

2017-2018

**HOUSE
APPROPRIATIONS**

MINUTES

APPROPRIATIONS COMMITTEE
2017-2018 Session



CHAIRS

Representative Nelson Dollar
Representative Linda Johnson
Representative Donny Lambeth
Representative Chuck McGrady
Representative Dean Arp
Representative John Faircloth
Representative Justin Burr

COMMITTEE ASSISTANTS

Candace Slate
Rhonda Todd
Pan Briles
Kimberly Neptune
Wendy Miller
Becky Bauerband
Dina Long

HOUSE COMMITTEE ON APPROPRIATIONS

MEMBERSHIP 2017-2018

<u>MEMBER</u>		<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
Rep. Nelson Dollar	Senior Chair	Candace Slate	715-0795	307B	4
Rep. Dean Arp	Chair	Wendy Miller	715-3007	529	66
Rep. Justin Burr	Chair	Dina Long	733-5908	307A	16
Rep. John Faircloth	Chair	Becky Bauerband	733-5877	613	28
Rep. Linda Johnson	Chair	Rhonda Todd	733-5861	301D	3
Rep. Donny Lambeth	Chair	Pan Briles	733-5747	303	65
Rep. Chuck McGrady	Chair	Kimberly Neptune	733-5956	304	15
Rep. Hugh Blackwell	Vice Chair	Dixie Riehm	733-5805	541	102
Rep. Jamie Boles	Vice Chair	Kerry Guice	733-5903	528	25
Rep. Bill Brawley	Vice Chair	Lynn Taylor	733-5800	534	19
Rep. William Brisson	Vice Chair	Caroline Stirling	733-5772	405	23
Rep. George Cleveland	Vice Chair	Pamela Ahlin	715-6707	417A	8
Rep. Ted Davis	Vice Chair	Judy Lowe	733-5786	417B	27
Rep. Jimmy Dixon	Vice Chair	Michael Wiggins	715-3021	2226	18
Rep. Josh Dobson	Vice Chair	Julie Ryan	733-5862	301N	114
Rep. Jeffrey Elmore	Vice Chair	Linda Stevenson	733-5935	306A3	63
Rep. John Fraley	Vice Chair	Carol Wakely	733-5741	637	68
Rep. Kyle Hall	Vice Chair	Cameron Dawson	733-5609	536	78
Rep. Jon Hardister	Vice Chair	Jayne Nelson	733-5191	638	71
Rep. Craig Horn	Vice Chair	Pattie Fleming	733-2406	305	13
Rep. Pat Hurley	Vice Chair	Deborah Holder	733-5865	532	10
Rep. Frank Iler	Vice Chair	Carla Farmer	301-1450	639	14
Rep. Darren Jackson	Vice Chair	Angela McMillan	733-5974	506	57
Rep. David Lewis	Vice Chair	Grace Rogers	715-3015	2301	6
Rep. Chris Malone	Vice Chair	Skye David	715-3010	1229	38
Rep. Pat McElraft	Vice Chair	Nancy Fox	733-6275	634	9
Rep. Allen McNeill	Vice Chair	Laura Sullivan	715-4946	418B	55
Rep. Greg Murphy, MD	Vice Chair	Theresa Lopez	733-5757	632	85
Rep. Michele Presnell	Vice Chair	John Wall	733-5732	418A	51
Rep. Dennis Riddell	Vice Chair	Polly Riddell	733-5905	533	99
Rep. Stephen Ross	Vice Chair	Kirk O'Steen	733-5820	635	20
Rep. Jason Saine	Vice Chair	Stephen Wiley	733-5782	1326	26
Rep. Phillip Shepard	Vice Chair	Pamela Pate	715-9644	530	53
Rep. John Torbett	Vice Chair	Viddia Torbett	733-5868	538	41
Rep. Rena Turner	Vice Chair	Barbara Gaiser	733-5661	606	52
Rep. Gale Adcock		Suzanne Smith	733-5602	1211	119
Rep. John Ager		Meredith Graf	733-5746	1315	103
Rep. John Autry		Tina Riley-Humphrey	715-0706	1019	115
Rep. Cynthia Ball		James Whalan	733-5860	638	118
Rep. Mary Belk		Ralph Belk	733-5607	1424	116
Rep. John Bell		Susan Horne	715-3017	301F	5
Rep. Larry Bell		Carolyn Edwards	733-5863	510	21
Rep. MaryAnn Black		Chandler Spaulding	733-5872	501	107
Rep. Beverly Boswell		Beth Strandberg	715-5906	531	91
Rep. Cecil Brockman		Grady O'Brien	733-5825	1311	106
Rep. Mark Brody		Neva Helms	715-3029	2219	62
Rep. Dana Bumgardner		Margie Penven	733-5809	2119	40



HOUSE COMMITTEE ON APPROPRIATIONS 2017-2018

<u>MEMBER</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
Rep. Mike Clampitt	Ed Stiles	715-3005	1420	113
Rep. Debra Conrad	Danielle Brinton	733-5787	416B	44
Rep. Kevin Corbin	Cindy Hobbs	733-5859	2215	98
Rep. Carla Cunningham	Sherrie Burnette	733-5807	1109	59
Rep. Andy Dulin	Wanda Benson	715-3009	609	100
Rep. Beverly Earle	Ann Raeford	715-2530	514	48
Rep. Jean Farmer-Butterfield	Portia Bright	733-5898	1220	33
Rep. Susan Fisher	Cindy Garrison	715-2013	504	69
Rep. Elmer Floyd	Dorothy McLean	733-5959	1325	83
Rep. Carl Ford	Olivia Clapp	733-5881	608	64
Rep. Terry Garrison	Anita Bennett	733-5824	1017	95
Rep. Rosa Gill	Lisa Ray	733-5880	1303	45
Rep. Charles Graham	Linda Laton	715-0875	1309	84
Rep. George Graham	Beverlee Baker	733-5995	1321	79
Rep. Holly Grange	Laura Holt Kabel	733-5830	604	89
Rep. Duane Hall	Brad Kennedy	733-5755	1004	58
Rep. Pricey Harrison	Sue Osborne	733-5771	1218	70
Rep. Howard Hunter	Brenda Bennett	733-5780	1307	46
Rep. Verla Insko	Gina Insko	733-7208	502	72
Rep. Joe John	Katie Stanley	733-5530	1013	117
Rep. Brenden Jones	Andrew Bailey	733-5827	2217	88
Rep. Marvin Lucas	Thelma Utley	733-5775	509	22
Rep. Grier Martin	Sylvia Hammons	733-5773	1023	94
Rep. Mickey Michaux	Anita Wilder	715-2528	1227	11
Rep. Chris Millis	John Ganem	715-9664	633	32
Rep. Garland Pierce	Janice Fenner	733-5803	1204	34
Rep. Larry Pittman	Tammy Pittman	715-2009	1010	61
Rep. Larry Potts	Caroline Craig	715-0873	607	110
Rep. Amos Quick	Mildred Alston	733-5902	1317	91
Rep. Bobbie Richardson	Anna Meadows	715-3032	1217	93
Rep. William Richardson	Leigh Lawrence	733-5601	1021	71
Rep. David Rogers	Baxter Knight	733-5749	418C	86
Rep. John Sauls	Karen Rosser	733-5782	1326	37
Rep. Mitchell Setzer	Margaret Herring	733-4948	2204	2
Rep. Michael Speciale	Hazel Speciale	733-5853	1008	50
Rep. Sarah Stevens	Lisa Brown	715-1883	419	7
Rep. Larry Strickland	KJ Stancil	733-5849	602	112
Rep. Evelyn Terry	Franklin Terry	733-5777	1015	80
Rep. Brian Turner	Anna Stearns	715-3012	1209	120
Rep. Sam Watford	Regina Irwin	715-2526	2121	76
Rep. Donna White	Susan Mullins	733-5605	306A	111
Rep. Shelly Willingham	Johnna Smith	715-3024	513	96
Rep. Michael Wray	Susan Burleson	733-5662	503	24
Rep. Larry Yarborough	Leslie Murray	715-0850	1301	67
Rep. Lee Zachary	Haley Kitts	715-8361	1002	74
STAFF: Karen Hammonds-Blanks, Brian Matteson		733-4910		
Phyllis Pickett, Joyce Jones		733-6660		



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Thursday, February 9, 2017
TIME: 8:30 AM
LOCATION: 643 LOB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 7	LRC/Strengthen Savings Reserve.	Representative Dollar Representative McGrady Representative Arp Representative B. Richardson
HB 13	Class Size Requirement Changes.	Representative McGrady Representative Elmore Representative Malone Representative Corbin

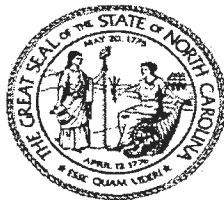
Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:20 PM on Tuesday, February 07, 2017.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)





House Appropriations Committee

Thursday, February 9, 2017, 8:30 AM
643 Legislative Office Building

AGENDA

Chairs Welcome and Opening Remarks

Rep. Nelson Dollar, Senior Chair
Rep. Dean Arp
Rep. John Faircloth
Rep. Linda Johnson
Rep. Donny Lambeth
Rep. Chuck McGrady

Introduction of Pages

Consideration of the following bills:

BILLS

HB 7

SHORT TITLE

LRC/Strengthen Savings
Reserve

SPONSORS

Rep. Nelson Dollar
Rep. Dean Arp
Rep. Chuck McGrady
Rep. Bobby Richardson

Testimony In Support of HB 7

Stephen Bailey, Senior Associate
State Fiscal Health Project,
The PEW Charitable Trusts

HB 13

Class Size Requirement Changes

Rep. Chuck McGrady
Rep. Kevin Corbin
Rep. Jeffrey Elmore
Rep. Chris Malone

ADJOURN



Appropriations Committee

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MINUTES
HOUSE COMMITTEE ON APPROPRIATIONS

February 9, 2017

8:30 a.m.

Legislative Office Building, Room 643

ATTENDEES:

Chairs: Arp, Dollar, Faircloth, L. Johnson, D. Lambeth, and McGrady

Members: Adcock, Ager, Autry, Ball, Belk, J. Bell, Boswell, Brockman, Brody, Bumgardner, Burr, Clampitt, Cleveland, Conrad, Corbin, Cunningham, Davis, Dixon, Dulin, Elmore, Floyd, Fisher, Fraley, Garrison, Gill, G. Graham, Grange, K. Hall, Hardister, Harrison, Horn, Hurley, Iler, Insko, Jackson, John, Malone, Michaux, McNeill, Murphy, Pittman, Potts, Presnell, Quick, B. Richardson, W. Richardson, Ross, Setzer, Speciale, Stevens, Strickland, Torbett, B. Turner, White, Willingham, Yarborough

I. Call to Order

Senior Chair, Nelson Dollar presided and called the meeting to order at 8:42 a.m.

II. Introductions

Representat Dollar introduced Sergeant-at-Arms staff assisting with the meeting. Also introduced were students serving as Pages.

III. HB13 Class-Size Requirement Changes

Chairman Chuck McGrady introduced HB13 stating that its purpose is to “fix” a well-intended class-size mandate by providing that the average class size for kindergarten through third grade could not exceed the funded allotment ratio of teachers to students in those grades by more than three students and that the size of an individual class could not exceed the allotment ratio by more than six students. He added that the revision would not change the budget at the State level.

Representative Elmore, chair of Education Committee, stated the importance of providing this flexibility to local school districts early during Session.

Chairman McGrady opened the floor for questions and statements from the following representatives: Iler, Michaux, Clampitt, Fisher, Speciale, and Horn.

Representative Horn moved for a favorable report of HB13. Vote on the motion was unanimous.



IV. HB7: LRC/Strengthen Savings Reserve

Chairman Nelson Dollar introduced HB7: LRC/Strengthen Savings Reserve which was the joint effort of a bi-partisan study committee. Chairman Dollar thanked staff members for their guidance during this effort.

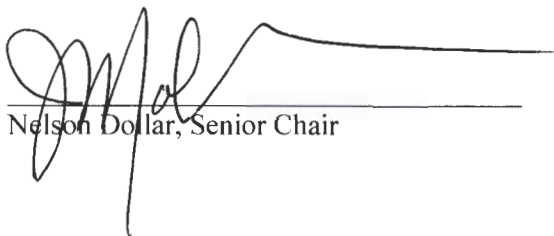
He called upon Stephen Bailey, Senior Associate with the PEW Charitable Trusts, to report the findings of the research they conducted on policies which govern stabilization funds. Mr. Bailey informed the committee that PEW supports HB7 because it supports four practices that will not only improve the Savings Reserve but could also make North Carolina a leader in managing volatility and reserve fund policy. He spoke briefly to each of these best practices: 1) Creates a savings deposit rule tied to revenue growth; 2) Defines clear and objective conditions for fund use; 3) Establishes an evidence-based fund savings target; and, 4) Provides a mechanism to re-evaluate the rules governing the fund.

The following committee members spoke to the bill: Horn, Hardister, Quick, Torbet, Murphy, Richardson, Plunkett, Dixon, Pittman, Brody, Brockman, Jackson, Clampitt, Michaux, Ager, and Autry.

Representative Horn moved for a favorable report of HB7. Vote on the motion was unanimous.

V. Adjournment

The House Committee on Appropriations adjourned at 9:34 a.m.



Nelson Dollar, Senior Chair



Panthea Briles, Committee Clerk

Attachments: Agenda
Attendance
Handouts



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

1

HOUSE BILL 7*

Short Title: LRC/Strengthen Savings Reserve.

(Public)

Sponsors: Representatives Dollar, McGrady, Arp, and B. Richardson (Primary Sponsors).

Referred to: Appropriations

January 26, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO STRENGTHEN THE SAVINGS RESERVE, AS RECOMMENDED BY THE
3 LEGISLATIVE RESEARCH COMMISSION.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 143C-4-2 reads as rewritten:

6 "**§ 143C-4-2. Savings Reserve Account and appropriation of General Fund unreserved fund**
7 **balance.****Reserve.**

8 (a) ~~Creation and Source of Funds.~~ Creation. – The Savings Reserve Account is
9 established as a reserve in the General Fund. ~~The Controller shall reserve to the Savings Reserve~~
10 ~~Account one fourth of any unreserved fund balance, as determined on a cash basis, remaining in~~
11 ~~the General Fund at the end of each fiscal year.~~ Fund and is a component of the unappropriated
12 General Fund balance.

13 (b) General Use of Funds. – ~~The Savings Reserve Account is a component of the~~
14 ~~unappropriated General Fund balance.~~ Funds In each fiscal year, funds reserved to the Savings
15 Reserve Account shall be available for expenditure only upon an act of appropriation by the
16 General Assembly, expenditure, in an aggregate amount that does not exceed seven and one-half
17 percent (7.5%) of the prior fiscal year's General Fund net appropriations operating budget, upon
18 appropriation by a majority vote of the membership of the Senate and House of Representatives
19 present and voting for any of the following purposes:

20 (1) To cover a decline in General Fund revenue from one fiscal year to another.

