager (1.0)
60036031 -Budget Analyst (1.0)
60036034- Budget Analyst (1.0)
60036039- Purchaser (1.0)
60035958- Environmental Program Supervisor II (1.0)
60035952- Policy Development Analyst (1.0)
60035829- Staff Development Coordinator (1.0)
60035950 -GS 5th Floor Receptionist (1.0)
60035984 -Personnel Analyst (1.0)
60036041 -Purchaser (1.0)
60036023- Auditor (1.0)
60034575- Technology Support Analyst(1.0)
60035501- Technology Support Analyst(1.0)
60035318- IT Security Specialist (1.0)
60036060 -Business and Technology Applic SpecI (1.0)
60036063- Business and Technology Applic SpecI (1.0)
60035986- W/A Recruitment Analyst(1.0)
60035955- DENR Administrative Operations Director (1.0)
60035996 - Personnel Assistant IV (1.0)
60035953 - Ombudsman (0.54)
60032527 - Info Communication Specialist (0.45)
60035496 - Office Assistant (0.40)

Division Name (Code)

Description

Senate
FY 15-16

Senate
FY 16-17

House
FY 15-16

House
FY 16-17

Department Totals

\$69,798,437

974.62

\$100,000 NR

\$75,887,982

974.62

\$50,000 NR

\$1,114,761

5.00

\$12,380,000 NR

\$1,085,872

5.00

\$750,000 NR

Budget Code/Department Name

<u>Division Name (Code)</u>	<u>Description</u>	<u>Senate</u> FY 15-16	<u>Senate</u> FY 16-17	<u>House</u> FY 15-16	<u>House</u> FY 16-17
14802/Cultural Resources - Roanoke Island Co					
209 Roanoke Island Festival Park	Operating Fund Increase	\$9,000	\$9,000		
Technical Difference	Provides additional operating funds for the Roanoke Island Festival Park. The increase of funds restores the 2% budget reduction taken in FY 2014-15, bringing the total amount available in both fiscal years of the biennium to \$517,384.				
210 Roanoke Island Festival Park	Operating Funds			\$9,000	\$9,000
Technical Difference	Provides additional operating funds for the Roanoke Island Festival Park. This increase of funds restores the 2% budget reduction taken in FY 2014-15.				
<u>Department Totals</u>		\$9,000	\$9,000	\$9,000	\$9,000

DACS - Soil & Water Conservation

Budget Code: 23704

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$15,073,553	\$14,369,777
Recommended Budget		
Requirements	\$9,605,835	\$9,605,835
Receipts	\$9,177,458	\$9,177,458
Positions	1.00	1.00

Legislative Changes**Requirements:**

House Only	Conservation Reserve Enhancement Program (2711)	\$0 R	\$0 R
	Transfers \$1,081,160 from the Conservation Reserve Enhancement Program special fund cash balance to support the Soil & Water Conservation Division operating budget in FY 2016-17.	\$0 NR 0.00	\$1,081,160 NR 0.00
	Swine Waste (2730)	\$0 R	\$0 R
	Transfers \$275,399 from the Swine Waste special fund cash balance to support the operating budget for the Soil & Water Conservation Division in FY 2015-16.	\$275,399 NR 0.00	\$0 NR 0.00
	Subtotal Legislative Changes	\$0 R \$275,399 NR 0.00	\$0 R \$1,081,160 NR 0.00

Receipts:

House Only	Conservation Reserve Enhancement Program (2711)	\$0 R	\$0 R
	No budget action necessary.	\$0 NR	\$0 NR
	Swine Waste (2730)	\$0 R	\$0 R
	No budget action necessary.	\$0 NR	\$0 NR

House & Senate

	FY 2015-16	FY 2016-17
Subtotal Legislative Changes	\$0 R \$0 NR	\$0 R \$0 NR
Revised Total Requirements	\$9,881,234	\$10,686,995
Revised Total Receipts	\$9,177,458	\$9,177,458
Change in Fund Balance	(\$703,776)	(\$1,509,537)
Total Positions	1.00	1.00
Unappropriated Balance Remaining	\$14,369,777	\$12,860,240

House Appropriations Committee on Natural and Economic Resources

DENR - Special

Budget Code: 24300

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$22,269,945	\$12,214,257
Recommended Budget		
Requirements	\$91,999,421	\$91,999,421
Receipts	\$82,443,138	\$82,443,138
Positions	273.12	273.12

Legislative Changes

Requirements:

House Version	Shallow Draft Dredging Fund (2182)	\$3,332,384	R	\$4,331,117	R
	Increases the budget for dredging projects due to an increase in the amount of motor fuel tax revenue transferred from the Highway Fund.	\$0	NR	\$0	NR
		0.00		0.00	
House Only	Aquatic Weed Control (2182)	\$0	R	\$0	R
	Budgets a transfer from the General Fund to the Shallow Draft Dredging Fund for aquatic weed control in State lakes and rivers.	\$900,000	NR	\$300,000	NR
		0.00		0.00	
	Soil Remediation Fees (2391)	\$0	R	\$0	R
	Transfers the cash balance in the Soil Remediation Fees special fund to the Division of Energy, Mineral and Land Resource's General Fund budget. A provision in the Appropriations Act eliminates the special fund and directs the Department to budget the requirements and receipts in the General Fund.	\$42,155	NR	\$0	NR
		0.00		0.00	
	Mining Interest Cash Balance (2610)	\$0	R	\$0	R
	Transfers the cash balance in the Mining Interest special fund to the Division of Energy, Mineral and Land Resource's General Fund budget.	\$85,000	NR	\$0	NR
		0.00		0.00	
	Mining Interest (2610)	(\$38,431)	R	(\$38,431)	R
	Eliminates the budget for the Mining Interest special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.	\$0	NR	\$0	NR
		-0.53		-0.53	

House Appropriations Committee on Natural and Economic Resources

FY 2015-16

FY 2016-17

Mining Fees Cash Balance (2745)

Transfers the cash balance in the Mining Fees special fund to the Division of Energy, Mineral and Land Resource's General Fund.

\$0 R
\$165,000 NR
0.00

\$0 R
\$0 NR
0.00

Mining Fees (2745)

Eliminates the budget for the Mining Fees special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.

(\$188,480) R
\$0 NR
-1.90

(\$188,480) R
\$0 NR
-1.90

Stormwater Cash Balance (2750)

Transfers the cash balance in the Stormwater special fund to the Division of Energy, Mineral and Land Resource's General Fund.

\$0 R
\$95,000 NR
0.00

\$0 R
\$0 NR
0.00

Stormwater (2750)

Eliminates the budget for the Stormwater special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.

(\$822,113) R
\$0 NR
0.00

(\$822,113) R
\$0 NR
0.00

Subtotal Legislative Changes

\$2,283,360 R
\$1,287,155 NR
-2.43

\$3,282,093 R
\$300,000 NR
-2.43

Receipts:**House
Version****Shallow Draft Dredging Fund (2182)**

Budgets an increase in the transfer from the Highway Fund to reflect the crediting of one-half percent (0.5%) of motor fuel tax revenue.

\$3,332,384 R
\$0 NR

\$4,331,117 R
\$0 NR

**House
Only****Aquatic Weed Control (2182)**

Budgets a transfer from the General Fund to the Shallow Draft Dredging Fund for aquatic weed control in State lakes and rivers.

\$0 R
\$900,000 NR

\$0 R
\$300,000 NR

Soil Remediation Fees (2391)

Base budget contains no receipts. No budget action necessary.

\$0 R
\$0 NR

\$0 R
\$0 NR

House Version

House Appropriations Committee on Natural and Economic Resources

	FY 2015-16	FY 2016-17
Mining Interest Cash Balance (2610)	\$0 R	\$0 R
No budget action necessary.	\$0 NR	\$0 NR
Mining Interest (2610)	(\$38,431) R	(\$38,431) R
Removes the budget for mining interest receipts in the special fund. Receipts will be budgeted in the General Fund.	\$0 NR	\$0 NR
Mining Fees Cash Balance (2745)	\$0 R	\$0 R
No budget action necessary.	\$0 NR	\$0 NR
Mining Fees (2745)	(\$300,730) R	(\$300,730) R
Removes the budget for mining fees receipts in the special fund. Receipts will be budgeted in the General Fund.	\$0 NR	\$0 NR
Stormwater Cash Balance (2750)	\$0 R	\$0 R
No budget action necessary.	\$0 NR	\$0 NR
Stormwater (2750)	(\$822,113) R	(\$822,113) R
Removes the budget for stormwater fee receipts in the special fund. Receipts will be budgeted in the General Fund.	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$2,171,110 R	\$3,169,843 R
	\$900,000 NR	\$300,000 NR
<hr/>		
Revised Total Requirements	\$95,569,936	\$95,581,514
Revised Total Receipts	\$85,514,248	\$85,912,981
Change in Fund Balance	(\$10,055,688)	(\$9,668,533)
Total Positions	270.69	270.69
<hr/>		
Unappropriated Balance Remaining	\$12,214,257	\$2,545,724

Senate Appropriations Committee on Natural and Economic Resources

DENR - Special

Budget Code: 24300

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$22,269,945	\$12,214,257
Recommended Budget		
Requirements	\$91,999,421	\$91,999,421
Receipts	\$82,443,138	\$82,443,138
Positions	273.12	273.12

Legislative Changes

Requirements:

Senate Version	Shallow Draft Dredging Fund (2182)	\$0 R	\$0 R
	Reduces the motor fuel tax transfer by \$157,517 in FY 2015-16 and \$152,333 in FY 2016-17 based on distributional changes between the Highway Fund and Highway Trust Fund. Program is also subject to a Continuation Review so the recurring motor fuels tax transfer is eliminated and replaced with a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Base budget contains no transfer. No budget action necessary.	\$0 NR	\$0 NR
		0.00	0.00
Senate Only	Coastal Waterways User Fee (2182)	\$1,700,000 R	\$1,700,000 R
	Budgets additional fees generated from the Coastal Waterways User Fee for shallow draft dredging needs.	\$0 NR	\$0 NR
		0.00	0.00
	Soil Remediation Fees (2391)	\$0 R	\$0 R
	Transfers the cash balance in the Soil Remediation Fees special fund to the Division of Waste Management's General Fund budget. A provision in the Appropriations Act eliminates the special fund and directs the Department to budget the requirements and receipts in the General Fund.	\$42,155 NR	\$0 NR
		0.00	0.00
	Mining Interest Cash Balance (2610)	\$0 R	\$0 R
	Transfers the cash balance in the Mining Interest special fund to the Division of Energy, Mineral and Land Resource's General Fund budget.	\$85,000 NR	\$0 NR
		0.00	0.00

Senate Version

Senate Appropriations Committee on Natural and Economic Resources

FY 2015-16

FY 2016-17

Mining Interest (2610)

Eliminates the budget for the Mining Interest special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.

(\$38,431) R

(\$38,431) R

\$0 NR

\$0 NR

-0.53

-0.53

Mining Fees Cash Balance (2745)

Transfers the cash balance in the Mining Fees special fund to the Division of Energy, Mineral and Land Resource's General Fund.