21 (2) To cover the difference between that fiscal year's base budget needs and
22 projected revenue.

23 (3) To pay costs imposed by a court or administrative order.

24 (4) To provide relief and assistance from the effects of an emergency, as that term
25 is defined in G.S. 166A-19.3.

26 (b1) Extraordinary Use of Funds. – In each fiscal year, funds reserved to the Savings
27 Reserve shall be available for expenditure upon a two-thirds vote of the membership of the Senate
28 and House of Representatives present and voting for any of the following purposes:

29 (1) To use for any of the purposes set forth in subdivisions (1) through (4) of
30 subsection (b) of this section in an aggregate amount that exceeds seven and
31 one-half percent (7.5%) of the prior fiscal year's General Fund net
32 appropriations operating budget.

33 (2) For a purpose not set forth in subdivisions (1) through (4) of subsection (b) of
34 this section in any amount.

35 (e) ~~Goal for Savings Reserve Account Balance.~~ The General Assembly recognizes the
36 need to establish and maintain sufficient reserves to address unanticipated events and



* H 7 - V - 1 *

1 ~~circumstances such as natural disasters, economic downturns, threats to public safety, health, and~~
2 ~~welfare, and other emergencies. It is a goal of the General Assembly and the State to accumulate~~
3 ~~and maintain a balance in the Savings Reserve Account equal to or greater than eight percent (8%)~~
4 ~~of the prior year's General Fund operating budget.~~

5 (d) Transfer of Funds Into Savings Reserve. – Each Current Operations Appropriations
6 Act enacted by the General Assembly shall transfer to the Savings Reserve fifteen percent (15%)
7 of each fiscal year's estimated growth in State tax revenues, except that if that transfer would cause
8 the balance of the Reserve to exceed the recommended Savings Reserve balance developed
9 pursuant to subsection (e) of this section then the amount transferred pursuant to this subsection
10 shall be reduced accordingly.

11 (e) Consensus Estimate. – The Office of State Budget and Management and the Fiscal
12 Research Division of the General Assembly shall jointly develop and annually produce an
13 evaluation of the adequacy of the Savings Reserve based on the volatility of North Carolina's
14 General Fund tax structure, which shall take into consideration relevant statistical and economic
15 literature. After completing the evaluation, these entities may revise the methodology as needed to
16 estimate the target for the Savings Reserve balance, which shall be calculated so as to be sufficient
17 to cover two years of need for nine out of 10 scenarios involving a decline in General Fund
18 revenue from one fiscal year to the next fiscal year. The recommended balance shall be expressed
19 as a percentage of the prior year General Fund net appropriations operating budget. The Office of
20 State Budget and Management shall report this percentage to the Chairs of the House of
21 Representatives and Senate Appropriations and Finance Committees no later than February 1 of
22 each year.

23 (f) General Assembly May Appropriate Additional Funds. – Nothing in this section shall
24 be construed to prohibit the General Assembly from depositing additional funds into the Savings
25 Reserve."

26 **SECTION 2. G.S. 143C-3-5(b) reads as rewritten:**

27 **√ "§ 143C-3-5. Budget recommendations and budget message.**

28 ...
29 (b) Odd-Numbered Years. – In odd-numbered years the budget recommendations shall
30 include the following components:

31 = (1) A Recommended State Budget setting forth goals for improving the State with
32 recommended expenditure requirements, funding sources, and performance
33 information for each State government program and for each proposed capital
34 improvement. The Recommended State Budget may be presented in a format
35 chosen by the Director, except that the Recommended State Budget shall
36 clearly distinguish program base budget requirements, program reductions,
37 program eliminations, program expansions, and new programs, and shall
38 explain all proposed capital improvements in the context of the Six-Year
39 Capital Improvements Plan and as required by G.S. 143C-8-6.

40 (1a) The Governor's Recommended State Budget shall include a base budget, which
41 shall be presented in the budget support document pursuant to subdivision (2)
42 of this subsection.

43 ...
44 (3) A Current Operations Appropriations Act that makes appropriations for each
45 fiscal year of the upcoming biennium for the operating expenses of all State
46 agencies as contained in the Recommended State Budget, together with a
47 Capital Improvements Appropriations Act that authorizes any capital
48 improvements projects.

49 ...
50 (6) The Governor's Recommended State Budget shall include a transfer to the
51 Savings Reserve of fifteen percent (15%) of the estimated growth in State tax

revenues for each fiscal year of the upcoming biennium. This subdivision applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(e)."

SECTION 3. G.S. 142-15.4 reads as rewritten:

"§ 142-15.4. Savings from refinancing of general obligation bonds to be placed in the Savings Reserve Account. Reserve.

(a) Whenever general obligation bonds issued or incurred by the State are refinanced:

- (1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.
- (2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve Account established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.
- (3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs.

(b) Subsection (a) of this section applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(e)."

SECTION 4. G.S. 142-96 reads as rewritten:

"§ 142-96. Savings from refinancing of special indebtedness to be placed in the Savings Reserve Account. Reserve.

(a) Whenever special indebtedness issued or incurred pursuant to this Article is refinanced:

- (1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.
- (2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve Account established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.
- (3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs.

(b) Subsection (a) of this section applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(e)."

SECTION 5. G.S. 143C-5-4(b)(8) reads as rewritten:

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

SECTION 6. G.S. 147-86.11(e)(7) reads as rewritten:

"(7) The State Controller may use cash reserved to the Savings Reserve Account and cash from other funds, including special funds, that is not needed temporarily to meet the cash flow needs of the General Fund, but only to the extent that this authority can be used without jeopardizing the ability of reserves or funds, including special funds, to meet their ongoing obligations. Any cash transferred from reserves or funds, including special funds, shall be fully restored by the end of the fiscal year in which the funds were transferred,

1 and interest shall be paid on all cash transferred to the General Fund pursuant to
2 this subdivision from interest-bearing accounts."

3 **SECTION 7.** During the 2019 Regular Session of the General Assembly, it is the
4 intent of the General Assembly to study whether the changes to the Savings Reserve enacted in
5 this act have successfully accomplished its purpose of establishing and maintaining sufficient
6 reserves to address unanticipated events and circumstances such as natural disasters, economic
7 downturns, threats to public safety, health, and welfare, and other emergencies.

8 **SECTION 8.** Sections 3 and 4 of this act become effective July 1, 2017. The
9 remainder of this act becomes effective October 1, 2017.



HOUSE BILL 7: LRC/Strengthen Savings Reserve.

2017-2018 General Assembly

Committee:	House Appropriations	Date:	February 8, 2017
Introduced by:	Reps. Dollar, McGrady, Arp, B. Richardson	Prepared by:	Committee Staff
Analysis of:	First Edition		

Highlights

- Provides that the Governor's Recommended State Budget must include a transfer to the Savings Reserve of **15% of the estimated growth in State tax revenues** for each fiscal year of the upcoming biennium.
- Provides that each Current Appropriations Act enacted must transfer to the Savings Reserve **15% of each fiscal year's estimated growth in State tax revenues**. (But, if that transfer would cause the balance of the Reserve to exceed the recommended Savings Reserve balance, then the amount transferred will be reduced.)
- Upon appropriation by **majority** vote, funds reserved to the Savings Reserve will be available for expenditure in an aggregate amount that **does not exceed 7.5%** of the prior fiscal year's General Fund net appropriations operating budget, but **only** to: (i) cover a decline in General Fund revenue from one fiscal year to another, (ii) cover the difference between that fiscal year's base budget needs and projected revenue, (iii) pay costs imposed by a court or administrative order, or (iv) provide relief and assistance from the effects of an emergency.
- Upon appropriation by **two thirds** vote, the funds may be used in an aggregate amount that **exceeds 7.5%** for any of the purposes set forth in (i) through (iv) above **OR** for a purpose not set forth therein.
- OSBM and FRD will **estimate the target for the Savings Reserve balance**, which shall be calculated to be sufficient to **cover two years of need for nine out of 10 scenarios involving a decline** in General Fund revenue from one fiscal year to the next fiscal year.
- The target balance estimate will be based upon an evaluation of the adequacy of the Savings Reserve based on the volatility of North Carolina's General Fund tax structure. **Target balance will be expressed as a percentage of the prior year General Fund net appropriations operating budget**. OSBM shall report this percentage to the Chairs of the House of Representatives and Senate Appropriations and Finance Committees no later than February 1 of each year. OSBM and FRD may revise the methodology as needed.

Kory Goldsmith
Director



Legislative Drafting
919-733-6660

House Bill 7

Page 2

- When general obligation bonds or special indebtedness are issued or refinanced, any **savings generated are to be placed in the Savings Reserve** if the balance is below the recommended balance.
- The intent is for the **2019 General Assembly** to evaluate whether these changes have maintained sufficient reserves to address unanticipated events and circumstances.



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901 E Street NW, 10th Floor Washington, DC 20004	202.552.2000 202.552.2299

**Testimony in Support of
House Bill 7
“An Act to Strengthen the Savings Reserve”**

**North Carolina Standing Committee on Appropriations
February 9, 2017**

**Stephen Bailey, Senior Associate
State Fiscal Health Project, The Pew Charitable Trusts**

Senior Chairman Dollar, Chairmen, Vice-Chairmen, and members of the Committee:

Over the past four years, The Pew Charitable Trusts has extensively researched the policies that govern budget stabilization funds, commonly referred to as “rainy day funds.” Through an evidence-based assessment of all 50 states, Pew has determined the best policies for saving, withdrawing, and determining the optimal size of such funds. Upon review, Pew supports House Bill 7, “An Act to Strengthen the Savings Reserves,” because it contains four best practices that will not only improve the Savings Reserve Account, but also make North Carolina a national leader in managing volatility and reserve fund policy.

1. Creates a savings deposit rule tied to revenue growth;
2. Defines clear and objective conditions for fund use;
3. Establishes an evidence-based fund savings target;
4. Provides a mechanism to re-evaluate the rules governing the fund.

Creates a savings deposit rule tied to revenue growth

First, by setting aside 15 percent of year-over-year revenue growth, North Carolina would join 15 states that tie their rainy day fund deposits directly to revenue or economic volatility. As highlighted in Pew’s report “Building State Rainy Day Funds,” the proposed deposit rule closely follows one found in Tennessee, where savings has become a straightforward, predictable practice, rather than a yearly debate. There are two key benefits for states that choose to save based on revenue or economic growth:

- 1) It allows the state to proactively save as a part of the budget process. Currently, North Carolina statute directs a portion of the year-end general fund surplus to the Savings

Reserve Account. While this is a common method of saving by states, it can make saving a low priority, as often other budgetary concerns are addressed before saving is considered. By depositing 15 percent of revenue growth, North Carolina would create a rule that makes savings a higher priority.

- 2) By tying savings directly to revenue growth, it ensures the state is saving the most in good times. State revenues go through periods of above-normal growth as a result of the business cycle. The proposed rule would generate the largest deposits when revenue growth is the most above-normal, thereby preventing unsustainable revenue growth from being used to fund recurring expenditures. This is not only the most effective way to save, but will also help keep the state's budget structurally balanced.

Clearly clear and objective conditions for fund use

Second, the bill greatly improves the state's withdrawal provisions. Currently, North Carolina is one of only six states without clear conditions for fund use. The proposed legislation establishes clear conditions for use and includes the ability to cover a decline in general fund revenue from one year to the next. This is consistent with a Pew-identified best practice to link withdrawals to objective measures tied to revenue volatility. These types of conditions ensure reserves are only used in times of revenue or economic distress.

Establishes an evidence-based fund savings target

Third, fewer than five states are using evidence – like revenue volatility and forecast error – to determine how much they should save to meet their fund goals. By recommending that the Office of State Budget and Management and the Fiscal Research Division of the General Assembly perform a risk-based analysis using a similar technique found in Minnesota, the state would become an exemplar state at setting the appropriate maximum size for the rainy day fund.

Provides a mechanism to re-evaluate the rules governing the fund

Finally, the legislation prudently calls for a review of the changes to the Savings Reserve Account after two years. This can help ensure the policy changes are achieving the intended purpose of the General Assembly and provide an opportunity for adjustments if needed.

With a vote in favor of House Bill 7, “An Act to Strengthen the Savings Reserve,” Pew believes the House Committee on Appropriations would take a significant step to improve the state's ability to weather times of economic uncertainty in the future. Additionally, the recommendations would make North Carolina a leader at managing revenue volatility and an example for other states to follow.

Addendum to Pew Testimony (House Bill 7) – Feb 9, 2017

House Bill 7, “An Act to Strengthen the Savings Reserves,” contains four best practices based on Pew’s evidenced-based research:

1. Creates a savings deposit rule tied to revenue growth;
2. Defines clear and objective conditions for fund use;
3. Establishes an evidence-based fund savings target;
4. Provides a mechanism to re-evaluate the rules governing the fund.

The figures below illustrate how these practices are directly tied to revenue volatility and expand on the advantages for North Carolina should the bill become law.

Figure 1. H.B. 7 Directly Links Saving, Fund Use, and Fund Size to Volatility

North Carolina Tax Collections, 2002-2015, Year-Over-Year Growth

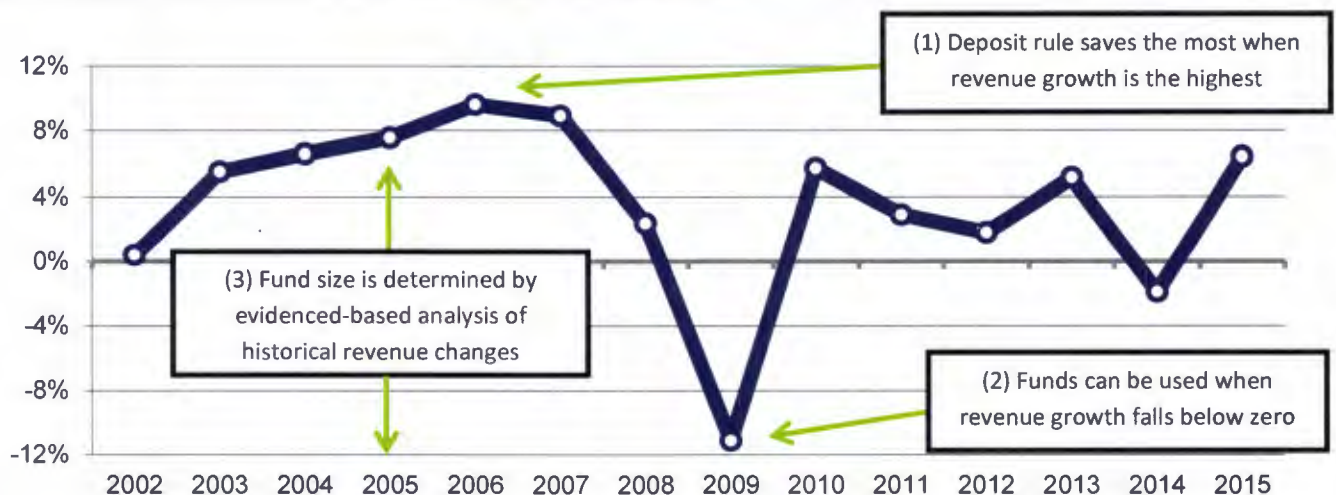
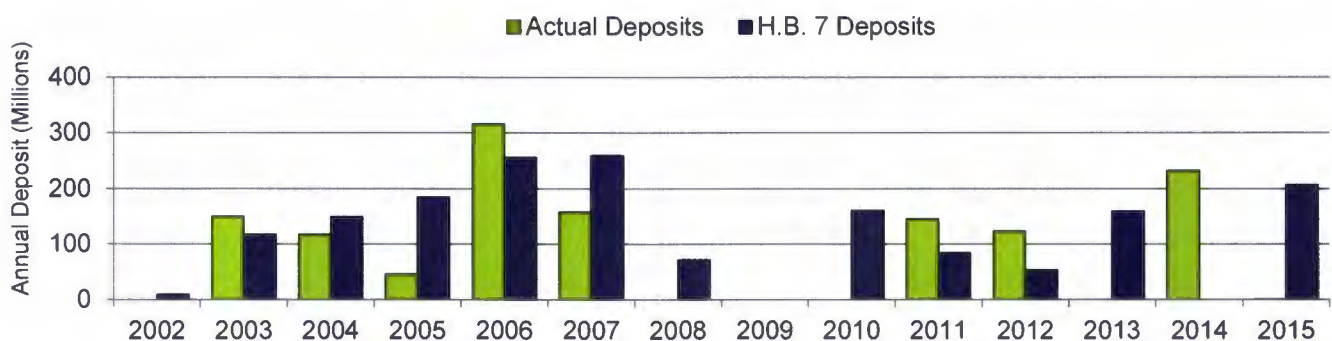


Figure 2. Modeling Savings Rule of H.B. 7 – Comparing Actual to H.B. 7 Annual Deposits



Total Actual
Deposits
(2002 to 2015)

**\$1.28
billion**

Total H.B. 7
Deposits
(2002 to 2015)

**\$1.71
billion**



NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. 1

H. B. No. 7

DATE 2/9/17

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) Special
Sen.) _____

1 moves to amend the bill on page 1, line ~~2~~

2 () WHICH CHANGES THE TITLE

3 by rewriting lines 28-29 to read:

4 "and House of Representatives present and voting to use for
5 any of the purposes set forth in subdivisions (1) through (4) of
6 and

7 rewriting
8 deleting lines 33-34.

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED 

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

Representative Nelson Dollar, Senior Chair

Representative Dean Arp, Co-Chair

Representative John Faircloth, Co-Chair

Representative Linda P. Johnson, Co-Chair

Representative Donny Lambeth, Co-Chair

Representative Chuck McGrady, Co-Chair

FAVORABLE

HB 7

LRC/Strengthen Savings Reserve.

Draft Number: None

Serial Referral: None

Recommended Referral: None

Long Title Amended: No

Floor Manager: Dollar

TOTAL REPORTED: 1



* C M R S - V - 1 *



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

1

HOUSE BILL 13

Short Title: Class Size Requirement Changes. (Public)

Sponsors: Representatives McGrady, Elmore, and Malone (Primary Sponsors).

Referred to: Education - K-12, if favorable, Appropriations

January 26, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE MAXIMUM AVERAGE CLASS SIZE REQUIREMENTS AND
3 INDIVIDUAL CLASS SIZE REQUIREMENTS FOR KINDERGARTEN THROUGH
4 THIRD GRADE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 115C-301(c) reads as rewritten:

7 "(c) Maximum Class Size for Kindergarten Through Third Grade. – The average class size
8 for kindergarten through third grade in a local school administrative unit shall at no time exceed
9 the funded allotment ratio of teachers to students in kindergarten through third ~~grade, grade by~~
10 more than three students. At the end of the second school month and for the remainder of the
11 school year, the size of an individual class in kindergarten through third grade shall not exceed the
12 allotment ratio by more than ~~three~~six students. The funded class size allotment ratio for
13 kindergarten through third grade shall be as follows:

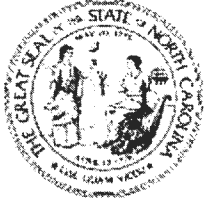
- 14 (1) For kindergarten, one teacher per 18 students.
15 (2) For first grade, one teacher per 16 students.
16 (3) For second grade, one teacher per 17 students.
17 (4) For third grade, one teacher per 17 students.

18 In grades four through 12, local school administrative units shall have the maximum flexibility
19 to use allotted teacher positions to maximize student achievement."

20 **SECTION 2.** This act is effective when it becomes law and applies beginning with the
21 2017-2018 school year.







HOUSE BILL 13: Class Size Requirement Changes.

2017-2018 General Assembly

Committee:	House Education - K-12. If favorable, re-refer to Appropriations	Date:	February 7, 2017
Introduced by:	Reps. McGrady, Elmore, Malone, Corbin	Prepared by:	Kara McCraw
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *House Bill 13 would change the allowable average and individual class sizes permitted under the statute establishing maximum class sizes for kindergarten through third grade.*

CURRENT LAW: G.S. 115C-301(c) establishes maximum class sizes for kindergarten through third grade by requiring that the average class size for kindergarten through third grade cannot exceed the funded allotment ratio of teachers to students in those grades. At the end of the second school month and for the remainder of the school year, the size of an individual class in kindergarten through third grade cannot exceed the allotment ratio by more than three students. The funded class size allotment ratios for kindergarten through third grade, beginning with the 2017-2018 school year, are as follows:

- (1) For kindergarten, one teacher per 18 students.
- (2) For first grade, one teacher per 16 students.
- (3) For second grade, one teacher per 17 students.
- (4) For third grade, one teacher per 17 students.

BILL ANALYSIS: HB 13 would provide that the average class size for kindergarten through third grade could not exceed the funded allotment ratio of teachers to students in those grades by more than three students, and that the size of an individual class could not exceed the allotment ratio by more than six students.

EFFECTIVE DATE: This act is effective when it becomes law and applies beginning with the 2017-2018 school year.

BACKGROUND: See reverse for Classroom Teacher Ratio Chart prepared by Fiscal Research Division.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

House Bill 13

Page 2

Classroom Teacher Ratios

	Kindergarten			1st Grade			2nd Grade			3rd Grade		
	Funded Teacher Allotment	LEA Avg. Class Size	Individual Class Size Max	Funded Teacher Allotment	LEA Avg. Class Size	Individual Class Size Max	Funded Teacher Allotment	LEA Avg. Class Size	Individual Class Size Max	Funded Teacher Allotment	LEA Avg. Class Size	Individual Class Size Max
Current 2016-17	18	21	24	16	21	24	17	21	24	17	21	24
Effective FY 2017-18, if GA takes no action	18	18	21	16	16	19	17	17	20	17	17	20
HB 13	18	21	24	16	19	22	17	20	23	17	20	23



REPRESENTATIVE JEFFREY ELMORE
N.C. HOUSE OF REPRESENTATIVES
94TH DISTRICT

306A3 LEGISLATIVE OFFICE BUILDING
300 N. SALISBURY STREET
RALEIGH, NC 27603-5925
(919) 733-5935
JEFFREY.ELMORE@NCLEG.NET

DISTRICT ADDRESS
POST OFFICE BOX 5
NORTH WILKESBORO, NC 286
PHONE: (336) 667-03

Class Sizes in K-3 HB 13 Proposal

2016-17 Class Sizes

	Funded Allotment Ratio	Max Avg Class Size for LEA	Max Individual Class Size
Kindergarten	1:18	1:21	1:24
Grade 1	1:16	1:21	1:24
Grades 2-3	1:17	1:21	1:24

2017-18 Class Sizes

	Funded Allotment Ratio		Max Avg Class Size for LEA		Max Individual Class Size
Kindergarten	1:18	↔ +3 ↔	1:21	↔ +3 ↔	1:24
Grade 1	1:16	↔ +3 ↔	1:19	↔ +3 ↔	1:22
Grades 2-3	1:17	↔ +3 ↔	1:20	↔ +3 ↔	1:23

Class Sizes in K-3

Current Status

2016-17 Class Sizes

	Funded Allotment Ratio	Max Avg Class Size for LEA	Max Individual Class Size
Kindergarten	1:18	1:21	1:24
Grade 1	1:16	1:21	1:24
Grades 2-3	1:17	1:21	1:24

2017-18 Class Sizes

	Funded Allotment Ratio		Max Avg Class Size for LEA		Max Individual Class Size
Kindergarten	1:18		1:18		1:21
Grade 1	1:16		1:16		1:19
Grades 2-3	1:17		1:17		1:20

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

Representative Nelson Dollar, Senior Chair

Representative Dean Arp, Co-Chair

Representative John Faircloth, Co-Chair

Representative Linda P. Johnson, Co-Chair

Representative Donny Lambeth, Co-Chair

Representative Chuck McGrady, Co-Chair

FAVORABLE

HB 13

Class Size Requirement Changes.

Draft Number: None

Serial Referral: None

Recommended Referral: None

Long Title Amended: No

Floor Manager: McGrady

TOTAL REPORTED: 1



★ C M R 7 - V - 1 ★



Committee Sergeants at Arms

NAME OF COMMITTEE House Appropriations

DATE: 02/09/17

Room: 643

House Sgt-At Arms:

- | | |
|------------------------------|--------------------------|
| 1. Name: <u>Young Bae</u> | <u>Russell Salisbury</u> |
| 2. Name: <u>Barry Moore</u> | <u>Dean Marshbourne</u> |
| 3. Name: <u>Terry McCraw</u> | <u>Warren Hawkins</u> |
| 4. Name: <u>Reggie Sills</u> | <u>Rey Cooke</u> |
| 5. Name: <u>Jim Moran</u> | <u>Bill Bass</u> |

- | | |
|--------------------------------|---------------------------|
| 6. Name: <u>Marvin Lee</u> | <u>Malachi McCullough</u> |
| 7. Name: <u>David Leighton</u> | <u>David Linthicum</u> |
| 8. Name: <u>Jonas Cherry</u> | <u>Rex Foster</u> |
| 9. Name: <u>Mark Cone</u> | |
| 10. Name: <u>Bill Riley</u> | |



**House Pages
Assignments
Thursday, February 09, 2017
Session: 10:00 AM**

Committee	Room	Time	Staff	Member
Appropriations	643	8:30 AM	John Frey	Rep. Larry Yarborough
			Anthony Goreman	Rep. Larry Yarborough
			Min Lee	Rep. Chris Malone
			Blake Williams	Rep. Donny Lambeth



VISITOR REGISTRATION SHEET

House Appropriations

02/09/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Adam Prideman	NCASA
Katherine Joyce	NCASA
GERRY COHEN	Nelson Mullins
John Harlow	MFS
Becki Gray	Zoche Foundation
Sam Hice	KGANC
Phoebe Landron	MWC
Kathy Kingberry	BP
Burt Jenkins	NC DPI
Leanne Wanner	NCSBA
Andy Perkins	Perkins Law



VISITOR REGISTRATION SHEET

House Appropriations

02/09/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Emily Walter	NCHA
Jessica Engle	Office of Governor Cooper
Susanna Dai	OSTR
Bryan D. Heller	Holladay Group Inc
Kari Barsness	Gateway Health
Sarah Hardin	NCEL
John Hays	GMU : Assoc
Lissa Clayton	Gov Office



VISITOR REGISTRATION SHEET

House Appropriations

02/09/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Drew Moretz	UNC GA
Mark Lanier	UNCW
Bruce Mildner	NCSBA
Richard Bostic	NC SBA
Robb Jansen	NC SBE
Christie Lyn Ebert	NCDPI
David A Collins	SEANC
Ardis Watkins	SEANC
Flint Benson	SEANC
Rick Horner	NC Senate
Marge Freeman	NCAE



VISITOR REGISTRATION SHEET

House Appropriations

Name of Committee

02/09/17

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Dr. [Signature]

Line 50

Starnes

OST

Ayden Bauguess

18P

Fred Bone

Don: 1530.

Alexis Schauss

NC DPT

Belser, Helen

American Road Assoc



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Thursday, May 11, 2017
TIME: 8:45 AM
LOCATION: 643 LOB
COMMENTS: Bills to be announced at a later time.

Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 9:24 AM on Wednesday, May 10, 2017.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)



House Committee on Appropriations
Thursday, May 11, 2017 8:45 AM
643

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills:

BILL NO.	SHORT TITLE	SPONSOR
HB 280	Juvenile Justice Reinvestment Act	McGrady, Lewis, Duane Hall, S.Martin

Presentations

Other Business

Adjournment



Appropriations Committee

[illegible]



[illegible]



Rep. Mickey Michaux	X
Rep. Chris Millis	
Rep. Pat McElraft	
Rep. Allen McNeill	X
Rep. Greg Murphy, MD	X
Rep. Garland Pierce	X
Rep. Larry Pittman	X
Rep. Larry Potts	X
Rep. Michele Presnell	X
Rep. Amos Quick	X
Rep. B. Richardson	X
Rep. W. Richardson	X
Rep. Dennis Riddell	X
Rep. David Rogers	X
Rep. Stephen Ross	X
Rep. Jason Saine	
Rep. John Sauls	X
Rep. Mitchell Setzer	X
Rep. Phillip Shepard	X
Rep. Michael Speciale	X
Rep. Sarah Stevens	X
Rep. Larry Strickland	X
Rep. Evelyn Terry	
Rep. John Torbett	X
Rep. Brian Turner	X
Rep. Rena Turner	X
Rep. Sam Watford	X
Rep. Donna McDowell White	X
Rep. Shelly Willingham	X
Rep. Michael Wray	X
Rep. Larry Yarborough	X
Rep. Lee Zachary	



[illegible]



MINUTES
HOUSE COMMITTEE ON APPROPRIATIONS

May 11, 2017

8:45 a.m.