\$0 R

\$0 R

\$165,000 NR

\$0 NR

0.00

0.00

Mining Fees (2745)

Eliminates the budget for the Mining Fees special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.

(\$188,480) R

(\$188,480) R

\$0 NR

\$0 NR

0.00

0.00

Stormwater Cash Balance (2750)

Transfers the cash balance in the Stormwater special fund to the Division of Energy, Mineral and Land Resource's General Fund.

\$0 R

\$0 R

\$95,000 NR

\$0 NR

0.00

0.00

Stormwater (2750)

Eliminates the budget for the Stormwater special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.

(\$822,113) R

(\$822,113) R

\$0 NR

\$0 NR

0.00

0.00

**Senate
Only**

Inspection and Maintenance (I&M) Fees (2338)

Eliminates the recurring I&M fee transfer and budgets a nonrecurring transfer of I&M fee proceeds in FY 2015-16. Program is also subject to a Continuation Review.

(\$3,588,862) R

(\$3,588,862) R

\$3,588,862 NR

\$0 NR

0.00

0.00

**Senate
Only**

Mercury Pollution Prevention Account (2119)

Eliminates the recurring title fee transfer and budgets a nonrecurring transfer of title fee proceeds in FY 2015-16. Program is also subject to a Continuation Review.

(\$681,887) R

(\$681,887) R

\$681,887 NR

\$0 NR

0.00

0.00

Subtotal Legislative Changes

(\$3,619,773) R

(\$3,619,773) R

\$4,657,904 NR

\$0 NR

-0.53

-0.53

Receipts:

Senate Version

Senate Appropriations Committee on Natural and Economic Resources

FY 2015-16

FY 2016-17

Senate Version	Shallow Draft Dredging Fund (2182)	\$0	R	\$0	R
	Reduces the motor fuel tax transfer by \$157,517 in FY 2015-16 and \$152,333 in FY 2016-17 based on distributional changes between the Highway Fund and Highway Trust Fund. Program is also subject to a Continuation Review so the recurring motor fuels tax transfer is eliminated and replaced with a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Base budget contains no transfer. No budget action necessary.	\$0	NR	\$0	NR
Senate Only	Coastal Waterways User Fee (2182)	\$1,700,000	R	\$1,700,000	R
	Budgets additional fees generated from the Coastal Waterways User Fee transferred from the Wildlife Resources Commission.	\$0	NR	\$0	NR
	Soil Remediation Fees (2391)	\$0	R	\$0	R
	Base budget contains no receipts. No budget action necessary.	\$0	NR	\$0	NR
	Mining Interest Cash Balance (2610)	\$0	R	\$0	R
	No budget action necessary.	\$0	NR	\$0	NR
	Mining Interest (2610)	(\$38,431)	R	(\$38,431)	R
	Removes the budget for mining interest receipts in the special fund. Receipts will be budgeted in the General Fund.	\$0	NR	\$0	NR
	Mining Fees Cash Balance (2745)	\$0	R	\$0	R
	No budget action necessary.	\$0	NR	\$0	NR
Senate Only	Mining Fees (2745)	(\$300,730)	R	(\$300,730)	R
	Removes the budget for mining fees receipts in the special fund. Receipts will be budgeted in the General Fund.	\$0	NR	\$0	NR
	Stormwater (2750)	(\$822,113)	R	(\$822,113)	R
	Removes the budget for stormwater fee receipts in the special fund. Receipts will be budgeted in the General Fund.	\$0	NR	\$0	NR
	Inspection and Maintenance (I&M) Fees (2338)	(\$3,082,888)	R	(\$3,082,888)	R
	Eliminates the recurring motor fuels tax transfer and budgets a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Program is also subject to a Continuation Review.	\$3,082,888	NR	\$0	NR

Senate Version

Senate Appropriations Committee on Natural and Economic Resources

Senate
Only

	FY 2015-16	FY 2016-17
Mercury Pollution Prevention Account (2119)	(\$681,887) R	(\$681,887) R
Eliminates the recurring title fee transfer and budgets a nonrecurring transfer of title fee proceeds in FY 2015-16. Program is also subject to a Continuation Review.	\$681,887 NR	\$0 NR
Subtotal Legislative Changes	(\$3,226,049) R	(\$3,226,049) R
	\$3,764,775 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$93,037,552	\$88,379,648
Revised Total Receipts	\$82,981,864	\$79,217,089
Change in Fund Balance	(\$10,055,688)	(\$9,162,559)
Total Positions	272.59	272.59
<hr/>		
Unappropriated Balance Remaining	\$12,214,257	\$3,051,698

Senate Appropriations Committee on Natural and Economic Resources

Reserve for Air Quality - Fuel Tax

Budget Code: 24301

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$0	\$0
Recommended Budget		
Requirements	\$0	\$0
Receipts	\$0	\$0
Positions	0.00	0.00
Legislative Changes		
Requirements:		
Water and Air Quality Account (Fuel Tax) (2334)	(\$7,299,805) R	(\$7,299,805) R
Eliminates the recurring motor fuels tax transfer and budgets a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Program is also subject to a Continuation Review.	\$7,299,805 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	(\$7,299,805) R	(\$7,299,805) R
	\$7,299,805 NR	\$0 NR
	0.00	0.00

Receipts:

Water and Air Quality Account (Fuel Tax) (2334)	(\$7,299,805) R	(\$7,299,805) R
Eliminates the recurring motor fuels tax transfer and budgets a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Program is also subject to a Continuation Review.	\$7,299,805 NR	\$0 NR
Subtotal Legislative Changes	(\$7,299,805) R	(\$7,299,805) R
	\$7,299,805 NR	\$0 NR

Senate Only

Senate Appropriations Committee on Natural and Economic Resources

	FY 2015-16	FY 2016-17
Revised Total Requirements	\$0	(\$7,299,805)
Revised Total Receipts	\$0	(\$7,299,805)
Change in Fund Balance	\$0	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$0	\$0

House Appropriations Committee on Natural and Economic Resources

DENR - Commercial LUST Cleanup

Budget Code: 64305

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$83,787,906	\$52,984,756
Recommended Budget		
Requirements	\$63,762,710	\$63,762,710
Receipts	\$32,959,560	\$32,959,560
Positions	11.20	11.20

Legislative Changes

Requirements:

House
Only

Inactive Hazardous Sites Cleanup Fund (6372)	\$0	R	\$0	R
Budgets a transfer from the General Fund to be used for the cleanup and monitoring of groundwater and other contamination located at the Texfi site in Fayetteville as well as any emergency cleanup activities at that site.	\$25,000	NR	\$25,000	NR
	0.00		0.00	
Subtotal Legislative Changes	\$0	R	\$0	R
	\$25,000	NR	\$25,000	NR
	0.00		0.00	

House
Only

Receipts:				
Inactive Hazardous Sites Cleanup Fund (6372)	\$0	R	\$0	R
Budgets a transfer from the General Fund to be used for the cleanup and monitoring of groundwater and other contamination located at the Texfi site in Fayetteville as well as any emergency cleanup activities at that site.	\$25,000	NR	\$25,000	NR
Subtotal Legislative Changes	\$0	R	\$0	R
	\$25,000	NR	\$25,000	NR

House Version

House Appropriations Committee on Natural and Economic Resources

	FY 2015-16	FY 2016-17
Revised Total Requirements	\$63,787,710	\$63,787,710
Revised Total Receipts	\$32,984,560	\$32,984,560
Change in Fund Balance	(\$30,803,150)	(\$30,803,150)
Total Positions	11.20	11.20
Unappropriated Balance Remaining	\$52,984,756	\$22,181,606

Senate Version

Senate Appropriations Committee on Natural and Economic Resources

DENR - Commercial LUST Cleanup

Budget Code: 64305

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$83,787,906	\$52,984,756
Recommended Budget		
Requirements	\$63,762,710	\$63,762,710
Receipts	\$32,959,560	\$32,959,560
Positions	11.20	11.20

Legislative Changes

Requirements:

Senate Only	Noncommercial Fund (6371)	(\$5,608,732) R	(\$5,608,732) R
	Budgets a nonrecurring transfer of \$2,275,040 from the General Fund to eliminate the claims backlog. Eliminates the recurring motor fuels tax transfer of \$2,191,627 and budgets a nonrecurring transfer of motor fuel tax proceeds in a like amount in FY 2015-16. Also, eliminates the recurring \$3,417,105 transfer from the General Fund on a permanent basis. Lastly, eliminates the transfer of \$1,641,785 from the Noncommercial Fund to the General Fund to support the underground storage tank program starting in FY 2016-17.	\$4,466,667 NR	\$0 NR
		0.00	0.00
Senate Only	Commercial Fund Tax Transfer (6370)	(\$12,722,432) R	(\$12,722,432) R
	Eliminates the recurring motor fuels tax transfer and budgets a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Program is also subject to a Continuation Review.	\$12,722,432 NR	\$0 NR
		0.00	0.00
	Subtotal Legislative Changes	(\$18,331,164) R	(\$18,331,164) R
		\$17,189,099 NR	\$0 NR
		0.00	0.00

Receipts:

Senate Version

Senate Appropriations Committee on Natural and Economic Resources

		FY 2015-16		FY 2016-17	
Senate Only	Noncommercial Fund (6371)	(\$5,608,732)	R	(\$5,608,732)	R
	Budgets a nonrecurring transfer of \$2,275,040 from the General Fund to eliminate the claims backlog.	\$4,466,667	NR	\$0	NR
	Eliminates the recurring motor fuels tax transfer of \$2,191,627 and budgets a nonrecurring transfer of motor fuel tax proceeds in a like amount in FY 2015-16. Also, eliminates the recurring \$3,417,105 transfer from the General Fund on a permanent basis. Lastly, eliminates the transfer of \$1,641,785 from the Noncommercial Fund to the General Fund to support the underground storage tank program starting in FY 2016-17.				
Senate Only	Commercial Fund (6370)	(\$12,722,432)	R	(\$12,722,432)	R
	Eliminates the recurring motor fuels tax transfer and budgets a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Program is also subject to a Continuation Review.	\$12,722,432	NR	\$0	NR
	Subtotal Legislative Changes	(\$18,331,164)	R	(\$18,331,164)	R
		\$17,189,099	NR	\$0	NR
<hr/>					
	Revised Total Requirements	\$62,620,645		\$45,431,546	
	Revised Total Receipts	\$31,817,495		\$14,628,396	
	Change in Fund Balance	(\$30,803,150)		(\$30,803,150)	
	Total Positions	11.20		11.20	
<hr/>					
	Unappropriated Balance Remaining	\$52,984,756		\$22,181,606	

House Version

House Appropriations Committee on Natural and Economic Resources

DENR - Energy Stripper Well

Budget Code: 64327

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$882,675	\$160,003
Recommended Budget		
Requirements	\$0	\$0
Receipts	\$0	\$0
Positions	0.00	0.00

Legislative Changes

Requirements:

House Version	Petroleum Violation Escrow Cash Balance (64347)	\$0 R	\$0 R
	Transfers the cash balance in the Petroleum Violation Escrow trust fund to the Division of Energy, Mineral and Land Resources to offset the General Fund support of the university energy centers. A provision in the Appropriations Act directs the Department to close this budget code.	\$722,672 NR	\$0 NR
		0.00	0.00
	Subtotal Legislative Changes	\$0 R	\$0 R
		\$722,672 NR	\$0 NR
		0.00	0.00