Legislative Office Building, Room 643

ATTENDEES:

Chairs: Arp, Burr, Dollar, Faircloth, L. Johnson, Lambeth, and McGrady

Members: Adcock, Ager, Autry, Ball, Belk, J. Bell, L. Bell, Black, Blackwell, Boles, Boswell, Brawley, Brisson, Brockman, Bumgardner, Clampitt, Cleveland, Conrad, Corbin, Cunningham, Davis, Dixon, Dobson, Dulin, Earle, Farmer-Butterfield, Fisher, Floyd, Ford, Fraley, Garrison, Gill, C. Graham, G. Graham, Grange, D. Hall, K. Hall, Hardister, Harrison, Horn, Hunter, Hurley, Iler, Jackson, John, Lucas, Malone, Martin, Michaux, McNeill, Murphy, Pierce, Pittman, Potts, Presnell, Quick, B. Richardson, W. Richardson, Riddell, Rogers, Ross, Sauls, Setzer, Shepherd, Speciale, Stevens, Strickland, Torbett, B. Turner, R. Turner, Watford, White, Willingham, Wray, Yarborough

Non-Member: Morey

I. Call to Order

Senior Chair, Nelson Dollar presided and called the meeting to order at 8:54 a.m.

II. Introductions

Representative Dollar introduced Sergeant-at-Arms staff assisting with the meeting. Also introduced were students serving as Pages.

III. HB280 Juvenile Justice Reinvestment Act

Chairman Chuck McGrady introduced HB280 Juvenile Justice Reinvestment Act that would place sixteen- and seventeen-year-olds with the exception of those involving certain felonies in the juvenile system. .

Mark White, Fiscal Analysis, reviewed the Legislative Fiscal Note outlining the fiscal impact the passage of HB280 would have over the next five years.

Chief Legal Counsel for the Administrative Office of the Courts, Tom Murry and Billy Lassiter, Deputy Commissioner of Juvenile Justice at NC Department of Public Safety spoke to the positive effects lowering the age of juvenile jurisdiction to 17 years of age may have not only on the punishment associated with the crime but also a more positive rehabilitation for the individual. In cases where needed, access to mental health services could be made available.



The following committee members spoke to the bill: Stevens, Garrison, C. Graham, Quick, Brawley, Fisher Cunningham and John.

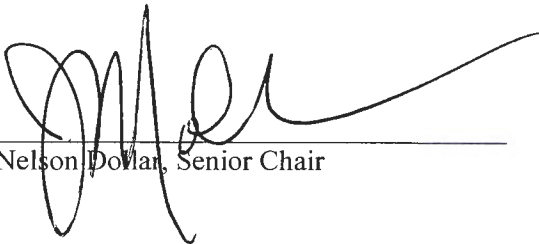
Ashley Wells, representing the Conference of North Carolina District Attorneys, informed the committee that districts could not handle the additional workload without funding.

Follow-up comments were received from Representatives Morey, Pittman, Hurley, Rogers, Faircloth, Riddell, Conrad, Michaux, Brawley, Floyd, Farmer-Butterfield, and Torbett.

Representative Lambeth moved for a favorable report of HB280: Juvenile Justice Reinvestment Act. Vote on the motion was unanimous.

IV. Adjournment

The House Committee on Appropriations adjourned at 10:12 a.m.



Nelson Dollar, Senior Chair

Panthea Briles, Committee Clerk

Attachments: Agenda
Attendance
Handouts



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

2

HOUSE BILL 280
Committee Substitute Favorable 5/10/17

Short Title: Juvenile Justice Reinvestment Act.

(Public)

Sponsors:

Referred to:

March 9, 2017

A BILL TO BE ENTITLED

AN ACT TO RAISE THE AGE OF JUVENILE JURISDICTION TO INCLUDE SIXTEEN- AND SEVENTEEN-YEAR-OLDS, EXCEPT IN THE CASE OF CERTAIN FELONIES; TO PROVIDE A VICTIM THE OPPORTUNITY TO REQUEST REVIEW OF DECISION NOT TO FILE A PETITION; TO INCREASE THE INFORMATION AVAILABLE ON JUVENILES TO LAW ENFORCEMENT AND FOR COURT PROCEEDINGS; TO AUTHORIZE SCHOOL-JUSTICE PARTNERSHIPS STATEWIDE TO REDUCE SCHOOL-BASED REFERRALS TO THE JUVENILE COURT SYSTEM; TO REQUIRE REGULAR JUVENILE JUSTICE TRAINING FOR LAW ENFORCEMENT OFFICERS; AND TO ESTABLISH THE JUVENILE JURISDICTION ADVISORY COMMITTEE.

The General Assembly of North Carolina enacts:

PART I. INCREASE THE AGE OF JUVENILE JURISDICTION, EXCEPT FOR CERTAIN FELONIES

SECTION 1.1. G.S. 7B-1501 reads as rewritten:

"§ 7B-1501. Definitions.

In this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings. The singular includes the plural, unless otherwise specified.

...

(7) Delinquent juvenile. –

a. Any juvenile who, while less than 16 years of age but at least 6 years of age, commits a crime or infraction under State law or under an ordinance of local government, including violation of the motor vehicle laws, or who commits indirect contempt by a juvenile as defined in G.S. 5A-31.

b. Any juvenile who, while less than 18 years of age but at least 16 years of age, commits a crime or infraction under State law or under an ordinance of local government, excluding violation of the motor vehicle laws, or who commits indirect contempt by a juvenile as defined in G.S. 5A-31.

...

(27a) Victim. – Any individual or entity against whom a crime or infraction is alleged to have been committed by a juvenile based on reasonable grounds that the alleged facts are true. For purposes of Article 17 of this Chapter, the



* H 2 8 0 - V - 2 *

term may also include a parent, guardian, or custodian of a victim under the age of 18 years of age.

...."

SECTION 1.2. G.S. 7B-1601 reads as rewritten:

"§ 7B-1601. Jurisdiction over delinquent juveniles.

(a) The court has exclusive, original jurisdiction over any case involving a juvenile who is alleged to be delinquent. For purposes of determining jurisdiction, the age of the juvenile at the time of the alleged offense governs.

(b) When the court obtains jurisdiction over a juvenile alleged to be delinquent, delinquent for an offense committed prior to the juvenile reaching the age of 16 years, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 18 years, except as provided otherwise in this Article.

(b1) When the court obtains jurisdiction over a juvenile alleged to be delinquent for an offense committed while the juvenile was at least 16 years of age but less than 17 years of age, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 19 years. If the offense was committed while the juvenile was at least 17 years of age, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 20 years.

(c) When delinquency proceedings for a juvenile alleged to be delinquent for an offense committed prior to the juvenile reaching the age of 16 years cannot be concluded before the juvenile reaches the age of 18 years, the court retains jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(c1) When delinquency proceedings for a juvenile alleged to be delinquent for an offense committed while the juvenile was at least 16 years of age but less than 17 years of age cannot be concluded before the juvenile reaches the age of 19 years, the court retains jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition. When delinquency proceedings for a juvenile alleged to be delinquent for an offense committed while the juvenile was at least 17 years of age cannot be concluded before the juvenile reaches the age of 20 years, the court retains jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(d) When the court has not obtained jurisdiction over a juvenile before the juvenile reaches the age of 18, for a felony and any related misdemeanors the juvenile allegedly committed on or after the juvenile's thirteenth birthday and prior to the juvenile's sixteenth birthday, the court has jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(d1) When the court has not obtained jurisdiction over a juvenile before the juvenile reaches the age of 19, for a felony and related misdemeanors the juvenile allegedly committed while the juvenile was at least 16 years of age but less than 17 years of age, the court has jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition. When the court has not obtained jurisdiction over a juvenile before the juvenile reaches the age of 20, for a felony and related misdemeanors the juvenile allegedly committed while the juvenile was at least 17 years of age but less than 18 years of age, the court has jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(e) The court has jurisdiction over delinquent juveniles in the custody of the Division and over proceedings to determine whether a juvenile who is under the post-release supervision of the juvenile court counselor has violated the terms of the juvenile's post-release supervision.

(f) The court has jurisdiction over persons 18 years of age or older who are under the extended jurisdiction of the juvenile court.

(g) The court has jurisdiction over the parent, guardian, or custodian of a juvenile who is under the jurisdiction of the court pursuant to this section if the parent, guardian, or custodian has been served with a summons pursuant to G.S. 7B-1805."

SECTION 1.3. G.S. 7B-1604(a) reads as rewritten:

"(a) Any juvenile, including a juvenile who is under the jurisdiction of the court, who commits a criminal offense on or after the juvenile's sixteenth birthday date the juvenile has reached the age of 18 years is subject to prosecution as an adult. A juvenile who is emancipated shall be prosecuted as an adult for the commission of a criminal offense."

SECTION 1.4. G.S. 7B-2200 reads as rewritten:

"§ 7B-2200. Transfer of jurisdiction of a juvenile under the age of 16 to superior court.

~~After~~ Except as otherwise provided in G.S. 7B-2200.5, after notice, hearing, and a finding of probable cause the court may, upon motion of the prosecutor or the juvenile's attorney or upon its own motion, transfer jurisdiction over a juvenile to superior court if the juvenile was at least 13 years of age or older but less than 16 years of age at the time the juvenile allegedly committed an offense that would be a felony if committed by an adult. If the alleged felony constitutes a Class A felony and the court finds probable cause, the court shall transfer the case to the superior court for trial as in the case of adults."

SECTION 1.5. Article 22 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"§ 7B-2200.5. Transfer of jurisdiction of a juvenile at least 16 years of age to superior court.

(a) If a juvenile was 16 years of age or older at the time the juvenile allegedly committed an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult, the court shall transfer jurisdiction over the juvenile to superior court for trial as in the case of adults after either of the following:

(1) Notice to the juvenile and a finding by the court that a bill of indictment has been returned against the juvenile charging the commission of an offense that constitutes a Class A, B1, B2, C, D, or E felony if committed by an adult.

(2) Notice, hearing, and a finding of probable cause that the juvenile committed an offense that constitutes a Class A, B1, B2, C, D, or E felony if committed by an adult.

(b) If the juvenile was 16 years of age or older at the time the juvenile allegedly committed an offense that would be a Class F, G, H, or I felony if committed by an adult, after notice, hearing, and a finding of probable cause, the court may, upon motion of the prosecutor or the juvenile's attorney or upon its own motion, transfer jurisdiction over a juvenile to superior court."

SECTION 1.6. G.S. 7B-2202 reads as rewritten:

"§ 7B-2202. Probable cause hearing.

(a) ~~The~~ Except as otherwise provided in G.S. 7B-2200.5(a)(1), the court shall conduct a hearing to determine probable cause in all felony cases in which a juvenile was 13 years of age or older when the offense was allegedly committed. The hearing shall be conducted within 15 days of the date of the juvenile's first appearance. The court may continue the hearing for good cause.

...

(e) If probable cause is found and transfer to superior court is not required by ~~G.S. 7B-2200~~, G.S. 7B-2200 or G.S. 7B-2200.5, upon motion of the prosecutor or the juvenile's attorney or upon its own motion, the court shall either proceed to a transfer hearing or set a date for that hearing. If the juvenile has not received notice of the intention to seek transfer at least five days prior to the probable cause hearing, the court, at the request of the juvenile, shall continue the transfer hearing.

...."

SECTION 1.7. G.S. 7B-2506 reads as rewritten:

"§ 7B-2506. Dispositional alternatives for delinquent juveniles.

The court exercising jurisdiction over a juvenile who has been adjudicated delinquent may use the following alternatives in accordance with the dispositional structure set forth in G.S. 7B-2508:

(1) In the case of any juvenile under the age of 18 years who needs more adequate care or supervision or who needs placement, the judge may:

- a. Require that a juvenile be supervised in the juvenile's own home by the department of social services in the juvenile's county, a juvenile court counselor, or other personnel as may be available to the court, subject to conditions applicable to the parent, guardian, or custodian or the juvenile as the judge may specify; or
- b. Place the juvenile in the custody of a parent, guardian, custodian, relative, private agency offering placement services, or some other suitable person; or
- c. If the director of the county department of social services has received notice and an opportunity to be heard, place the juvenile in the custody of the department of social services in the county of his residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of a department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. An order placing a juvenile in the custody or placement responsibility of a county department of social services shall contain a finding that the juvenile's continuation in the juvenile's own home would be contrary to the juvenile's best interest. This placement shall be reviewed in accordance with G.S. 7B-906.1. The director may, unless otherwise ordered by the judge, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on behalf of the juvenile or juveniles, the director may, unless otherwise ordered by the judge, arrange for, provide, or consent to any psychiatric, psychological, educational, or other remedial evaluations or treatment for the juvenile placed by a judge or his designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director shall make reasonable efforts to obtain consent from a parent, guardian, or custodian of the affected juvenile. If the director cannot obtain consent, the director shall promptly notify the parent, guardian, or custodian that care or treatment has been provided and shall give the parent, guardian, or custodian frequent status reports on the circumstances of the juvenile. Upon request of a parent, guardian, or custodian of the affected juvenile, the results or records of the

aforementioned evaluations, findings, or treatment shall be made available to the parent, guardian, or custodian by the director unless prohibited by G.S. 122C-53(d).

(2) Excuse ~~the~~ juvenile under the age of 16 years from compliance with the compulsory school attendance law when the court finds that suitable alternative plans can be arranged by the family through other community resources for one of the following:

- a. An education related to the needs or abilities of the juvenile including vocational education or special education;
- b. A suitable plan of supervision or placement; or
- c. Some other plan that the court finds to be in the best interests of the juvenile.

...."

SECTION 1.8. G.S. 7B-2507 reads as rewritten:

"§ 7B-2507. Delinquency history levels.

(a) Generally. – The delinquency history level for a delinquent juvenile is determined by calculating the sum of the points assigned to each of the juvenile's prior adjudications or convictions and to the juvenile's probation status, if any, that the court finds to have been proved in accordance with this section. For the purposes of this section, a prior adjudication is an adjudication of an offense that occurs before the adjudication of the offense before the court.

(b) Points. – Points are assigned as follows:

- (1) For each prior adjudication of a Class A through E felony offense, 4 points.
- (2) For each prior adjudication of a Class F through I felony offense or Class A1 misdemeanor offense, 2 points.
- (2a) For each prior conviction of a Class A through E felony offense, 4 points.
- (2b) For each prior conviction of a Class F through I felony or Class A1 misdemeanor offense, excluding conviction of the motor vehicle laws, 2 points.
- (2c) For each prior misdemeanor conviction of impaired driving (G.S. 20-138.1), impaired driving in a commercial vehicle (G.S. 20-138.2), and misdemeanor death by vehicle (G.S. 20-141.4(a2)), 2 points.
- (3) For each prior adjudication of a Class 1, 2, or 3 misdemeanor offense, 1 point.
- (3a) For each prior conviction of a Class 1, 2, or 3 misdemeanor offense, excluding conviction for violation of the motor vehicle laws, 1 point.
- (4) If the juvenile was on probation at the time of offense, 2 points.

No points shall be assigned for a prior adjudication that a juvenile is in direct contempt of court or indirect contempt of court.

(c) Delinquency History Levels. – The delinquency history levels are:

- (1) Low – No more than 1 point.
- (2) Medium – At least 2, but not more than 3 points.
- (3) High – At least 4 points.

In determining the delinquency history level, the classification of a prior offense is the classification assigned to that offense at the time the juvenile committed the offense for which disposition is being ordered.

(d) Multiple Prior Adjudications or Convictions Obtained in One Court Session. – For purposes of determining the delinquency history level, if a juvenile is adjudicated delinquent or convicted for more than one offense in a single session of district ~~court~~ court or more than one offense in a single superior court during one calendar week, only the adjudication or conviction for the offense with the highest point total is used.

(e) Classification of Prior Adjudications or Convictions From Other Jurisdictions. – Except as otherwise provided in this subsection, an adjudication or conviction occurring in a jurisdiction other than North Carolina is classified as a Class I felony if the jurisdiction in which the offense occurred classifies the offense as a felony, or is classified as a Class 3 misdemeanor if the jurisdiction in which the offense occurred classifies the offense as a misdemeanor. If the juvenile proves by the preponderance of the evidence that an offense classified as a felony in the other jurisdiction is substantially similar to an offense that is a misdemeanor in North Carolina, the adjudication or conviction is treated as that class of misdemeanor for assigning delinquency history level points. If the State proves by the preponderance of the evidence that an offense classified as either a misdemeanor or a felony in the other jurisdiction is substantially similar to an offense in North Carolina that is classified as a Class I felony or higher, the adjudication or conviction is treated as that class of felony for assigning delinquency history level points. If the State proves by the preponderance of the evidence that an offense classified as a misdemeanor in the other jurisdiction is substantially similar to an offense classified as a Class A1 misdemeanor in North Carolina, the adjudication or conviction is treated as a Class A1 misdemeanor for assigning delinquency history level points.

(f) Proof of Prior Adjudications. ~~Adjudications or Convictions.~~ – A prior adjudication or conviction shall be proved by any of the following methods:

- (1) Stipulation of the parties.
- (2) An original or copy of the court record of the prior ~~adjudication.~~ adjudication or conviction.
- (3) A copy of records maintained by the Department of Public Safety or by the Division.
- (4) Any other method found by the court to be reliable.

The State bears the burden of proving, by a preponderance of the evidence, that a prior adjudication or conviction exists and that the juvenile before the court is the same person as the juvenile named in the prior ~~adjudication.~~ adjudication or conviction. The original or a copy of the court records or a copy of the records maintained by the Department of Public Safety or of the Division, bearing the same name as that by which the juvenile is charged, is prima facie evidence that the juvenile named is the same person as the juvenile before the court, and that the facts set out in the record are true. For purposes of this subsection, "a copy" includes a paper writing containing a reproduction of a record maintained electronically on a computer or other data processing equipment, and a document produced by a facsimile machine. The prosecutor shall make all feasible efforts to obtain and present to the court the juvenile's full record. Evidence presented by either party at trial may be utilized to prove prior ~~adjudications.~~ adjudications or convictions. If asked by the juvenile, the prosecutor shall furnish the juvenile's prior adjudications or convictions to the juvenile within a reasonable time sufficient to allow the juvenile to determine if the record available to the prosecutor is accurate."

SECTION 1.9. G.S. 7B-2513(a) reads as rewritten:

"(a) Pursuant to G.S. 7B-2506 and G.S. 7B-2508, the court may commit a delinquent juvenile who is at least 10 years of age to the Division for placement in a youth development center. Commitment shall be for an indefinite term of at least six months.

(a1) ~~In no event shall~~ For an offense the juvenile committed prior to reaching the age of 16 years, the term shall not exceed:

- (1) The twenty-first birthday of the juvenile if the juvenile has been committed to the Division for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, first-degree forcible sexual offense

- 1 pursuant to G.S. 14-27.26, or first-degree statutory sexual offense pursuant
2 to G.S. 14-27.29 if committed by an adult;
- 3 (2) The nineteenth birthday of the juvenile if the juvenile has been committed to
4 the Division for an offense that would be a Class B1, B2, C, D, or E felony if
5 committed by an adult, other than an offense set forth in subdivision (1) of
6 this subsection; or
- 7 (3) The eighteenth birthday of the juvenile if the juvenile has been committed to
8 the Division for an offense other than an offense that would be a Class A,
9 B1, B2, C, D, or E felony if committed by an adult.

10 (a2) For an offense the juvenile committed while the juvenile was at least 16 years of age
11 but less than 17 years of age, the term shall not exceed the juvenile's nineteenth birthday.

12 (a3) For an offense the juvenile committed while the juvenile was at least 17 years of
13 age, the term shall not exceed the juvenile's twentieth birthday.

14 (a4) No juvenile shall be committed to a youth development center beyond the minimum
15 six-month commitment for a period of time in excess of the maximum term of imprisonment
16 for which an adult in prior record level VI for felonies or in prior conviction level III for
17 misdemeanors could be sentenced for the same offense, except when the Division pursuant to
18 G.S. 7B-2515 determines that the juvenile's commitment needs to be continued for an
19 additional period of time to continue care or treatment under the plan of care or treatment
20 developed under subsection (f) of this section. At the time of commitment to a youth
21 development center, the court shall determine the maximum period of time the juvenile may
22 remain committed before a determination must be made by the Division pursuant to
23 G.S. 7B-2515 and shall notify the juvenile of that determination."

24 **SECTION 1.10.** G.S. 7B-2515 reads as rewritten:

25 **"§ 7B-2515. Notification of extended commitment; plan of treatment.**

26 (a) In determining whether a juvenile who was committed to the Division for an offense
27 that was committed prior to the juvenile reaching the age of 16 years should be released before
28 the juvenile's 18th birthday, the Division shall consider the protection of the public and the
29 likelihood that continued placement will lead to further rehabilitation. If the Division does not
30 intend to release the juvenile prior to the juvenile's eighteenth birthday, or if the Division
31 determines that the juvenile's commitment should be continued beyond the maximum
32 commitment period as set forth in ~~G.S. 7B-2513(a)~~, G.S. 7B-2513(a4), the Division shall notify
33 the juvenile and the juvenile's parent, guardian, or custodian in writing at least 30 days in
34 advance of the juvenile's eighteenth birthday or the end of the maximum commitment period,
35 of the additional specific commitment period proposed by the Division, the basis for extending
36 the commitment period, and the plan for future care or treatment.

37 (a1) In determining whether a juvenile who was committed to the Division for an offense
38 that was committed while the juvenile was at least 16 years of age but less than 17 years of age
39 should be released before the juvenile's nineteenth birthday, the Division shall consider the
40 protection of the public and the likelihood that continued placement will lead to further
41 rehabilitation. If the Division does not intend to release the juvenile prior to the juvenile's
42 nineteenth birthday, or if the Division determines that the juvenile's commitment should be
43 continued beyond the maximum commitment period as set forth in G.S. 7B-2513(a4), the
44 Division shall notify the juvenile and the juvenile's parent, guardian, or custodian in writing, at
45 least 30 days in advance of the juvenile's nineteenth birthday or the end of the maximum
46 commitment period, of the additional specific commitment period proposed by the Division,
47 the basis for extending the commitment period, and the plan for future care or treatment.

48 (a2) In determining whether a juvenile who was committed to the Division for an offense
49 that was committed while the juvenile was at least 17 years of age but less than 18 years of age
50 should be released before the juvenile's twentieth birthday, the Division shall consider the
51 protection of the public and the likelihood that continued placement will lead to further

rehabilitation. If the Division does not intend to release the juvenile prior to the juvenile's twentieth birthday, or if the Division determines that the juvenile's commitment should be continued beyond the maximum commitment period as set forth in G.S. 7B-2513(a4), the Division shall notify the juvenile and the juvenile's parent, guardian, or custodian in writing, at least 30 days in advance of the juvenile's twentieth birthday or the end of the maximum commitment period, of the additional specific commitment period proposed by the Division, the basis for extending the commitment period, and the plan for future care or treatment.

(b) The Division shall modify the plan of care or treatment developed pursuant to G.S. 7B-2513(f) to specify (i) the specific goals and outcomes that require additional time for care or treatment of the juvenile; (ii) the specific course of treatment or care that will be implemented to achieve the established goals and outcomes; and (iii) the efforts that will be taken to assist the juvenile's family in creating an environment that will increase the likelihood that the efforts to treat and rehabilitate the juvenile will be successful upon release. If appropriate, the Division may place the juvenile in a setting other than a youth development center.

(c) The juvenile and the juvenile's parent, guardian, or custodian may request a review by the court of the Division's decision to extend the juvenile's commitment ~~beyond the juvenile's eighteenth birthday or maximum commitment period~~, pursuant to this section, in which case the court shall conduct a review hearing. The court may modify the Division's decision and the juvenile's maximum commitment period. If the juvenile or the juvenile's parent, guardian, or custodian does not request a review of the Division's decision, the Division's decision shall become the juvenile's new maximum commitment period."

SECTION 1.11. G.S. 7B-2603(b) reads as rewritten:

"(b) Once an order of transfer has been entered by the district court, the juvenile has the right to be considered for pretrial release as provided in G.S. 15A-533 and G.S. 15A-534. ~~The release order shall specify the person or persons to whom the juvenile may be released. Pending release, the court shall order that the juvenile be detained in a detention facility while awaiting trial. The court may order the juvenile to be held in a holdover facility as defined by G.S. 7B-1501 at any time the presence of the juvenile is required in court for pretrial hearings or trial, if the court finds that it would be inconvenient to return the juvenile to the detention facility. Any detention of the juvenile pending release shall be in accordance with G.S. 7B-2204.~~"

SECTION 1.12. G.S. 7B-3101(a)(2) reads as rewritten:

"(2) The court transfers jurisdiction over a juvenile to superior court under G.S. 7B-2200.5 or G.S. 7B-2200;"

SECTION 1.13. G.S. 5A-31(a) reads as rewritten:

"(a) Each of the following, when done by an unemancipated minor who (i) is at least six years of age, (ii) is not yet ~~16~~18 years of age, and (iii) has not been convicted of any crime in superior court, is contempt by a juvenile:

...."

SECTION 1.14. G.S. 5A-34(b) reads as rewritten:

"(b) The provisions of Article 1 and Article 2 of this Chapter apply to acts or omissions by a minor who:

- (1) ~~Is 16 years of age or older;~~
- (2) Is married or otherwise emancipated; or
- (3) Before the act or omission, was convicted in superior court of any criminal offense."

SECTION 1.15. G.S. 14-208.6B reads as rewritten:

"§ 14-208.6B. Registration requirements for juveniles transferred to and convicted in superior court.

1 A juvenile transferred to superior court pursuant to G.S. 7B-2200 or G.S. 7B-2200.5 who is
2 convicted of a sexually violent offense or an offense against a minor as defined in
3 G.S. 14-208.6 shall register in person in accordance with this Article just as an adult convicted
4 of the same offense must register."

5 **SECTION 1.16.** G.S. 14-316.1 reads as rewritten:

6 **"§ 14-316.1. Contributing to delinquency and neglect by parents and others.**

7 Any person who is at least ~~16~~18 years old who knowingly or willfully causes, encourages,
8 or aids any juvenile within the jurisdiction of the court to be in a place or condition, or to
9 commit an act whereby the juvenile could be adjudicated delinquent, undisciplined, abused, or
10 neglected as defined by G.S. 7B-101 and G.S. 7B-1501 shall be guilty of a Class 1
11 misdemeanor.

12 It is not necessary for the district court exercising juvenile jurisdiction to make an
13 adjudication that any juvenile is delinquent, undisciplined, abused, or neglected in order to
14 prosecute a parent or any person, including an employee of the Division of Juvenile Justice of
15 the Department of Public Safety under this section. An adjudication that a juvenile is
16 delinquent, undisciplined, abused, or neglected shall not preclude a subsequent prosecution of a
17 parent or any other person including an employee of the Division of Juvenile Justice of the
18 Department of Public Safety, who contributes to the delinquent, undisciplined, abused, or
19 neglected condition of any juvenile."

20 **SECTION 1.17.** G.S. 115C-404(a) reads as rewritten:

21 "(a) Written notifications received in accordance with G.S. 7B-3101 and information
22 gained from examination of juvenile records in accordance with G.S. 7B-3100 are confidential
23 records, are not public records as defined under G.S. 132-1, and shall not be made part of the
24 student's official record under G.S. 115C-402. Immediately upon receipt, the principal shall
25 maintain these documents in a safe, locked record storage that is separate from the student's
26 other school records. The principal shall shred, burn, or otherwise destroy documents received
27 in accordance with G.S. 7B-3100 to protect the confidentiality of the information when the
28 principal receives notification that the court dismissed the petition under G.S. 7B-2411, the
29 court transferred jurisdiction over the student to superior court under G.S. 7B-2200.5 or
30 G.S. 7B-2200, or the court granted the student's petition for expunction of the records. The
31 principal shall shred, burn, or otherwise destroy all information gained from examination of
32 juvenile records in accordance with G.S. 7B-3100 when the principal finds that the school no
33 longer needs the information to protect the safety of or to improve the educational opportunities
34 for the student or others. In no case shall the principal make a copy of these documents."

35 **SECTION 1.18.** G.S. 143B-805(6) reads as rewritten:

36 "(6) Delinquent juvenile. –

37 a. Any juvenile who, while less than 16 years of age but at least 6 years
38 of age, commits a crime or infraction under State law or under an
39 ordinance of local government, including violation of the motor
40 vehicle laws, or who commits indirect contempt by a juvenile as
41 defined in G.S. 5A-31.

42 b. Any juvenile who, while less than 18 years of age but at least 16
43 years of age, commits a misdemeanor or infraction under State law or
44 under an ordinance of local government, excluding violation of the
45 motor vehicle laws, or who commits indirect contempt by a juvenile
46 as defined in G.S. 5A-31."

47 **SECTION 1.19.** G.S. 143B-806(b) is amended by adding a new subdivision to
48 read:

49 "(20) Provide for the transportation to and from any State or local juvenile facility
50 of any person under the jurisdiction of the juvenile court for any purpose
51 required by Chapter 7B of the General Statutes or upon order of the court."