Receipts:

House Version	Petroleum Violation Escrow Cash Balance (64347)	\$0 R	\$0 R
	Base budget contains no receipts. No budget action necessary.	\$0 NR	\$0 NR
	Subtotal Legislative Changes	\$0 R	\$0 R
		\$0 NR	\$0 NR

House Version

House Appropriations Committee on Natural and Economic Resources

FY 2015-16

FY 2016-17

Revised Total Requirements	\$722,672	\$0
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$722,672)	\$0
Total Positions	0.00	0.00

Unappropriated Balance Remaining	\$160,003	\$160,003
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Senate Appropriations Committee on Natural and Economic Resources

DENR - Energy Stripper Well

Budget Code: 64327

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$882,675	\$228,637
Recommended Budget		
Requirements	\$0	\$0
Receipts	\$0	\$0
Positions	0.00	0.00

Legislative Changes**Requirements:**

Senate Version	Petroleum Violation Escrow Cash Balance (64347)	\$0	R	\$0	R
	Transfers the cash balance in the Petroleum Violation Escrow trust fund to the Division of Energy, Mineral and Land Resources to offset the General Fund support of the university energy centers.	\$654,038	NR	\$0	NR
		0.00		0.00	
	Subtotal Legislative Changes	\$0	R	\$0	R
		\$654,038	NR	\$0	NR
		0.00		0.00	

Receipts:

Senate Version	Petroleum Violation Escrow Cash Balance (64347)	\$0	R	\$0	R
	Base budget contains no receipts. No budget action necessary.	\$0	NR	\$0	NR
	Subtotal Legislative Changes	\$0	R	\$0	R
		\$0	NR	\$0	NR

Senate Appropriations Committee on Natural and Economic Resources

	FY 2015-16	FY 2016-17
Revised Total Requirements	\$654,038	\$0
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$654,038)	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$228,637	\$228,637

Senate Appropriations Committee on Natural and Economic Resources

Motor Boat Interest Bearing

Budget Code: 24352

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$1,349,466	\$1,349,466
Recommended Budget		
Requirements	\$16,916,753	\$16,916,753
Receipts	\$16,916,753	\$16,916,753
Positions	0.00	0.00
Legislative Changes		
Requirements:		
Boating Safety Account (2371)	(\$2,318,667) R	(\$2,318,667) R
Reduces the motor fuel tax transfer by \$157,517 in FY 2015-16 and \$152,333 in FY 2016-17 based on distributional changes between the Highway Fund and Highway Trust Fund. Program is also subject to a Continuation Review so the recurring motor fuels tax transfer is eliminated and replaced with a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16.	\$2,161,150 NR	\$0 NR
	0.00	0.00
Coastal Waterways User Fee and Vessel Agent Surcharge (2371)	\$1,750,000 R	\$1,750,000 R
Budgets a recurring transfer of the fees generated from the Coastal Waterways User Fee to the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund after nonrecurring costs of implementation have been deducted. Ongoing administrative costs are budgeted from the vessel agent surcharge, which is estimated to generate \$50,000 annually.	\$250,000 NR	\$250,000 NR
	0.00	0.00
Subtotal Legislative Changes	(\$568,667) R	(\$568,667) R
	\$2,411,150 NR	\$250,000 NR
	0.00	0.00

Receipts:

Senate Appropriations Committee on Natural and Economic Resources

	FY 2015-16	FY 2016-17
Boating Safety Account (2371)	(\$2,318,667) R	(\$2,318,667) R
Reduces the motor fuel tax transfer by \$157,517 in FY 2015-16 and \$152,333 in FY 2016-17 based on distributional changes between the Highway Fund and Highway Trust Fund. Program is also subject to a Continuation Review so the recurring motor fuels tax transfer is eliminated and replaced with a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16.	\$2,161,150 NR	\$0 NR
Coastal Waterways User Fee and Vessel Agent Surcharge (2371)	\$2,000,000 R	\$2,000,000 R
Budgets a new receipt from the fees generated from the Coastal Waterways User Fee. A receipt from a new vessel agent surcharge is also budgeted.	\$0 NR	\$0 NR
Subtotal Legislative Changes	(\$318,667) R \$2,161,150 NR	(\$318,667) R \$0 NR
<hr/>		
Revised Total Requirements	\$18,759,236	\$16,598,086
Revised Total Receipts	\$18,759,236	\$16,598,086
Change in Fund Balance	\$0	\$0
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$1,349,466	\$1,349,466

House & Senate Identical

Commerce Employment Security

Budget Code: 24650

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$11,845,640	\$11,845,640
Recommended Budget		
Requirements	\$168,075,000	\$168,075,000
Receipts	\$168,075,000	\$168,075,000
Positions	1,282.40	1,282.40

Legislative Changes

Requirements:

USDOL Grant (2000)

Directs the Division of Employment Security to budget requirements and receipts for US Department of Labor Unemployment Compensation Modernization incentive payment. Funds shall be used to design and build an integrated unemployment benefit and tax accounting system; remaining funds shall be used for the operation of the unemployment insurance program.

\$0 R
\$205,063,552 NR
0.00

\$0 R
\$0 NR
0.00

Subtotal Legislative Changes

\$0 R
\$205,063,552 NR
0.00

\$0 R
\$0 NR
0.00

Receipts:

USDOL Grant (2000)

Directs the Division of Employment Security to budget requirements and receipts for US Department of Labor Unemployment Compensation Modernization incentive payment. Funds shall be used to design and build an integrated unemployment benefit and tax accounting system; remaining funds shall be used for the operation of the unemployment insurance program.

\$0 R
\$205,063,552 NR

\$0 R
\$0 NR

Subtotal Legislative Changes

\$0 R
\$205,063,552 NR

\$0 R
\$0 NR

House & Senate Identical

	FY 2015-16	FY 2016-17
Revised Total Requirements	\$373,138,552	\$168,075,000
Revised Total Receipts	\$373,138,552	\$168,075,000
Change in Fund Balance	\$0	\$0
Total Positions	1,282.40	1,282.40
Unappropriated Balance Remaining	\$11,845,640	\$11,845,640

House Version

House Appropriations Committee on Natural and Economic Resources

Commerce – Enterprise

Budget Code: 54600

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$3,639,764	\$3,981,703
Recommended Budget		
Requirements	\$33,541,658	\$33,541,658
Receipts	\$33,883,597	\$33,883,597
Positions	284.00	284.00

Legislative Changes

Requirements:

House Version	Utilities Commission (5211)	(\$256,968) R	(\$256,968) R
	Reduces the budgeted requirements and receipts for the Utilities Commission to more closely align to actuals.	\$0 NR	\$0 NR
		0.00	0.00
House Only	Utilities - Gas Pipelines (5217)	(\$12,497) R	(\$12,497) R
	Reduces the budgeted requirements and receipts for the fund to more closely align to actuals.	\$0 NR	\$0 NR
		0.00	0.00
House Version	Utilities - Public Staff (5221)	(\$353,156) R	(\$353,156) R
	Reduces the budgeted requirements and receipts for the Public Staff to more closely align to actuals.	\$0 NR	\$0 NR
		0.00	0.00
	Subtotal Legislative Changes	(\$622,621) R	(\$622,621) R
		\$0 NR	\$0 NR
		0.00	0.00

Receipts:

House Version	Utilities Commission (5211)	(\$256,968) R	(\$256,968) R
	Reduces the budgeted requirements and receipts for the Utilities Commission to more closely align to actuals.	\$0 NR	\$0 NR

House Version

House Appropriations Committee on Natural and Economic Resources

FY 2015-16

FY 2016-17

House Only	Utilities - Gas Pipelines (5217)	(\$12,497) R	(\$12,497) R
	Reduces the budgeted requirements and receipts for the fund to more closely align to actuals.	\$0 NR	\$0 NR
House Version	Utilities - Public Staff (5221)	(\$353,156) R	(\$353,156) R
	Reduces the budgeted requirements and receipts for the Public Staff to more closely align to actuals.	\$0 NR	\$0 NR
Subtotal Legislative Changes		(\$622,621) R	(\$622,621) R
		\$0 NR	\$0 NR

Revised Total Requirements	\$32,919,037	\$32,919,037
Revised Total Receipts	\$33,260,976	\$33,260,976
Change in Fund Balance	\$341,939	\$341,939
Total Positions	284.00	284.00

Unappropriated Balance Remaining	\$3,981,703	\$4,323,642
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Senate Appropriations Committee on Natural and Economic Resources

Commerce – Enterprise

Budget Code: 54600

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$3,639,764	\$3,981,703
Recommended Budget		
Requirements	\$33,541,658	\$33,541,658
Receipts	\$33,883,597	\$33,883,597
Positions	284.00	284.00

Legislative Changes**Requirements:**

Senate Utilities Commission (5211)	(\$144,428) R	(\$144,428) R
Version Reduces the budgeted requirements and receipts for the Utilities Commission to more closely align to actuals.	\$0 NR	\$0 NR
	0.00	0.00
Senate Utilities - Public Staff (5221)	(\$478,193) R	(\$478,193) R
Version Reduces the budgeted requirements and receipts for the Public Staff to more closely align to actuals.	\$0 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	(\$622,621) R	(\$622,621) R
	\$0 NR	\$0 NR
	0.00	0.00

Receipts:

Senate Utilities Commission (5211)	(\$144,428) R	(\$144,428) R
Version Reduces the budgeted requirements and receipts for the Utilities Commission to more closely align to actuals.	\$0 NR	\$0 NR
Senate Utilities - Public Staff (5221)	(\$478,193) R	(\$478,193) R
Version Reduces the budgeted requirements and receipts for the Public Staff to more closely align to actuals.	\$0 NR	\$0 NR
Subtotal Legislative Changes	(\$622,621) R	(\$622,621) R
	\$0 NR	\$0 NR

Senate Version

Senate Appropriations Committee on Natural and Economic Resources

FY 2015-16

FY 2016-17

Revised Total Requirements	\$32,919,037	\$32,919,037
Revised Total Receipts	\$33,260,976	\$33,260,976
Change in Fund Balance	\$341,939	\$341,939
Total Positions	284.00	284.00

Unappropriated Balance Remaining	\$3,981,703	\$4,323,642
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House & Senate Identical

Utilities Commission/Public Staff

Budget Code: 64605

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$3,366,237	\$3,366,237
Recommended Budget		
Requirements	\$16,122,621	\$16,122,621
Receipts	\$16,122,621	\$16,122,621
Positions	0.00	0.00
Legislative Changes		
Requirements:		
Utilities Comm. - Public Staff - Enterprise (6431)	(\$622,621) R	(\$622,621) R
Reduces the budgeted requirements and receipts for the fund to more closely align to actuals.	\$0 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	(\$622,621) R	(\$622,621) R
	\$0 NR	\$0 NR
	0.00	0.00

Receipts:

Utilities Comm. - Public Staff - Enterprise (6431)	(\$622,621) R	(\$622,621) R
Reduces the budgeted requirements and receipts for the fund to more closely align to actuals.	\$0 NR	\$0 NR
Subtotal Legislative Changes	(\$622,621) R	(\$622,621) R
	\$0 NR	\$0 NR

House & Senate Identical

	FY 2015-16	FY 2016-17
Revised Total Requirements	\$15,500,000	\$15,500,000
Revised Total Receipts	\$15,500,000	\$15,500,000
Change in Fund Balance	\$0	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$3,366,237	\$3,366,237

Attach
~~9~~ 3

HOUSE AND SENATE
ANER/NER BUDGET
DIVISION OF MARINE FISHERIES
ITEMS IN CONTROVERSY

House and Senate Differ (Technical changes only; Senate is correct version)

Senate Version

AMEND SENATOR JEAN PRESTON MARINE SHELLFISH SANCTUARY
LEGISLATION

SECTION 14.9. Section 44 of S.L. 2014-120 reads as rewritten:

"SENATOR JEAN PRESTON MARINE SHELLFISH OYSTER SANCTUARY PROGRAM

"SECTION 44.(a) It is the intent of the General Assembly to establish a marine shellfish sanctuary in the Pamlico Sound to be named in honor of former Senator Jean Preston, to be called the "Senator Jean Preston Marine Shellfish Sanctuary."to enhance shellfish habitats within the Albemarle and Pamlico Sounds and their tributaries to benefit fisheries, water quality, and the economy. This will be achieved through the establishment of a network of oyster sanctuaries, harvestable enhancement sites, and coordinated support for the development of shellfish aquaculture. The network of oyster sanctuaries is to be named in honor of Senator Jean Preston and shall be called the "Senator Jean Preston Oyster Sanctuary Network".

"SECTION 44.(b) The Division of Marine Fisheries of the Department of Environment and Natural Resources shall designate an area of appropriate acreage within the Pamlico Sound as a recommendation to the Environmental Review Commission for establishment of the "Senator Jean Preston Marine Shellfish Sanctuary" and create a plan for managing the sanctuary that includes develop a plan to construct and manage additional oyster habitats. The new sanctuaries, along with selected existing oyster sanctuaries, shall be included in the Senator Jean Preston Oyster Sanctuary Network. The plan shall include the following components:

- (1) Location and delineation of the sanctuary.—oyster sanctuaries. — The plan should include a locationlocations for the sanctuariesanctuary network components that minimizes—minimize the impact on commercial trawling. In addition, the sanctuary should be gridded into areas leased to private parties for restoration and harvest and areas operated and maintained by the State for restoration that are not open for harvest. The leased and unleased areas should be arranged in a pattern where leased squares are surrounded on four sides by unleased squares. The location of sanctuaries shall take into account connectivity to existing oyster sanctuaries and proposed oyster enhancement sites. New oyster sanctuaries shall be designed to provide hook-and-line fishing while allowing the development of complex fish habitats and brood-stock oysters that will enhance recruitment in the surrounding reefs. The plan should outline a 10-year development project to accomplish the expansion.
- (2) Administration.— The plan should include the prices to be charged for the leased portions of the sanctuary, including an administration fee to be retained by the Division to support the leasing and monitoring program. The plan shall also provide that the balance of lease payments collected by the Division be transferred to the General Fund with a recommendation that some or all of the proceeds be used for the support of the State's special education programs in memory of Senator Jean Preston.
- (3) Enhancement of oyster habitat restoration. — The General Assembly finds that the lack of a reliable State-based supply of oyster seed and inadequate funding for cultch planting are limitations to the expansion of oyster harvesting and the restoration of wild oyster habitat in North Carolina. Therefore, the plan should include the following:
 - a. Provisions and recommendations to facilitate the availability of oyster seed produced in North Carolina for wild oyster habitat restoration

- 1 projects as well as oyster aquaculture and to reduce potential negative
2 impacts from importation of non-native oyster seed.
- 3 b. Plans, where feasible, for public-private partnerships for State-based
4 production of viable oyster seed through the creation of one or more
5 production hatcheries and recommendations for increased support of the
6 existing research hatchery at UNC-Wilmington.
- 7 c. Plans and cost estimates for an expansion of cultch planting in suitable
8 areas of the State's coastal waters in order to expand areas suitable for
9 development of wild oyster habitat.
- 10 (4) Economic relief. – The plan should consider a waiver of application fees and
11 yearly rental fees for new shellfish leases for an established period of time to
12 further promote and support shellfish aquaculture in North Carolina. The new
13 leasing fee waiver program should include measures to discourage speculation
14 and target persons with a genuine interest in starting a shellfish aquaculture
15 business, such as a requirement that the lease be nontransferable for a five-year
16 period.
- 17 (5) Outreach. – The plan should include outreach and education that promotes,
18 whenever possible, public-private partnerships utilizing the Sea Grant College
19 Program, local colleges, and other nongovernmental organizations to (i)
20 encourage shellfish aquaculture and provide technical assistance to broaden
21 cost-effective technologies available to leaseholders; (ii) encourage best
22 management practices to leaseholders; and (iii) inform fishermen and the public
23 on the benefits provided by the Senator Jean Preston Oyster Sanctuary Network.
- 24 (6) Monitoring. – The plan should include a monitoring plan designed to (i)
25 determine the success of oyster reef construction and (ii) evaluate the cost benefit
26 of the oyster sanctuary network and harvestable enhancement sites.
- 27 ~~(3)(7)~~ Funding. – The plan should include a request for appropriations sufficient to
28 provide funds for the construction of appropriate bottom habitat and shellfish
29 seeding and for Division staff necessary to conduct oyster restoration and
30 monitoring activities. The plan should provide that, whenever possible,
31 construction and shellfish seeding be carried out by contract with private
32 entities for Division staff to expand oyster restoration and monitoring activities
33 for 10 years. The plan should provide that, whenever possible, public-private
34 partnerships are employed to meet the construction, seeding, and outreach
35 requirements of the plan.
- 36 (4) Commercial fisherman relief. – To promote the diversification of commercial
37 fishing opportunities, the plan should include a program to award free or
38 discounted leases under this section to commercial fishermen who (i) have held
39 one or more commercial fishing licenses continually for a period of 10 or more
40 years and (ii) receive at least fifty percent (50%) of their income from
41 commercial fishing with those licenses.
- 42 ~~(5)(8)~~ Recommendations. – The plan should shall include recommendations for
43 statutory or regulatory changes needed to expedite the expansion of shellfish
44 restoration and harvesting in order to improve water quality, restore ecological
45 habitats, provide enhanced recreational and commercial fishing opportunities,
46 and expand the coastal economy.
- 47 (9) No funding for sanctuaries in closed areas. – The plan shall provide that no
48 funding or other resources shall be available in water bodies where a moratorium
49 or other legal prohibition on shellfish leasing under Article 16 of Chapter 113 of
50 the General Statutes is currently in effect. This subdivision does not apply to

1 leasing moratoria imposed because the area is closed to shellfish harvesting or
2 recommended for closure by the State Health Director due to pollution.

3 **"SECTION 44.(c)** ~~No later than December 1, 2014, and quarterly thereafter until submission of~~
4 ~~a final plan to the Environmental Review Commission, March 1, 2016, the Department of~~
5 ~~Environment and Natural Resources shall report to the Environmental Review Commission~~
6 ~~of the House of Representatives Appropriations Committee on Agriculture and Natural and~~
7 ~~Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources,~~
8 ~~and the Fiscal Research Division regarding its implementation of this section and its recommended~~
9 ~~plan."~~

1
2 **House and Senate Differ (Technical changes only; Senate is correct version)**
3

4 **Senate Version**
5

6 **SHELLFISH CULTIVATION LEASING REFORM**

7 **SECTION 14.10.(a)** G.S. 113-202(i) reads as rewritten:

8 **"§ 113-202. New and renewal leases for shellfish cultivation; termination of leases issued prior**
9 **to January 1, 1966.**

10 ...
11 (i) After a lease application is approved by the Secretary, the applicant shall submit to the
12 Secretary ~~a survey of the area approved for leasing and information sufficient to~~ define the bounds
13 of the area approved for leasing with markers in accordance with the rules of the Commission. The
14 ~~survey information~~ shall conform to standards prescribed by the Secretary concerning accuracy of
15 ~~survey and the amount of detail to be shown. When an acceptable survey information is submitted,~~
16 the boundaries are marked and all fees and rents due in advance are paid, the Secretary shall execute
17 the lease on forms approved by the Attorney General. The Secretary is authorized, with the approval
18 of the lessee, to amend an existing lease by reducing the area under lease or by combining
19 contiguous leases without increasing the total area leased. The information required by this
20 subsection may be based on coordinate information produced using a device equipped to receive
21 global positioning system data."

22 **SECTION 14.10.(b)** G.S. 113-202(j) reads as rewritten:

23 "(j) Initial leases begin upon the issuance of the lease by the Secretary and expire at noon on
24 the first day of July following the ~~fifth-tenth~~ anniversary of the granting of the lease. Renewal leases
25 are issued for a period of ~~five-10~~ years from the time of expiration of the previous lease. At the time
26 of making application for renewal of a lease, the applicant must pay a filing fee of one hundred
27 dollars (\$100.00). The rental for initial leases is one dollar (\$1.00) per acre ~~for all leases entered~~
28 ~~into before July 1, 1965, and for all other leases until noon on the first day of July following the first~~
29 ~~anniversary of the lease. Thereafter, for initial leases entered into after July 1, 1965, leases and from~~
30 the beginning for renewals of leases entered into after that date, the rental is ten dollars (\$10.00) per
31 acre per year. Rental must be paid annually in advance prior to the first day of April each year.
32 Upon initial granting of a lease, the pro rata amount for the portion of the year left until the first day
33 of July must be paid in advance at the rate of one dollar (\$1.00) per acre per year; then, on or before
34 the first day of April next, the lessee must pay the rental for the next full year."

35 **SECTION 14.10.(c)** This section applies to shellfish lease applications received by the
36 Department of Environment and Natural Resources on or after the date this act becomes law.
37

1
2 **Senate Only**

3 **SIMPLIFY OYSTER RESTORATION PROJECT PERMITTING**

4 **SECTION 14.10A.(a)** The Division of Marine Fisheries and Division of Coastal
5 Management of the Department of Environment and Natural Resources shall, in consultation with
6 representatives of nongovernmental conservation organizations working on oyster restoration,
7 create a new permitting process specifically designed for oyster restoration projects that apply to
8 oyster restoration projects instead of a major development permit under G.S. 113A-118. The
9 Department shall submit its report, including recommended legislation, to the Environmental
10 Review Commission no later than May 1, 2016.

11 **SECTION 14.10A.(b)** Until the effective date of the revised permanent rule that the
12 Coastal Resources Commission is required to adopt pursuant to subsection (d) of this section, the
13 Commission and the Department of Environment and Natural Resources shall implement 15A
14 NCAC 03O .0503(g) (Scientific or Educational Activity Permit) as provided in subsection (c) of
15 this section.