PART II. VICTIM REQUEST/REVIEW OF DECISION NOT TO FILE A PETITION**SECTION 2.1.** G.S. 7B-1703(c) reads as rewritten:

"(c) If the juvenile court counselor determines that a petition should not be filed, the juvenile court counselor shall notify the complainant and the victim, if the complainant is not the victim, immediately in writing with specific reasons for the decision, whether or not legal sufficiency was found, and whether the matter was closed or diverted and retained, and shall include notice of the complainant's and victim's right to have the decision reviewed by the prosecutor. The juvenile court counselor shall sign the complaint after indicating on it:

- (1) The date of the determination;
- (2) The words "Not Approved for Filing"; and
- (3) Whether the matter is "Closed" or "Diverted and Retained".

Except as provided in G.S. 7B-1706, any complaint not approved for filing as a juvenile petition shall be destroyed by the juvenile court counselor after holding the complaint for a temporary period to allow review as provided in G.S. 7B-1705."

SECTION 2.2. G.S. 7B-1704 reads as rewritten:**"§ 7B-1704. Request for review by prosecutor.**

The complainant ~~has~~ and the victim have five calendar days, from receipt of the juvenile court counselor's decision not to approve the filing of a petition, to request review by the prosecutor. The juvenile court counselor shall notify the prosecutor immediately of such request and shall transmit to the prosecutor a copy of the complaint. The prosecutor shall notify the ~~complainant~~ complainant, the victim, and the juvenile court counselor of the time and place for the review."

SECTION 2.3. G.S. 7B-1705 reads as rewritten:**"§ 7B-1705. Review of determination that petition should not be filed.**

No later than 20 days after the complainant ~~is~~ and the victim are notified, the prosecutor shall review the juvenile court counselor's determination that a juvenile petition should not be filed. Review shall include conferences with the ~~complainant~~ complainant, the victim, and the juvenile court counselor. At the conclusion of the review, the prosecutor shall: (i) affirm the decision of the juvenile court counselor or direct the filing of a petition and (ii) notify the complainant and the victim of the prosecutor's action."

SECTION 2.4. G.S. 143B-806(b) is amended by adding a new subdivision to read:

"(14a) Develop and administer a system to provide information to victims and complainants regarding the status of pending complaints and the right of a complainant and victim to request review under G.S. 7B-1704 of a decision to not file a petition."

PART III. INCREASE INFORMATION AVAILABLE ON JUVENILES TO LAW ENFORCEMENT AND FOR COURT PROCEEDINGS**SECTION 3.1.** G.S. 7B-3001 reads as rewritten:**"§ 7B-3001. Other records relating to juveniles.**

(a) The chief court counselor shall maintain a record of all cases of juveniles under supervision of juvenile court counselors, to be known as the juvenile court counselor's record. The juvenile court counselor's record shall include the juvenile's delinquency record; consultations with law enforcement that did not result in the filing of a complaint; family background information; reports of social, medical, psychiatric, or psychological information concerning a juvenile or the juvenile's family; probation reports; interviews with the juvenile's family; or other information the court finds should be protected from public inspection in the best interests of the juvenile.

(a) To assist at the time of investigation of an incident that could result in the filing of a complaint, upon request, a juvenile court counselor shall share with a law enforcement officer

sworn in this State information from the juvenile court counselor's record related to a juvenile's delinquency record or prior consultations with law enforcement. A law enforcement officer may not obtain copies of any part of the record, and all information shared pursuant to this subsection shall be withheld from public inspection as provided in subsection (b) of this section.

(b) Unless jurisdiction of the juvenile has been transferred to superior court, all law enforcement records and files concerning a juvenile shall be kept separate from the records and files of adults and shall be withheld from public inspection. The following persons may examine and obtain copies of law enforcement records and files concerning a juvenile without an order of the court:

- (1) The juvenile or the juvenile's attorney;
- (2) The juvenile's parent, guardian, custodian, or the authorized representative of the juvenile's parent, guardian, or custodian;
- (3) The prosecutor;
- (4) Juvenile court counselors; and
- (5) Law enforcement officers sworn in this State.

Otherwise, the records and files may be examined or copied only by order of the court.

(c) All records and files maintained by the Division pursuant to this Chapter shall be withheld from public inspection. The following persons may examine and obtain copies of the Division records and files concerning a juvenile without an order of the court:

- (1) The juvenile and the juvenile's attorney;
- (2) The juvenile's parent, guardian, custodian, or the authorized representative of the juvenile's parent, guardian, or custodian;
- (3) Professionals in the agency who are directly involved in the juvenile's case; and
- (4) Juvenile court counselors.

Otherwise, the records and files may be examined or copied only by order of the court. The court may inspect and order the release of records maintained by the Division.

(d) When the Section of Community Corrections of the Division of Adult Correction of the Department of Public Safety is authorized to access a juvenile record pursuant to G.S. 7B-3000(e1), the Division may, at the request of the Section of Community Corrections of the Division of Adult Correction, notify the Section of Community Corrections of the Division of Adult Correction that there is a juvenile record of an adjudication of delinquency for an offense that would be a felony if committed by an adult for a person subject to probation supervision under Article 82 of Chapter 15A of the General Statutes and may notify the Section of Community Corrections of the Division of Adult Correction of the county or counties where the adjudication of delinquency occurred."

SECTION 3.2.(a) By July 1, 2018, the Administrative Office of the Courts shall expand access to its automated electronic information management system for juvenile courts, J Wise, to include prosecutors and attorneys representing juveniles in juvenile court proceedings. Access shall be limited to examining electronic records related to juvenile delinquency information. Other information contained in J Wise, such as any records pertaining to abuse, neglect, and dependency or termination of parental rights, shall not be made available to a prosecutor or juvenile's attorney through J Wise.

SECTION 3.2.(b) Due to the increased mobility of North Carolina citizens across counties, the Administrative Office of the Courts shall develop statewide inquiry access for J Wise users that corresponds to access to juvenile court records as authorized under Chapter 7B of the General Statutes by July 1, 2018.

PART IV. SCHOOL-JUSTICE PARTNERSHIPS TO REDUCE SCHOOL-BASED REFERRALS TO JUVENILE COURTS

SECTION 4. G.S. 7A-343 reads as rewritten:

"§ 7A-343. Duties of Director.

The Director is the Administrative Officer of the Courts, and the Director's duties include all of the following:

...

(9g) Prescribe policies and procedures for chief district court judges to establish school-justice partnerships with local law enforcement agencies, local boards of education, and local school administrative units with the goal of reducing in-school arrests, out-of-school suspensions, and expulsions.

...."

PART V. JUVENILE JUSTICE TRAINING FOR LAW ENFORCEMENT OFFICERS

SECTION 5.(a) G.S. 17C-6(a) reads as rewritten:

"§ 17C-6. Powers of Commission.

(a) In addition to powers conferred upon the Commission elsewhere in this Chapter, the Commission shall have the following powers, which shall be enforceable through its rules and regulations, certification procedures, or the provisions of G.S. 17C-10:

...

(2) Establish minimum educational and training standards that must be met in order to qualify for entry level employment and retention as a criminal justice officer in temporary or probationary status or in a permanent position. The standards for entry level employment shall include all of the following:

a. Education~~education~~ and training in response to, and investigation of, domestic violence cases, as well as training in investigation for evidence-based prosecutions.

b. Education and training on juvenile justice issues, including (i) the handling and processing of juvenile matters for referrals, diversion, arrests, and detention; (ii) best practices for handling incidents involving juveniles; (iii) adolescent development and psychology; and (iv) promoting relationship building with youth as a key to delinquency prevention.

...

(14) Establish minimum standards for in-service training for criminal justice officers. In-service training standards shall include all of the following:

a. Training~~training~~ in response to, and investigation of, domestic violence cases, as well as training investigation for evidence-based prosecutions.

b. Training on juvenile justice issues, including (i) the handling and processing of juvenile matters for referrals, diversion, arrests, and detention; (ii) best practices for handling incidents involving juveniles; (iii) adolescent development and psychology; and (iv) promoting relationship building with youth as a key to delinquency prevention.

(15) Establish minimum standards and levels of training for certification of instructors for the domestic violence training and juvenile justice training required by subdivisions (2) and (14) of this subsection.

...."

SECTION 5.(b) G.S. 17E-4(a) reads as rewritten:

"§ 17E-4. Powers and duties of the Commission.

(a) The Commission shall have the following powers, duties, and responsibilities, which are enforceable through its rules and regulations, certification procedures, or the provisions of G.S. 17E-8 and G.S. 17E-9:

(2) Establish minimum educational and training standards that may be met in order to qualify for entry level employment as an officer in temporary or probationary status or in a permanent position. The standards for entry level employment of officers shall include all of the following:

a. ~~Training—training~~ in response to, and investigation of, domestic violence cases, as well as training in investigation for evidence-based prosecutions. For purposes of the domestic violence training requirement, the term "officers" shall include justice officers as defined in G.S. 17E-2(3)a., except that the term shall not include "special deputy sheriffs" as defined in ~~G.S. 17E-2(3)a.;~~ G.S. 17E-2(3)a.

b. Training on juvenile justice issues, including (i) the handling and processing of juvenile matters for referrals, diversion, arrests, and detention; (ii) best practices for handling incidents involving juveniles; (iii) adolescent development and psychology; and (iv) promoting relationship building with youth as a key to delinquency prevention.

(11) Establish minimum standards for in-service training for justice officers. In-service training standards shall include all of the following:

a. ~~Training—training~~ in response to, and investigation of, domestic violence cases, as well as training in investigation for evidence-based prosecutions. For purposes of the domestic violence training requirement, the term "justice officer" shall include those defined in G.S. 17E-2(3)a., except that the term shall not include "special deputy sheriffs" as defined in ~~G.S. 17E-2(3)a.;~~ G.S. 17E-2(3)a.

b. Training on juvenile justice issues, including (i) the handling and processing of juvenile matters for referrals, diversion, arrests, and detention; (ii) best practices for handling incidents involving juveniles; (iii) adolescent development and psychology; and (iv) promoting relationship building with youth as a key to delinquency prevention.

(12) Establish minimum standards and levels of training for certification of instructors for the domestic violence training and juvenile justice training required by subdivisions (2) and (11) of this subsection.

The Commission may certify, and no additional certification shall be required from it, programs, courses and teachers certified by the North Carolina Criminal Justice Education and Training Standards Commission. Where the Commission determines that a program, course, instructor or teacher is required for an area which is unique to the office of sheriff, the Commission may certify such program, course, instructor, or teacher under such standards and procedures as it may establish."

SECTION 5.(c) In developing and implementing the education and training required by subsections (a) and (b) of this section, the North Carolina Criminal Justice Education and Training Standards Commission and the North Carolina Sheriffs' Education and Training Standards Commission shall work with the Division of Adult Correction and Juvenile Justice of the Department of Public Safety.

PART VI. JUVENILE GANG SUPPRESSION

SECTION 6.1.(a) G.S. 7B-1702 reads as rewritten:

"§ 7B-1702. Evaluation.

Upon a finding of legal sufficiency, except in cases involving nondivertible offenses set out in G.S. 7B-1701, the juvenile court counselor shall determine whether a complaint should be filed as a petition, the juvenile diverted pursuant to G.S. 7B-1706, or the case resolved without further action. In making the decision, the counselor shall consider criteria provided by the Department and shall conduct a gang assessment. The intake process shall include the following steps if practicable:

- (1) Interviews with the complainant and the victim if someone other than the complainant;
- (2) Interviews with the juvenile and the juvenile's parent, guardian, or custodian;
- (3) Interviews with persons known to have relevant information about the juvenile or the juvenile's family.

Interviews required by this section shall be conducted in person unless it is necessary to conduct them by telephone."

SECTION 6.1.(b) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall develop a gang assessment instrument to be used in Section 6.1(a) of this act. The form shall be developed in consultation with the administrator of the GangNET database maintained by the North Carolina State Highway Patrol, and the Division may also consult with other entities that might provide information relevant to the development of an effective assessment tool.

SECTION 6.2.(a) G.S. 7B-2508 is amended by adding a new subsection to read:

"(g1) Notwithstanding subsection (f) of this section, if a juvenile is adjudicated for an offense that the court finds was committed as part of criminal gang activity as defined in G.S. 7B-2508.1, the juvenile shall receive a disposition one level higher than would otherwise be provided for the class of offense and delinquency history level."

SECTION 6.2.(b) Article 25 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"§ 7B-2508.1. Criminal gang activity.

Definitions. – The following definitions apply in this Article:

- (1) Criminal gang. – Any ongoing organization, association, or group of three or more persons, whether formal or informal, that (i) has as one of its primary activities the commission of criminal or delinquent acts and (ii) shares a common name, identification, signs, symbols, tattoos, graffiti, attire, or other distinguishing characteristics, including common activities, customs, or behaviors. The term shall not include three or more persons associated in fact, whether formal or informal, who are not engaged in criminal gang activity.
- (2) Criminal gang activity. – The commission of, attempted commission of, or solicitation, coercion, or intimidation of another person to commit (i) any offense under Article 5 of Chapter 90 of the General Statutes or (ii) any offense under Chapter 14 of the General Statutes except Article 9, 22A, 40, 46, or 59 thereof, and further excepting G.S. 14-82, 14-145, 14-183, 14-184, 14-186, 14-190.9, 14-247, 14-248, or 14-313 thereof, and either of the following conditions is met:
 - a. The offense is committed with the intent to benefit, promote, or further the interests of a criminal gang or for the purposes of increasing a person's own standing or position within a criminal gang.

- 1 b. The participants in the offense are identified as criminal gang
2 members acting individually or collectively to further any criminal
3 purpose of a criminal gang.
- 4 (3) Criminal gang member. – Any person who meets three or more of the
5 following criteria:
- 6 a. The person admits to being a member of a criminal gang.
7 b. The person is identified as a criminal gang member by a reliable
8 source, including a parent or a guardian.
9 c. The person has been previously involved in criminal gang activity.
10 d. The person has adopted symbols, hand signs, or graffiti associated
11 with a criminal gang.
12 e. The person has adopted the display of colors or the style of dress
13 associated with a criminal gang.
14 f. The person is in possession of or linked to a criminal gang by
15 physical evidence, including photographs, ledgers, rosters, written or
16 electronic communications, or membership documents.
17 g. The person has tattoos or markings associated with a criminal gang.
18 h. The person has adopted language or terminology associated with a
19 criminal gang.
20 i. The person appears in any form of social media to promote a
21 criminal gang."

22 **SECTION 6.3.** G.S. 7B-3001(a) reads as rewritten:

23 "(a) The chief court counselor shall maintain a record of all cases of juveniles under
24 supervision of juvenile court counselors, to be known as the juvenile court counselor's record.
25 The juvenile court counselor's record shall include family background information; reports of
26 social, medical, psychiatric, or psychological information concerning a juvenile or the
27 juvenile's family; probation reports; interviews with the juvenile's family; the results of the
28 gang assessment; or other information the court finds should be protected from public
29 inspection in the best interests of the juvenile."

30 **SECTION 6.4.** Subsection (b) of Section 6.1 is effective when it becomes law. The
31 remainder of this Part becomes effective December 1, 2019, and applies to offenses committed
32 on or after that date.
33

34 **PART VII. ESTABLISH JUVENILE JURISDICTION ADVISORY COMMITTEE**

35 **SECTION 7.(a)** Advisory Committee Established. – There is established within
36 the Division of Adult Correction and Juvenile Justice of the Department of Public Safety the
37 Juvenile Jurisdiction Advisory Committee. The Division of Adult Correction and Juvenile
38 Justice shall provide professional and clerical staff and other services and supplies, including
39 meeting space, as needed for the Advisory Committee to carry out its duties in an effective
40 manner.

41 **SECTION 7.(b)** Membership. – The Advisory Committee shall consist of 21
42 members. The following members or their designees shall serve as ex officio members:

- 43 (1) The Deputy Commissioner for Juvenile Justice of the Division of Adult
44 Correction and Juvenile Justice of the Department of Public Safety.
45 (2) The Director of the Administrative Office of the Courts.
46 (3) The Director of the Division of Mental Health, Developmental Disabilities,
47 and Substance Abuse Services of the Department of Health and Human
48 Services.
49 (4) The Superintendent of Public Instruction.
50 (5) The Juvenile Defender in the Office of Indigent Defense.

(6) The Executive Director of the North Carolina Sentencing and Policy Advisory Commission.

(7) One representative from the Juvenile Justice Planning Committee of the Governor's Crime Commission.

The remaining members shall be appointed as follows:

(8) Two chief court counselors appointed by the Governor, one to be from a rural county and one from an urban county.

(9) One chief district court judge and one superior court judge appointed by the Chief Justice of the North Carolina Supreme Court.

(10) One police chief appointed by the President Pro Tempore of the Senate.

(11) One sheriff appointed by the Speaker of the House of Representatives.

(12) One clerk of superior court appointed by the President Pro Tempore of the Senate.

(13) One district attorney appointed by the Speaker of the House of Representatives.

(14) One assistant district attorney who handles juvenile matters appointed by the Conference of District Attorneys.

(15) One assistant public defender who handles juvenile matters appointed by the North Carolina Association of Public Defenders.

(16) Two representatives from the juvenile advocacy community, one appointed by the President Pro Tempore of the Senate and one appointed by the Speaker of the House of Representatives.

(17) Two representatives from the victim advocacy community, one appointed by the President Pro Tempore of the Senate and one appointed by the Speaker of the House of Representatives.

Appointments to the Advisory Committee shall be made no later than October 1, 2017. A vacancy in the Advisory Committee or a vacancy as chair of the Advisory Committee resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made.

SECTION 7.(c) Chair; Meetings. – The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate one member to serve as cochair of the Advisory Committee.

The cochairs shall call the initial meeting of the Advisory Committee on or before November 1, 2017. The Advisory Committee shall subsequently meet upon such notice and in such manner as its members determine. A majority of the members of the Advisory Committee shall constitute a quorum.

SECTION 7.(d) Cooperation by Government Agencies. – The Advisory Committee may call upon any department, agency, institution, or officer of the State or any political subdivision thereof for facilities, data, or other assistance.

SECTION 7.(e) Duties of Advisory Committee. – The Advisory Committee shall develop a specific plan for the implementation of any changes in the juvenile justice system that would be required in order to extend jurisdiction in delinquency matters and proceedings to include 16- and 17-year-old persons within the juvenile justice system. The plan shall include cost estimates for each portion of the plan, including capital costs, operating costs, and staffing costs. As the expansion of the jurisdiction of the Division of Juvenile Justice to include persons 16 and 17 years of age who commit crimes or infractions becomes effective pursuant to this act, the Advisory Committee shall monitor and review the implementation of the expansion and shall make additional recommendations to the General Assembly as necessary.

SECTION 7.(f) Consultation. – The Advisory Committee shall consult with appropriate State departments, agencies, and board representatives on issues related to juvenile justice administration.

1 **SECTION 7.(g)** Report. – The Advisory Committee shall submit an interim report
2 containing the specific plan and the cost estimates for capital, operating, and staffing costs for
3 implementation of this act, and including legislative, administrative, and funding
4 recommendations necessary to implement the increase in juvenile jurisdiction to include
5 16- and 17-year-old persons by April 1, 2018, to the General Assembly with copies to the Joint
6 Legislative Oversight Committee on Justice and Public Safety and to the Appropriations
7 Committees on Justice and Public Safety of both houses. The Advisory Committee shall submit
8 additional interim reports with updates on the planning steps completed towards
9 implementation, including any legislative, administrative, and funding recommendations,
10 annually by January 15 of each year. The Advisory Committee shall submit a final report on
11 the implementation of this act and its findings and recommendations, including legislative,
12 administrative, and funding recommendations, by January 15, 2023, to the General Assembly
13 and the Governor. The Advisory Committee shall terminate on February 1, 2023, or upon the
14 filing of its final report, whichever occurs earlier.

15 **SECTION 7.(h)** Funding. – The Advisory Committee may apply for, receive, and
16 accept grants of non-State funds or other contributions as appropriate to assist in the
17 performance of its duties.
18

19 **PART VIII. EFFECTIVE DATE**

20 **SECTION 8.** Part I of this act becomes effective December 1, 2019, and applies to
21 offenses committed on or after that date. Part II and Section 3.1 of this act become effective
22 July 1, 2017, and Part II applies to all complaints filed on or after that date. Except as otherwise
23 provided in this act, the remainder of this act is effective when it becomes law. Prosecutions or
24 delinquency proceedings initiated for offenses committed before any particular section of this
25 act becomes effective are not abated or affected by this act, and the statutes that are in effect on
26 the dates the offenses are committed remain applicable to those prosecutions.





HOUSE BILL 280: Juvenile Justice Reinvestment Act.

2017-2018 General Assembly

Committee:	House Appropriations	Date:	May 10, 2017
Introduced by:	Reps. McGrady, Lewis, Duane Hall, S. Martin	Prepared by:	Tawanda N. Foster Staff Attorney
Analysis of:	Second Edition		

OVERVIEW: *House Bill 280 would:*

- 1) *raise the age of juvenile jurisdiction to include 16 and 17 year olds, except in the case of A-E felonies;*
- 2) *provide a victim an opportunity to request review of a decision not to file a juvenile petition;*
- 3) *increase the information available on juveniles to law enforcement and for court proceedings;*
- 4) *authorize school-justice partnerships statewide to reduce school based referrals to the juvenile court system;*
- 5) *require regular juvenile justice training for law enforcement officers; and*
- 6) *provide for gang assessments and enhanced sentencing for offenses committed as part of criminal gang activity;*
- 7) *establish the Juvenile Jurisdiction Advisory Committee.*

BILL ANALYSIS:

PART I. INCREASE THE AGE OF JUVENILE JURISDICTION, EXCEPT FOR CERTAIN FELONIES

Section 1.1 modifies the definition of delinquent juvenile in G.S. 7B-1501 to add juveniles ages 16-18 years old who commit a crime, infraction, indirect contempt, or violate State law, or local ordinances.

- Violations of motor vehicle law are excluded from juvenile jurisdiction for juveniles ages 16-18.
- Adds a definition for victim as it relates to crimes or violations committed by a juvenile.

Section 1.2 amends G.S. 7B-1601 to include original jurisdiction over juveniles under age 18 at the time of the alleged offense and provides jurisdictional limitations for 16 and 17 year olds. The specific limits are as follows:

- If the juvenile is less than 16 years old, the jurisdiction will continue until terminated by the court or the juvenile reaches age 18.
- If the juvenile is more than 16, but less than 17 years old, the jurisdiction will continue until terminated by the court or until the juvenile reaches age 19.

Karen Cochrane-Brown
Director



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Division
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- If the juvenile is at least 17 years old, the jurisdiction will continue until terminated by the court or until the juvenile reaches age 20.
- When delinquency proceedings for a juvenile who was at least 16 years old when the alleged delinquent act occurred cannot be concluded prior to the juvenile reaching 18 years of age the court retains jurisdiction for the sole purposes of probable cause and transfer hearings, transferring the case to superior court for trial as an adult, or dismissing the petition.
- When delinquency proceedings for a juvenile who was 16-17 years old when the alleged delinquent act occurred cannot be concluded prior to the juvenile reaching 19 years of age the court retains jurisdiction for the sole purposes of probable cause and transfer hearings, transferring the case to superior court for trial as an adult, or dismissing the petition.
- When delinquency proceedings for a juvenile who was at least 17 years old when the alleged delinquent act occurred cannot be concluded prior to the juvenile reaching 20 years of age the court retains jurisdiction for the sole purposes of probable cause and transfer hearings, transferring the case to superior court for trial as an adult, or dismissing the petition.
- When a court has not obtained jurisdiction over a juvenile before he reaches the age of 18 for felony acts and related misdemeanors committed between the ages of 13-16, the court has jurisdiction for the sole purposes of probable cause and transfer hearings, transferring the case to superior court for trial as an adult, or dismissing the petition.
- When a court has not obtained jurisdiction over a juvenile before he reaches the age of 19 for felony acts and related misdemeanors committed between the ages of 16-17, the court has jurisdiction for the sole purposes of probable cause and transfer hearings, transferring the case to superior court for trial as an adult, or dismissing the petition.
- When a court has not obtained jurisdiction over a juvenile before he reaches the age of 20 for felony acts and related misdemeanors committed between the ages of 17-18, the court has jurisdiction for the sole purposes of probable cause and transfer hearings, transferring the case to superior court for trial as an adult, or dismissing the petition.
- The Court also has jurisdiction over the following:
 - Delinquent juveniles in the custody of the Division of Juvenile Justice of the Department of Public Safety and over proceedings to determine if a juvenile has violated the terms of post-release supervision.
 - Persons 18 years of age or older who are under extended jurisdiction of the court.
 - The parent, guardian, or custodian of a juvenile who is under the jurisdiction of the court.

Section 1.3 amends G.S. 7B-1604 to increase juvenile court jurisdiction to the date a juvenile reaches the age of 18 even if the juvenile is already under the jurisdiction of the juvenile court. Emancipated juveniles are prosecuted as adults for criminal offenses.

Section 1.4 amends G.S. 7B-2200 to make conforming changes to the conditions for transfer of jurisdiction of a juvenile between the ages of 13-16 who is alleged to have committed a felony.

Section 1.5 adds a new section, G.S. 7B-2200.5 providing the conditions for transfer of jurisdiction of a juvenile at least 16 years of age.

- Jurisdiction will automatically be transferred for juveniles at least 16 years of age who are alleged to have committed a Class A-Class E felony upon a finding of probable cause or an indictment being obtained by the District Attorney.

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- Jurisdiction may be transferred for a juvenile 16 years or older who is alleged to have committed a Class F-I felony by motion of the prosecutor, motion of the juvenile's attorney, or motion of the court.

Section 1.6 amends G.S. 7B-2202 to make conforming changes to the probable cause hearing requirements.

Section 1.7 makes conforming changes to the dispositional alternatives for delinquent juveniles in G.S. 7B-2506 to reflect the increased age of juvenile court jurisdiction.

Section 1.8 amends G.S. 7B-2507 to provide points for prior convictions in adult court when determining delinquency history levels.

Section 1.9 amends G.S. 7B-2513 to make conforming changes to commitment terms of delinquent juveniles committed to the Division of Juvenile Justice.

Section 1.10 makes changes to the notice requirements for extended commitment or treatment plans in G.S. 7B-2515.

Section 1.11 amends G.S. 7B-2603 which requires a juvenile be considered for pretrial release and requires that any detention of a juvenile pending release must be conducted in accordance with the requirements of pretrial release or detention in G.S. 7B-2204.

Section 1.12 makes a conforming change to G.S. 7B-3101 requiring the juvenile court counselor to provide notice to the principal of the school the juvenile attends when the court transfers jurisdiction to superior court.

Section 1.13 makes a conforming change to G.S. 5A-31 on contempt by a juvenile to include juveniles up to 18 years of age.

Section 1.14 makes a conforming change to G.S. 5A-34 on criminal and civil contempt as it applies to minors.

Section 1.15 makes a conforming change to G.S. 14-208.6B requiring sex offender registration for juveniles convicted of a sexually violent offense or offense against a minor.

Section 1.16 makes conforming changes to G.S. 14-316.1, the criminal offense of contributing to delinquency or neglect of a minor to apply to persons over age 18.

Section 1.17 makes a conforming change to G.S. 115C-404, to the confidentiality requirements of juvenile court information when used by schools.

Section 1.18 amends the definition of delinquent juvenile in G.S. 143B-805 governing the Division of Juvenile Justice to include juveniles under age 18.

Section 1.19 amends G.S. 143B-806 to require the Division of Juvenile Justice to provide transportation to and from any State or local juvenile facility for persons under the juvenile courts' jurisdiction.

PART II. VICTIM REQUEST/REVIEW OF DECISION NOT TO FILE A PETITION

Section 2.1 amends G.S. 7B-1703 to require juvenile court counselors notify the victim, if the complainant is not the victim, of a decision not to file a juvenile petition and clarifies the information that must be shared with the complainant and the victim.

Section 2.2 amends G.S. 7B-1704 to add the victim, if the complainant is not the victim, to persons who can request review by the prosecutor of the juvenile court counselor's decision not to file a petition.

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Section 2.3 makes conforming changes to G.S. 7B-1705 which provides for the prosecutor's review of a decision not to file a petition.

Section 2.4 amends G.S. 143B-806 to require the Division of Juvenile Justice to develop and administer a system to provide status information and results of pending juvenile complaints to complainants and victims.

PART III. INCREASE INFORMATION AVAILABLE ON JUVENILES TO LAW ENFORCEMENT AND FOR COURT PROCEEDINGS

Section 3.1 amends G.S. 7B-3001 to require juvenile court counselors' records on juveniles include the juvenile's delinquency record and consultations with law enforcement that did not result in the filing of a complaint and to require juvenile court counselors to share their record with law enforcement officers investigating an incident that could result in the filing of a complaint.

Section 3.2(a) requires the Administrative Office of Courts (AOC) to expand access to the automated electronic information management system (JWise) to include access to juvenile delinquency information by prosecutors and attorneys representing juveniles.

Section 3.2(b) requires AOC to develop statewide inquiry access for JWise users with access to juvenile court records.

PART IV. SCHOOL-JUSTICE PARTNERSHIPS TO REDUCE SCHOOL-BASED REFERRALS TO JUVENILE COURTS

Section 4 amends the duties of the Director of AOC to include prescribing policies and procedures for chief district court judges to establish school-justice partnerships with the goal of reducing in-school arrests, out-of-school suspensions, and expulsions.