16 **SECTION 14.10A.(c)** Notwithstanding 15A NCAC 03O .0503(g) (Scientific or
17 Educational Activity Permit), the Division of Marine Fisheries may issue a scientific or educational
18 activity permit for approved activities conducted by or under the direction of a nongovernmental
19 conservation organization in addition to a scientific or educational institution. For purposes of this
20 section, a nongovernmental conservation organization is defined as an organization whose primary
21 mission is the conservation of natural resources.

22 **SECTION 14.10A.(d)** The Environmental Management Commission shall adopt rules
23 to amend 15A NCAC 03O .0503(g) and any other cross-referenced rules consistent with subsection
24 (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant
25 to this subsection shall be substantively identical to the provisions of subsection (c) of this section.
26 Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of
27 the General Statutes. Rules adopted pursuant to this subsection shall become effective as provided
28 in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by
29 G.S. 150B-21.3(b2).

30 **SECTION 14.10A.(e)** This section is effective when this act becomes law. Subsection
31 (c) of this section expires on the date that rules adopted pursuant to subsection (d) of this section
32 become effective.
33

34 **Note: Substantially identical to provision of S573 (Strengthen Oyster Industry,**
35 **Senate Commerce Committee).**
36

1
2 **Senate Only**

3 **SCFL EXEMPTION FOR EMPLOYEES OF LEASEHOLDER**

4 **SECTION 14.10B.** G.S. 113-169.2 reads as rewritten:

5 **"§ 113-169.2. Shellfish license for North Carolina residents without a SCFL.**

6 (a) License or Endorsement Necessary to Take or Sell Shellfish Taken by Hand Methods. –
7 It is unlawful for an individual to take shellfish from the public or private grounds of the State as
8 part of a commercial fishing operation by hand methods without holding either a shellfish license or
9 a shellfish endorsement of a SCFL. A North Carolina resident who seeks only to take shellfish by
10 hand methods and sell such shellfish shall be eligible to obtain a shellfish license without holding a
11 SCFL. The shellfish license authorizes the licensee to sell shellfish.

12 (a1) License Necessary to Take or Sell Shellfish Taken by Mechanical Means. – ~~Subject to~~
13 Except as provided in subsection (i) of this section, an individual who takes shellfish from the
14 public or private grounds of the State by mechanical means must obtain an SCFL under the
15 provisions of G.S. 113-168.2.

16 ...
17 (i) Taking Shellfish Without a License for Personal Use. ~~Use or as Employee of Certain~~
18 License Holders. – Shellfish may be taken without a license ~~for~~ under the following circumstances:

19 (1) For personal use in quantities established by rules of the Marine Fisheries
20 Commission.

21 (2) When the taking is from an area leased for the cultivation of shellfish under
22 Article 16 of this Chapter by a person who is an employee of a leaseholder
23 holding a valid SCFL issued under the provisions of G.S. 113-168.2."
24

25 **Note: Substantially identical to provision of S573 (Strengthen Oyster Industry,**
26 **Senate Commerce Committee).**
27

1
2 **Senate Only**

3 **WATER COLUMN LEASING CLARIFICATION**

4 **SECTION 14.10C.(a)** G.S. 113-201.1(5) reads as rewritten:

5 "(5) "Water column" means the vertical extent of water, including the surface thereof,
6 above a designated area of submerged bottom land."

7 **SECTION 14.10C.(b)** G.S. 113-202 is amended by adding a new subsection to read:

8 "(r) A lease under this section shall include the right to place devices or equipment related to
9 the cultivation or harvesting of marine resources on or within 18 inches of the leased bottom.
10 Devices or equipment not resting on the bottom or extending more than 18 inches above the bottom
11 will require a water column lease under G.S. 113-202.1."

12 **SECTION 14.10C.(c)** G.S. 113-202.1 reads as rewritten:

13 **"§ 113-202.1. Water column leases for aquaculture.**

14 ...

15 (c) The Secretary shall not amend shellfish cultivation leases to authorize ~~use~~-uses of the
16 water column involving devices or equipment not resting on the bottom or that extend more than 18
17 inches above the bottom unless:

- 18 (1) The leaseholder submits an application, accompanied by a nonrefundable
19 application fee of one hundred dollars (\$100.00), which conforms to the
20 standards for lease applications in G.S. 113-202(d) and the duly adopted rules of
21 the Commission;
- 22 (2) The proposed amendment has been noticed consistent with G.S. 113-202(f);
- 23 (3) Public hearings have been conducted consistent with G.S. 113-202(g);
- 24 (4) The aspects of the proposals which require use and dedication of the water
25 column have been documented and are recognized by the Secretary as
26 commercially feasible forms of aquaculture which will enhance shellfish
27 production on the leased area;
- 28 (5) It is not feasible to undertake the aquaculture activity outside of coastal fishing
29 waters; and
- 30 (6) The authorized water column use has the least disruptive effect on other public
31 trust uses of the waters of any available technology to produce the shellfish
32 identified in the proposal.

33"

34
35 **Note: Substantially identical to provision of S573 (Strengthen Oyster Industry,**
36 **Senate Commerce Committee).**
37

1
2 **Senate Only**

3 **BLUE RIBBON OYSTER STUDY**

4 **SECTION 14.10D.** The Joint Legislative Oversight Committee on Natural and
5 Economic Resources created by this act shall convene a stakeholder working group to study and
6 advance efforts to ecologically restore the resource and achieve economic stability of the shellfish
7 aquaculture industry, including (i) how best to spend financial resources to counter declining oyster
8 populations and habitats; (ii) the use of nonnative oyster species to accomplish oyster restoration;
9 (iii) means of combating oyster disease and managing harvesting practices to balance the needs of
10 the industry and promote long-term viability and health of oyster habitat and substrate; (iv)
11 economic aquaculture methods to improve oyster stock and populations; (v) long-term, dedicated
12 options for funding sources and water quality improvements; (vi) means to increase oyster
13 production for both population growth and harvest; (vii) options that expand the use of private
14 hatchery capacity in the State; (viii) options for promoting the use of cultch planting to enhance and
15 increase oyster habitat and population; (ix) other resources that might be leveraged to enhance
16 reform efforts; and (x) any other issue the Committee deems relevant. In the conduct of this study,
17 the Committee may consult with representatives of the North Carolina Division of Marine Fisheries,
18 the Marine Fisheries Commission, nature conservation entities, and commercial and recreational
19 oyster harvesting industries and with experts in the fields of marine biology and marine ecology.
20 The Department of Environment and Natural Resources shall provide any information and
21 personnel requested by the Committee in the conduct of this study.
22

1
2 **Senate Only**

3 **FISHERY MANAGEMENT PLAN PROCEDURES**

4 **SECTION 14.10E.(a)** The Marine Fisheries Commission shall study its procedures for
5 adoption of temporary supplemental management measures to the State's fishery management plans.
6 The study shall include a review of the opportunities provided in the process for public input and
7 comment from commercial and recreational fishing interests, local governments, environmental and
8 conservation nonprofits, and other stakeholders, and an assessment of whether economic impact of
9 a proposed measure is adequately addressed in the formulation, approval, and implementation of
10 temporary supplemental management measures. The Commission shall report no later than May 1,
11 2016, to the chairs of the Senate Natural and Economic Resources Committee, the chairs of the
12 House Agriculture and Natural and Economic Resources Committee, and the Fiscal Research
13 Division.

14 **SECTION 14.10E.(b)** The Marine Fisheries Commission shall not adopt any temporary
15 supplemental management measures to the State's fishery management plans until the study
16 required by this section has been submitted or July 1, 2016, whichever occurs later.
17
18

1
2 **Senate Only**

3 **DIVISION OF MARINE FISHERIES/NO JOINT ENFORCEMENT AGREEMENTS**

4 **SECTION 14.10F.(a)** G.S. 113-224 reads as rewritten:

5 **"§ 113-224. Cooperative agreements by Department.**

6 (a) ~~The~~ Except as otherwise provided in this section, the Department is empowered to enter
7 into cooperative agreements with public and private agencies and individuals respecting the matters
8 governed in this Subchapter. Pursuant to such agreements the Department may expend funds, assign
9 employees to additional duties within or without the State, assume additional responsibilities, and
10 take other actions that may be required by virtue of such agreements, in the overall best interests of
11 the conservation of marine and estuarine resources.

12 (b) The Fisheries Director or a designee of the Fisheries Director may not enter into an
13 agreement with the National Marine Fisheries Service of the United States Department of
14 Commerce allowing Division of Marine Fisheries inspectors to accept delegation of law
15 enforcement powers over matters within the jurisdiction of the National Marine Fisheries Service."

16 **SECTION 14.10F.(b)** G.S. 128-1.1(c2) is repealed.
17

18 **Note: Substantially identical to provision of S374 (Modify For Hire License Logbook**
19 **Requirement, House Rules Committee).**
20

1
2 **Senate Only**

3 **COMMERCIAL FISHING FOR-HIRE LOGBOOK**

4 **SECTION 14.10G.(a)** G.S. 113-174.3(e), as enacted by subsection 14.8(o) of S.L.
5 2013-360, reads as rewritten:

6 "(e) Each individual who obtains a for-hire license ~~shall~~may submit to the Division logbooks
7 summarizing catch and effort statistical data to the Division. The Commission may adopt rules that
8 determine the means and methods to satisfy the requirements of this subsection."

9 **SECTION 14.10G.(b)** Section 14.8(ab) of S.L. 2013-360 reads as rewritten:

10 "**SECTION 14.8.(ab)** ~~This G.S. 113-174.3(e), as enacted by subsection 14.8(o) of this section,~~
11 becomes effective January 1, 2016. The remainder of this section becomes effective August 1,
12 2013."

13 **SECTION 14.10G.(c)** Prior to any further implementation of subsection 14.8(o) of S.L.
14 2013-360, the Division of Marine Fisheries shall conduct a 12-month implementation process to
15 include seeking input from stakeholders with regard to the requirement and public workshops to
16 provide education for persons subject to the requirement. The process shall also include the
17 establishment of a stakeholder advisory group that includes persons who are for-hire license holders
18 representing all major recreational fishing areas on the North Carolina coast. The Division shall
19 review and provide a written response to any issues raised by the advisory group and shall report to
20 the Environmental Review Commission no later than January 15, 2016, regarding the
21 implementation process required by this section.
22

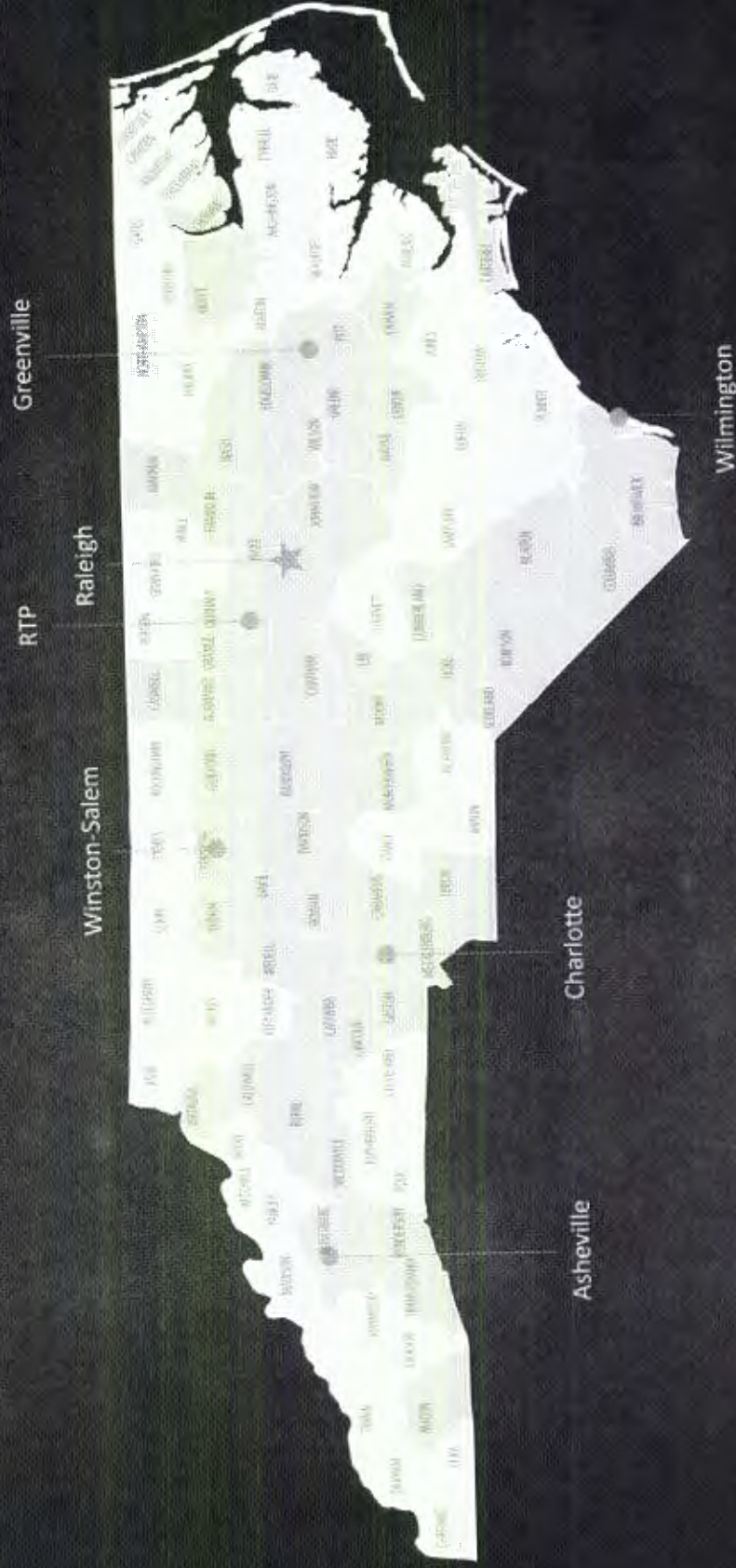
23 **Note: Substantially identical to provision of S374 (Modify For Hire License Logbook**
24 **Requirement, House Rules Committee).**
25



**North Carolina
Biotechnology Center**

ncbiotech.org

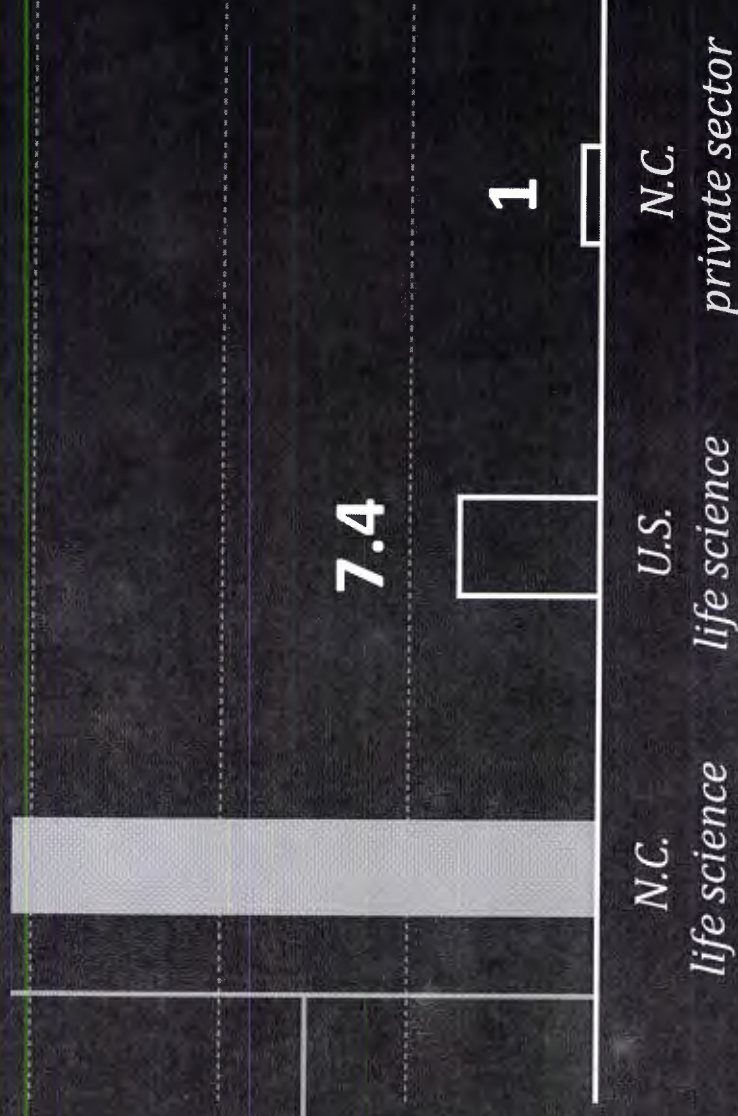
Statewide Impact



North Carolina is one of the most competitive and fastest growing biotechnology clusters.

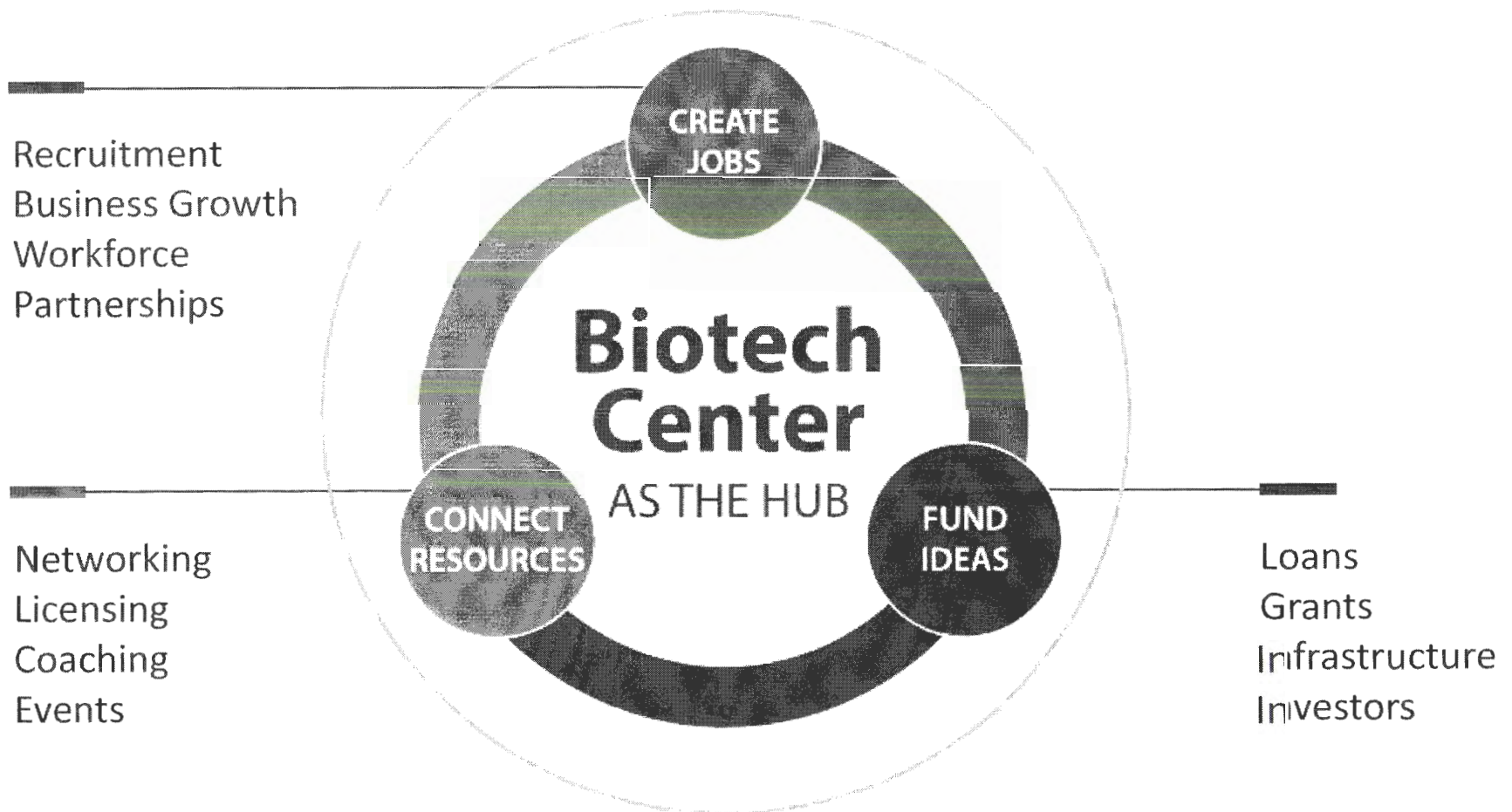
30.9

Life science jobs grew at four times the national rate from 2000 to 2012



*Numbers are in percentages

Ways We Serve North Carolina



Life Science Impact

- 600 companies
- 61,000 jobs
- \$81,000 annual salary
- \$73 billion total impact
- 228,000 total jobs
- \$1.7 billion state and local taxes

Attach # 54

NCBiotech Funding

July 1, 2015

Presentation to ANER subcommittee

Doug Edgeton

President and CEO, North Carolina Biotechnology Center



**North Carolina
Biotechnology Center**

North Carolina **Biotechnology Center**

ATTACH #5

Life sciences contribute \$73 billion and 228,000 jobs to North Carolina's economy.

In North Carolina, 600 life science companies employ 61,000 people

- Average salary: \$81,000-plus.

The total economic activity of the companies, their employees, and their spending is \$73 billion.

- This is second only to agriculture.
- They generate \$1.76B in state and local government revenues.

Life science companies heal, fuel and feed our growing population.

These companies solve problems and reduce costs for many industries, including healthcare and agriculture.

These companies are highly regulated by the federal government. Products have a long path to market.

The Biotechnology Center helps companies navigate this regulatory jungle.

NCBiotech accelerates life science business and job growth statewide.

NCBiotech's scientific, financial and business experts connect resources, filling gaps in the path to market.

NCBiotech is a neutral convener that has always worked to convey benefit to North Carolina.

Regional offices deploy programs statewide.

- In the Piedmont Triad, life science employment has grown nearly 50 percent, and about half of the regional companies are 5 years old or younger.
- The Triad was the first regional office. Other regions are beginning to see this sector grow also.

NCBiotech deploys grant and loan funding to develop technologies with commercial potential.

- NCBiotech grant recipients leverage \$28 for each \$1 granted.
- NCBiotech loan recipients raise \$118 for each \$1 loaned.

NCBiotech programs are critical to the ongoing growth of this sector in North Carolina.

Funding to startup companies comes prior to traditional risk capital, and well in advance of bank financing. Many CEOs say this funding kept their companies alive.

NCBiotech makes connections for startup companies to investors and non-traditional sources of capital.

The NCBiotech team understands the unique and specific needs of life science recruitment projects, and adds a competitive advantage to the state's recruitment package.

Full funding of NCBiotech's budget promotes economic growth in North Carolina.

Following a 27 percent budget cut in 2013, NCBiotech retrenched. A Board of Directors committee, led by former GSK Chairman and CEO Robert A. Ingram, confirmed the course of action and determined the Center is efficient and effective with state tax dollars.

NCBiotech requests its full \$13.6 million in state appropriation to continue growing this high-impact sector.



ATTACH
#5

Letters of Support

Presented to the House Agriculture and Natural and Economic Resources Committee

July 1, 2015

The following letters are a sampling of notes sent by business leaders across the state to various elected officials. The letters were combined by the Biotech Center into a single file, but not otherwise altered.

Biotechnology in Western North Carolina

A PARTNERSHIP OF WESTERN NORTH CAROLINA CITIZENS AND THE NORTH CAROLINA BIOTECHNOLOGY CENTER

Jack H Britt, PhD
212 Eagle Chase Lane
Etowah, NC 28729-8712

June 23, 2015

Senator Phil Berger
16 W. Jones St., Room 2007
Raleigh, NC 27601

Dean Senator Berger:

Jobs are important in North Carolina, and I want to give you a personal example of how many in North Carolina have benefited from the State's investment in the **NC Biotechnology Center**.

I was an initial investor and served as a Founding Member of the Scientific Advisory Board of Embrex, Inc., a NC-startup founded in 1985 in the Research Triangle. In 2006, our shareholders sold Embrex to Pfizer for \$155 million. Embrex is still located in the RTP and its officers and employees are all still in the area, but it is now the world's leader in its sector and is a truly global company.

Embrex would not have been successful without *help, assistance, loans* and *grants* from the **NC Biotechnology Center**. It took us 6 years to get a commercial product into the marketplace. The **NC Biotechnology Center** was our lifeline in reaching that goal.

We hope you and your colleagues will restore support in the Senate's budget for the **NC Biotechnology Center**. It is one of our state's most successful job creation strategies. The record is clear.

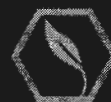
Today North Carolina has over 600 life-science companies with over 61,000 employees. This sector in NC grew 4X the national average from 2000 to 2012 and it contributes about \$73 billion to NC's economy each year, including about \$1.8 billion to state and local government revenues.

Your continued modest support for the NC Biotechnology Center will benefit the state immensely.

Thank you for your consideration of this request.



Jack H. Britt, Chairman
Western Office Advisory Committee, NC Biotechnology Center



TECHNOLOGYCROPS
INTERNATIONAL

Technology Crops International
PO Box 11925, Winston-Salem, NC 27116, USA
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May 12th 2015

Dear Honorable N.C. House of Representative:

Having joined the Advisory Committee for Biotechnology in the Piedmont Triad in July of 2012, I am aware of the NC Biotechnology Center's past budget cuts from the State and its current request for restoration of its funding to \$17.2M recurring. I am also aware of the value the Center provides locally through its regional office.

As the CEO of Technology Crops International, I support the Center's request for this recurring funding. It is a good investment for NC and delivers value for money. From my perspective as an Ag Biotech executive, NC has a major strategic advantage in land-based life sciences. The diversity of crops and livestock across the State and the agricultural and horticultural businesses that are supported by research, primary producers, processors, retailers and consumers is, frankly, a remarkable success story.

No doubt you are aware of the Strategic Direction that the NC Biotechnology Centre has plotted and the results it has delivered to date. It is the focal point for NC's biotechnology industry and represents over 600 bioscience companies, 61,000 jobs, 2,100 life science support companies and \$1.7bn in local and state revenues.

NC needs a focused, committed and fully resourced 'go to' organization to represent the interests of all biotechnology stakeholders in the State. This is essential for both the existing industry and to capture the tremendous growth opportunity that biotechnology has, and will continue to experience. This 'go to' organization needs to be confident in its ability to develop and execute on its strategy and securing its funding for the future must be the first priority.

Having to live hand to mouth whilst trying to build an infrastructure with deep roots and the necessary resource to deliver on its promise is both a challenge and a distraction. I am hopeful the State legislature will be able to remove this uncertainty and make a budgetary commitment to the NC Biotechnology Center to ensure a robust and ongoing future

Yours sincerely,

Andrew Hebard
President and Chief Executive Officer

May 31, 2015

Senator Andrew Brock
160 New Hampshire Court
Mocksville, NC 27028

Dear Senator Brock,

I am writing to you to urge you to continue to support the NC Biotechnology Center in the state budget.

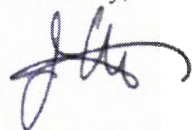
As the former CEO of Chelsea Therapeutics, a North Carolina based Biotech company, and as a member of a North Carolina based Venture Capital firm focused on healthcare innovation, I have seen the positive impact of our industry on patient's lives. When I am thanked directly by patients or their caregivers and informed of how our company, team, or treatment has impacted their lives, it is hard to imagine how any other industry can be as gratifying.

Success in the development of new medicines, does not come easy. In the process of building a company you aim to draw the smartest and most accomplished employees in the fields of medicine, science, regulatory law, and manufacturing along with the needed support services like finance, IR, PR, HR and others that come with any well run company. Sometimes the skills are so specialized that you literally search the world to attract people to work with the company. I am proud to have done this in NC but it has become more and more difficult as the states of MA and CA gain a further stronghold on the industry. With world class Universities and research being done in NC and with successful companies being formed NC has the components to compete and grow its foothold as a home for Biotechnology company formation. When these companies grow and become successful, they yield great returns for the state of NC. However, like with drug development, that success does not come easy. Awareness of NC's strengths and support by the state government is critical to our combined success.

The Biotech Center is the partner that helps fledgling companies that people like myself endeavor to form and grow.

I urge you to continue to support the NC Biotechnology Center in the state budget at the \$13.6M recurring amount.

Sincerely,



Joseph Oliveto
Biotech Entrepreneur

CC: Corie Curtis, Executive Director, Greater
Charlotte Office, North Carolina Biotechnology Center

Senator Tom Apodaca
108 4th Ave West
Hendersonville, NC 28739

Dear Senator Apodaca,

I would ask that you continue the NC Biotech Center's funding at \$13.6 M and honestly would like to see it increase to at least \$15M. Why would I ask for continuing monies for this organization when I am a believer in small government?

I have a brief personal story about why the NC Biotech Center is working and why it is needed on an ongoing basis. I am an eye surgeon with many product ideas. After languishing in my attempts to get big companies to develop my products I decided to develop the products by myself, but lets face it, they don't teach you how to succeed at entrepreneurship in med school! All I had was a great pre production corneal marking device for making cataract surgery more accurate and nothing more, but then came the NC Biotech Center. So what happened, and why does it matter?

With the help of the Biotech Center loan and mentoring, we have taken my Wilmington Based Medical device start up, Surgilūm, from basically nothing, and in about 18 months have achieved the following milestones:

1. FDA Approval of our device
2. Voted Top 8 Cataract Innovations at international eye surgeon conference in Boston 2014, the American Society of Cataract and Refractive Surgery
3. Charlotte Venture Challenge Biotech Winner
4. ISO 13485 Certification- This is a big deal accomplishment for any company
5. CE mark that allows us to sell in Europe
6. Coastal Entrepreneur Biotech Winner
7. Finalist, International Medical Design Excellence Awards, New York City, 2015
8. Bausch and Lomb, a major international ophthalmic device company, is now asking to buy out our IP

We also have an established US independent sales rep force with growing product sales. And every sale that is directed to Surgilūm has our North Carolina address on it. We also have had sales from the Netherlands, Spain, Saudi Arabia, South Africa, Canada, and pending sales from interested distributors from almost every country in the developed world. And every time they contact Surgilūm, they see that the idea they love came from North Carolina! In milestone number 7 above, companies from around the world sat at the awards ceremony to discover that a little start up from NORTH CAROLINA was in the same league as billion dollar conglomerates. That is the difference you can make when you continue funding the Biotech center, a center that helped turn an North Carolina idea into Surgilūm, a North Carolina company that employs people from Winston Salem all the way to Wilmington with an internationally recognized medical product.

You see Senator Apodaca, without the NC Biotech Center funding that you provide, I would still be just a guy with an idea, but when you fund the NC Biotech Center, you allow the little people without a business background the ability to be mentored into something that North Carolina can be proud of, with significant milestones in a short period of time. The North Carolina Biotech Center means jobs for North Carolinians, new tax revenues for North Carolina, and will help build the reputation of North Carolina as THE tech center of the East. We can do it if you can continue to support the vision of the center that made my dream

a reality. When government so often hands out money that just gives people a fish, the North Carolina Biotech Center has taught me how to fish. Please continue to fund the Biotech Center and please consider increase funding. The Biotech Center can be a profit center for North Carolina. I know this because my name is Alan Brown, I am only an eye surgeon, and I started a successful North Carolina company, Surgilūm, with the NC Biotech Centers help!

Thank-you very much for your time and consideration,

Alan

Alan W Brown, MD
CEO
Surgilūm, LLC
1717 Shipyard Blvd
Suite 140
Wilmington, NC 28409
910-202-2202

(Submitted via email to several legislators)

Dear Senator,

As the former President and CEO of Embrex and the current Executive Chairman of Advanced Animal Diagnostics, I'm writing to support continued funding of the North Carolina Biotechnology Center by the State of North Carolina. Let me tell you why.

Embrex was founded in North Carolina in 1984 to bring the benefits of biotechnology to the US and global poultry industry. During the period 1986-1997 Embrex received approximately \$260,000 from the center in various grants and loans. This was during a time when Embrex was not yet profitable, so these funds and the projects and the people this funding supported came at critical points in our evolution. How did that turn out? Especially well, I think. Here is a summary of the results:

From its founding in 1984 until 2007, Embrex, via revenues generated and equity raised, brought into the State of North Carolina more than \$750,000,000 cumulatively.

In 2006 Embrex generated revenues of \$55,000,000, virtually all from outside the State of North Carolina and some 40% from our international operations.

Worldwide, Embrex employed more than 300 people, about 170 in North Carolina primarily at our office and research and production facility near RTP. Two-thirds of those employees were graduates of North Carolina high schools and universities and many had advanced degrees from NCSU.

In 2007 Embrex was acquired by Pfizer Animal Health, now Zoetis, for its expertise in poultry health and its global presence with the world's largest poultry producers. RTP remains the world-wide center for Zoetis's poultry business because of the expertise Embrex developed here, and continues to employ more than 150 persons locally.

Would Embrex have been successful without the funding from the NC Biotech Center? Perhaps. But that funding came at critical times and for critical projects and endeavors. And, put in the context of more than \$750,000,000 brought into North Carolina (on which income and capital gains taxes were also paid), it seems to me to have been a pretty savvy use of our taxpayers money!

Now to Advanced Animal Diagnostics. Founded in North Carolina several years ago, AAD is a venture backed, commercial stage company focused on the rapid and early diagnosis of diseases of production animals. AAD has received two collaborative funding grants (in conjunction with NCSU) from the Center, totaling approximately \$180,000. Not yet profitable, these grants were received at critical times in the development of the technology and have provided credibility with investors, potential customers and collaborators. What are AAD's results to date?

From two employees in 2010, we have nearly 40 today, all but eight from the greater triangle area.

AAD has raised more than \$30,000,000 in equity funding, money which has largely come from outside North Carolina.

As AAD grows, its revenues will come mainly from the dairy and beef industry, again money that comes primarily from outside North Carolina and money which will continue to create good jobs locally and generate additional state tax revenue.

Even at this stage in AAD's development, the funding received from the NC Biotech Center already seems to be another savvy investment of this state's taxpayer's money.

I am sure there are other stories of success just like these from Embrex and AAD. To continue that success into the future, I trust you and the other legislators from our state will heed them. There is probably no other use of this state's hard earned taxpayer's money that generates a greater return than the \$13,000,000 or so represented by the Biotechnology Center's annual budget.

Thank you advance for your further attention to the Center's funding.

Very sincerely,

Randall L Marcuson



May 8, 2015

Ronald S. Hill, Ph.D.
CEO/Managing Partner
1800-J North Greene Street
Greenville, NC 27834
Phone: (252)551-5511
Fax: (252)551-5555

The Honorable Nelson Dollar
N.C. House of Representatives
P.O. Box 1369
Cary, NC 27512

Dear Representative Dollar:

As a business leader in the life science community, I encourage you to maintain full funding for the North Carolina Biotechnology Center. The Biotech Center provides resources that are essential for entrepreneurs to translate novel technologies into job forming companies that make products that change the lives of patients suffering from devastating medical problems. The resources the Biotech Center provides includes essential start-up capital, expert advice; access to market reports in their library that are unaffordable to a start-up and yet essential in developing a business plan; extensive business contacts; space for meeting potential investors; and networking opportunities.

The Biotechnology Center's programs were critical for a small start-up that I joined from Southern California, Encelle, helping it to survive and eventually thrive in Greenville, NC. Encelle was acquired by Pioneer Surgical, which was in turn acquired by RTI Biologics (now RTI Surgical). That former start-up is now a biologics manufacturing facility for RTI Surgical that employs more than 20 people in excellent paying jobs in eastern NC. I in turn spun out a company from Pioneer, MxBiomed, and extensively utilized the Biotech Center's resources including start-up capital in the form of Company Inception and Strategic Research Loans.

Potential investors and corporate partners recognize the value of having the Biotech Center as a resource for a start-up such as MxBiomed and gives NC entrepreneurs an advantage over those from regions that don't have this support. MxBiomed's product can change the lives of millions of patients suffering from the complications of diabetes and eventually generate many new jobs in Eastern North Carolina. I urge you to continue to fund the North Carolina Biotechnology Center. The Biotech Center represents a competitive advantage for NC start-ups. Start-ups are the economic engine that lead to high paying jobs that North Carolina can't afford to lose and the Biotech Center is an essential asset to ensure that Biotechnology continues to thrive in North Carolina.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R Hill'.

Ronald S. Hill, Ph.D.



ATTACH
#5

Response to Senate Bill 402

Report Delivered February 25, 2014

In response to eight questions from the General Assembly, the Board of Directors supplied the following responses.

Activities at headquarters: NCBiotech's activities are designed to work together and provide support for the life science industry in North Carolina.

Regional offices: These statewide endeavors connect NCBiotech programs to the region and link together region-specific resources for life science growth.

Staffing: Current staffing is strategically aligned for successful program execution.

Grant and loan programs: These programs are very successful because of their staffing. Review processes and other procedures ensure cost-effective and diligent distribution of tax dollars.

Cash balances: Cash balances cover commitments and maintain a modest operating reserve.

Competitive grants through Commerce: NCBiotech activities occur at a much earlier stage than Commerce's activities. Attention to company startup and growth is critical in the life sciences. Activities to close deals are equally necessary.

Detailed answers to these questions on pages 4-28 of the report.

Findings

NCBiotech programs are highly successful:

- Center grant recipients go on to bring in \$4 to \$73 in additional funding for each dollar granted, depending on program. The average for all programs is \$28 to \$1.
- Loan portfolio companies raise an additional \$117 in external funding for each \$1 loaned.
 - NCBiotech is the only funding source available to these companies.
- 31 company expansion projects since 2008 forecast creation of 2,298 jobs.
- More than 1,000 senior executives, scientists and community leaders donate 10,000 hours annually to NCBiotech. This has a conservative value of \$1 million.

Other states want these jobs and are gaining traction in the sector:

- GSK and the University of **Texas**' MD Anderson Cancer Center - \$335 million deal for research/licensing
- Department of Defense and **Florida**'s Nanotherapeutics - \$358 million for medical countermeasures
- Baxter's \$1B plasma-based treatments facility is under construction in **Georgia**.
- Massachusetts \$1 billion investment in small company development is yielding thousands of jobs.

Actions

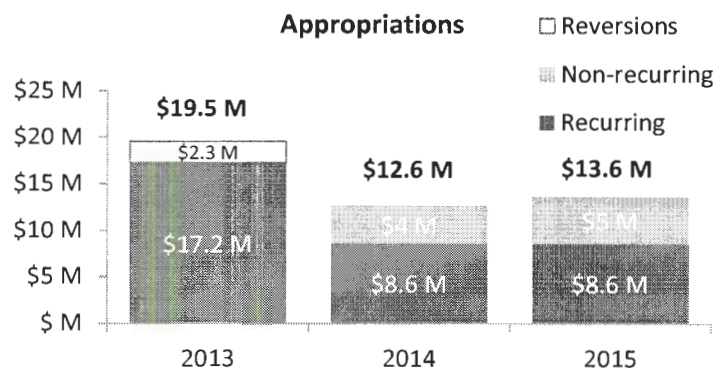
The following Board actions were taken:

- Eliminated five funding programs, and reduced one funding program and multiple programmatic activities judged less critical to near-term job creation.
- Reduced the regional office budget by \$409,820.
- Reduced staff by 26 percent, or 22 positions.
- Allocated unrestricted cash reserves to the FY 2014 budget in order to continue to support program and funding activities.
- Enhanced policies governing the level of unrestricted cash reserves. Invest or award reserves currently available according to this policy (estimated \$2M).

Budget Overview 2013 to 2015

During the last three fiscal years, NCBiotech's funding has fluctuated. Responses to the 27 percent reduction in state appropriation are documented above. The legislature appropriated an additional \$1 million in non-recurring dollars for the 2015 fiscal year. That additional appropriation was split between bio defense and agricultural biotechnology funding and activities.

For the 2015-2017 budget, the House has set our funding at \$13.6 million, all in recurring dollars. The Senate eliminated funding for the Biotech Center.



Background

NCBiotech is a technology based economic development organization. The Center's life science experts help technologies move from university research labs into small companies and ultimately to market. We also work in partnership with the Economic Development Partnership of North Carolina and the Department of Commerce to recruit companies large and small to North Carolina. We are funded almost entirely by the state.

6

**Marine Fisheries Commission Proposals
for
Draft Supplement A to Amendment 1 of the
N.C. Southern Flounder Fishery Management Plan**

Proposal 1

Pound Net Set Permits:

- 15-inch minimum size for southern flounder
- Escape panels shall be a minimum mesh size of
 - Option 1: 5 ¾ inch
 - Option 2: 6 inch(all other escape panel requirements remain)
- Immediately initiate a Total Allowable Catch that represents a 25 percent reduction of the 2013 landings (highest landings on record since 2005). The 2013 landings represent a 79 percent jump in landings from the 2005 Fishery Management Plan landings level of concern.
- Total Allowable Catch = 625,626 pounds (higher than all but one year between 2005-2012)
- Active pound net set permits may be renewed, but no new permit applications will be processed after June 1, 2015, until the completion of the next amendment.
- No pound net set permit transfers will occur until the completion of the next amendment, except upon death of the permittee pursuant to 15NCAC 03J .0504.
- Daily reporting as a condition of the permit for flounder pound nets.

Commercial Gig:

- Commercial gigging will only be allowed four days per week, beginning Monday at sunrise and ending on Friday at sunrise.
- 15-inch size limit
- Trip limit of 36 flounder per valid Standard Commercial Fishing License with maximum of one limit per operation, regardless of the number of valid Standard Commercial Fishing Licenses present.
 - Option 1: A maximum of one limit per operation regardless of the number of valid Standard Commercial Fishing Licenses present.
 - Option 2: A maximum of two limits per operation regardless of the number of valid Standard Commercial Fishing Licenses present.

Anchored Large Mesh Gill Nets (commercial and recreational):

- 2015 season will remain status quo.
- Effective Jan. 1, 2016, anchored large mesh gill nets will be a prohibited gear in the taking and possession of flounder in internal waters.

Commercial harvest by other gear:

- 15-inch size limit



Proposal 2

- All commercial fishing will observe a 15-inch size limit.
- N.C. large mesh gill nets in the southern flounder fishery will close Sept. 16 north of Cape Hatteras and will not open until Jan. 16. South of Cape Hatteras the closure would be Oct. 16 to Jan. 1.
- Pound nets will be subject to the 15-inch size limit and to a 5 $\frac{3}{4}$ -inch or 6-inch escape panel.
- Commercial giggers will be subject to a 15-inch size limit and a 35-fish trip limit per boat.
- Recreational hook-and-line and giggers will have no reductions unless a closure from Nov. 1 to Dec. 31 is considered necessary to meet appropriate reductions.
- There will be a moratorium on pound net sets and permits based on the past five years of activity, until the next amendment is adopted, unless death or disability of the owner is an issue.

Proposal 3

- Retain the 15-inch size limit and 6-fish bag limit for recreational.
- Increase the size limit to 15 inches for commercial, with a 6-inch stretched mesh for large mesh gill nets, and escape panels in pound nets.
- Close all southern flounder fisheries from Nov. 16 –Dec. 31.

Proposal 4

- Maintain status quo for commercial.
- Decrease recreational size limit to 14 inches.
- Observe 60-day comment period, with stakeholder input.

Proposal 5

- Retain 15-inch size limit and 6-fish bag limit for recreational.
- Increase the size limit to 15 inches for commercial with a 5 $\frac{3}{4}$ -inch stretched mesh for large mesh gill nets and escape panels in pound nets.
- Close commercial and recreational fisheries from Dec. 1 – 31.

Proposal 6

- Minimum mesh size limit of 5 $\frac{3}{4}$ inch stretch mesh for large mesh gill nets and escape panels in pound nets.
- Dec. 1 – 31 closure for all gear types, both commercial and recreational.