PART V. JUVENILE JUSTICE TRAINING FOR LAW ENFORCEMENT OFFICERS

Section 5(a) requires the North Carolina Criminal Justice Education and Training Standards Commission to require all law enforcement officers receive education and training on juvenile justice issues as a minimum standard for entry level employment and in-service training.

Section 5(b) requires under the North Carolina Sheriff's Education and Training Standards Commission to require all law enforcement officers receive education and training on juvenile justice issues as a minimum standard for entry level employment and in-service training.

Section 5(c) requires the North Carolina Criminal Justice Education and Training Standards Commission, the North Carolina Sheriffs' Education and Training Standards Commission and the Division of Adult Correction and Juvenile Justice of the Department of Public Safety work together to develop and implement the education and training required by this section.

PART VI. JUVENILE GANG SUPPRESSION

Section 6.1(a) adds a requirement that the juvenile court counselor conduct a gang assessment when determining if a complaint should be filed as a petition.

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Section 6.1.(b) requires the Division of Adult Correction and Juvenile Justice of the Department of Public Safety to develop a gang assessment instrument to be used in Section 6.1.(a).

Section 6.2.(a) requires a juvenile to receive a disposition one level higher than would otherwise be provided for the class of offence and delinquency history level if the offense was committed as a part of criminal gang activities.

Section 6.2.(b) adds a new section to Article 25 of Chapter 7B to provide definitions related to criminal gangs, criminal gang activity, and criminal gang members.

Section 6.3. requires the chief court counselor to include the results of the gang assessment in the juvenile court counselor's record.

PART VII. ESTABLISH JUVENILE JURISDICTION ADVISORY COMMITTEE

Section 7 establishes the advisory committee within the Division of Adult Correction and Juvenile Justice of the Department of Public Safety. The Division must provide clerical and professional staff, supplies, and meeting space.

This section also requires the Committee to develop a specific plan for the implementation of any changes in the juvenile justice system that would be required in order to extend jurisdiction in delinquency matters and proceedings to include 16- and 17- year- old persons within the juvenile justice system.

The Advisory Committee must report as follows:

- Must submit an interim report by April 1, 2018 to the General Assembly with copies to the Joint Legislative Oversight Committee on Justice and Public Safety and to the Appropriations Committees on Justice and Public Safety of both houses.
- Additional interim reports must be submitted annually by January 15th of each year.
- The Committee must submit a final report by January 15, 2023 and must terminate on February 1, 2023 or upon the filing of its final report, whichever occurs earlier.

EFFECTIVE DATE:

- Part I which raises the age of juvenile court jurisdiction becomes effective December 1, 2019, and applies to offenses committed on or after that date.
- Part II which relates to victim and law enforcement access to information and Section 3.1 become effective July 1, 2017, and Part II applies to all complaints filed on or after that date.
- Except as otherwise provided in this act, the remainder of this act is effective when it becomes law.



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Legislative Fiscal Note

BILL NUMBER: House Bill 280 (First Edition)

SHORT TITLE: Juvenile Justice Reinvestment Act.

SPONSOR(S): Representatives McGrady, Lewis, Duane Hall, and S. Martin

FISCAL IMPACT (\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
General Fund Revenues:	\$0	\$0	\$0	\$0	\$0
General Fund Expenditures:	\$25.3	\$0.0	\$29.5	\$44.3	\$44.4
Special Fund Revenues:	\$0	\$0	\$0	\$0	\$0
Special Fund Expenditures:	\$0	\$0	\$0	\$0	\$0
State Positions:	0.0	0.0	277.0	460.5	460.5
NET STATE IMPACT	(\$25.3)	\$0.0	(\$29.5)	(\$44.3)	(\$44.4)

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Public Safety, Administrative Office of the Courts, Indigent Defense Services

EFFECTIVE DATE: Part I of the this act becomes effective December 1, 2019, and applies to offenses committed on or after that date. Part II and Section 3.1 of this act become effective July 1, 2017, and Part II applies to all complaints filed on or after that date.

TECHNICAL CONSIDERATIONS:
Yes - See Technical Considerations Section

FISCAL IMPACT SUMMARY

The bill will have a fiscal impact. The tables below show the total estimated costs and FTE requirements over the next five fiscal years to the Department of Public Safety, the Administrative Office of the Courts, and Indigent Defense Services. Please see the Assumptions and Methodology section for additional information.

Summary of Total Funding Required FY 2017-18 through FY 2021-22					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Department of Public Safety	\$0	\$0	\$22,505,685	\$41,608,112	\$41,664,198
Indigent Defense Services	\$0	\$0	\$212,718	\$364,618	\$364,618
Administrative Office of the Courts	\$0	\$0	\$1,277,916	\$2,403,991	\$2,449,523
Subtotal Operating Costs	\$0	\$0	\$23,996,319	\$44,376,721	\$44,478,339
Department of Public Safety Capital Costs	\$25,307,000	\$0	\$5,580,000	\$0	\$0
Total Cost All Agencies Operating and Capital	\$25,307,000	\$0	\$29,576,319	\$44,376,721	\$44,478,339

Summary of Total FTE Required					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Department of Public Safety	0.0	0.0	253.5	437.0	437.0
Administrative Office of the Courts	0.0	0.0	23.5	23.5	23.5
Total FTE All Agencies	0.0	0.0	277.0	460.5	460.5

BILL SUMMARY

Part I of this bill make changes to various statutes to increase the age of juvenile jurisdiction to include 16- and 17-year-olds, except for Class A-E felonies and traffic offenses. Specifically:

- Section 1.1 amends G.S. 7B-1501(7) to define delinquent juveniles as including individuals who are at least 16 but less than 18 years old at the time the crime is committed. This excludes traffic violations or those who commit indirect contempt.
- Section 1.2 specifies that juvenile courts retain jurisdiction over those younger than 16 at the time of offense until they reach the age of 18; over 16-year-olds until they are 19; and over 17-year-olds until they are 20, with additional specifications for dismissing these cases when they cannot be concluded before the juvenile reaches the appointed age.
- Section 1.3 provides technical corrections.
- Section 1.4 allows those 16 and older to be released without the presence of a parent, guardian, or custodian. Existing statute requires charged juveniles to be released into parental, guardian, or custodian custody.
- Sections 1.5 and 1.6 provide for the procedures applicable to transferring a juvenile to superior court depending on the age of the juvenile at the time of committing the offense and the class of the felony. These sections require individuals who are 16 or older and who are alleged to have committed a Class A-E felony to be transferred to superior court. Juveniles in this age range who commit Class F-I felonies may be transferred to superior court upon such a motion.
- Sections 1.7 and 1.8 provide technical corrections.

- Section 1.9 adjusts point allocation for scoring delinquency history along with technical corrections related to individuals in the age category who may have an existing conviction as an adult but who must be considered juveniles upon passage of this bill.
- Section 1.10 adjusts possible Youth Development Center (YDC) assignment maximums for juveniles in the new age brackets. 16-year-olds may only be held in YDCs until their 19th birthday and 17-year-olds until their 20th birthday.
- Sections 1.11 through 1.19 make technical corrections.
- Section 1.20 requires the Division of Juvenile Justice to provide transportation to all juveniles from local jails to juvenile detention centers.

Part II of this bill provides for a victim's right to request a review by a prosecutor of the decision by a juvenile court counselor not to file a petition in juvenile court. Current law gives this right to the complainant, who may or may not be the victim. Section 2.4 requires the Division of Juvenile Justice to develop a system to provide more information to complainants and victims about dismissed, closed, and diverted complaints.

Part III authorizes juvenile court counselors to provide information in the juvenile's record to a law enforcement officer to allow the officer to exercise discretion in handling an incident that could result in the filing of a complaint. Section 3.3 also requires the Administrative Office of the Courts (AOC) to expand access to the Division's electronic information management system, J Wise, to provide limited access to electronic records related to juvenile delinquency information. AOC is also directed to add a statewide search function to J Wise.

Part IV directs local boards of education and law enforcement agencies to develop school-justice partnerships with the goal of reducing school-based referrals to juvenile court.

Part V requires the Criminal Justice Education and Training Standards Commission to develop and implement a statewide plan for regular law enforcement officer training in juvenile justice issues.

Part VI establishes an Advisory Committee consisting of 27 members representing various leadership positions and interested parties in the juvenile justice system. An initial report from the Committee on implementation steps and funding for the changes under this bill must be submitted to the General Assembly by January 1, 2018. In addition, annual reports would be filed by January 15 of each year on implementation and recommendations until the filing of the final report by January 15, 2023. The Committee shall terminate on February 1, 2023, or upon the filing of its final report, whichever occurs earlier.

Part VII contains the effective dates. Part I applies to offenses committed on or after December 1, 2019. Part II and Section 3.1 would be effective July 1, 2017, with the remainder of the bill becoming effective when the bill becomes law. Part II also applies to all complaints filed on or after July 1, 2017.

Background on the Current Juvenile System

There are significant differences between the juvenile and adult criminal justice systems. The Department of Public Safety, Division of Adult Correction (DAC) has no involvement in arrest, court, or sentencing decisions. Once an individual is sentenced, DAC has some discretion in the

actual length of time served, but cannot alter the minimum or maximum length of a sentence. DAC determines the prison facility where the individual will serve their sentence and the level of custody (minimum, medium, or close) they will serve.

The Department of Public Safety, Division of Juvenile Justice (DJJ), on the other hand, has broad discretion from the time that the court counselor receives a complaint. DJJ employs court counselors who oversee all juvenile complaints. The court counselor decides whether to file a juvenile petition (for serious delinquency cases, the counselor *must* approve the filing of a petition), dismiss the complaint, or divert the juvenile into a community program. The court counselor also recommends a disposition to the court. Under G.S. 7B, Juvenile Code, juveniles committed to a youth development center (YDC) are committed for a term of at least six months (with some exceptions) up to the age of 21, at the discretion of the Division. DJJ may also release juveniles for home visits.

The Juvenile Code (G.S. 7B) provides that juveniles are committed to DJJ and shall be placed in a YDC that "would best provide for the juvenile's needs." After an assessment, if the Division decides a setting other than a YDC or Detention Center is better for the juvenile, the court counselor files a motion with the court detailing the recommendation for an alternative placement.

After the minimum six-months, the juvenile's commitment status is under the discretion of DJJ, but they can only hold the juvenile up to their 21st birthday. In contrast, in the adult system active prison sentences have a range from a minimum to a maximum sentence. All prisoners start their incarceration period serving the maximum sentence and earn time credit toward their minimum based upon their behavior and other factors.

Major Differences between Adult & Juvenile Criminal Justice Systems		
Item	Adult	Juvenile
Point of Entry	Arrests by law enforcement officer	Complaints from law enforcement officer and citizens
Court Venue	Superior Court & District Court	District Court only
Court Proceeding	Trial	Adjudicatory hearing
Trial/Hearing Outcome	Guilty or not guilty	Adjudicated delinquent or not
Sentencing Grid	Specific sentencing option and length for each felony or misdemeanor	Disposition combining felonies and misdemeanors into three categories
Sentencing Length	Ranges from eight months to life without parole	Minimum of six months and then up to the Department's discretion up to the juvenile's 21st birthday
Institutions	County and local jails (113) State Prisons (55)	Youth Development Centers (4) State and County Detention Centers (8) Multipurpose Group Homes (5) Eckerd Camps (2)

The point of entry in the Juvenile Justice system is the court counselor. An intake court counselor receives the complaint and determines whether the complaint has merit and requires further action. If not, the case is dismissed and no further action is taken. If the counselor determines that the juvenile's act would be delinquent (would be a crime if committed by an adult) if proved true or if the severity of the activity alleged in the complaint is serious enough, a juvenile can be held in temporary custody at a detention center awaiting an initial court hearing.

The intake court counselor interviews the parties involved. Their evaluation takes between 15 to 30 days. Following the evaluation, the intake counselor either files a petition or diverts the case. The petition presents to the court the facts in the complaint to determine whether the juvenile is alleged to be delinquent or undisciplined. Instead of proceeding to court, a counselor may divert the case and refer the juvenile to community-based resources or release the juvenile from the system. For serious delinquency cases the counselor *must* approve a filing of a petition.

Juveniles can be held in secure custody in a detention center to await their court appearance or they may make their first appearance in court without being held in custody. At the hearing, either the allegations are found to be true, or the case is dismissed. A juvenile 13 years old and above accused of committing a felony may be transferred to Superior Court to be tried as an adult.

If the allegations are found to be true, the juvenile is adjudicated delinquent (the equivalent of being found guilty in the adult system). The case proceeds to a dispositional hearing where the judge metes out punishment. The disposition depends upon the seriousness of the offense, the juvenile's delinquency history, and recommendations of the court counselor. The dispositions include Level 1, community-based sanctions, Level 2, intermediate sanctions, or Level 3, commitment to a YDC or an alternative to commitment program.

ASSUMPTIONS AND METHODOLOGY

Department of Public Safety – Division of Juvenile Justice (DJJ)

The bill would place 16- and 17-year-olds charged with misdemeanors and Class F through I felonies in the juvenile system. To determine the impact of this change, Fiscal Research looked at the number of misdemeanor and relevant felony charges against individuals aged 16 and 17 in Fiscal Year 2015-16, the most recent data available. The following chart shows the number of charges by class.

FY 2015-16 Complaints 16- and 17-Year-Olds	
Penalty Class	Complaints
Class F Felony	121
Class G Felony	301
Class H Felony	2,228
Class I Felony	951
Class A1 Misd.	758
Class 1 Misd.	7,729
Class 2 Misd.	4,971
Class 3 Misd.	4,118
Infractions	59
Total	21,236

The figures above reflect the number of charges, not the number of distinct juveniles. Some juveniles may have more than one charge. Different classes of offense have different rates of complaints per juvenile. Fiscal Research has utilized these different rates to estimate how many distinct juveniles will be added to the juvenile justice system as a result of this bill. Those calculations, which use the most recent data available, are below.

Estimated Distinct Juveniles 16- and 17-Year-Olds			
Penalty Class	Complaints	Distinct Juvenile Ratio	Distinct Juveniles
Class F Felony	121	4.81	25
Class G Felony	301	5.63	53
Class H Felony	2,228	5.13	434
Class I Felony	951	4.45	214
Class A1 Misd.	758	2.91	260
Class 1 Misd.	7,729	2.01	3,845
Class 2 Misd.	4,971	1.38	3,602
Class 3 Misd.	4,118	1.22	3,375
Infractions	59	1.1	54
Total	21,236		11,862

Although juveniles may have more than one charge, the charges may come in on different days, so it is reasonable to assume that each charge may require a separate intake. However, once the intake process is complete, it is also reasonable to assume that separate charges against an individual can be consolidated for the purposes of continued supervision and community programming. Therefore, to calculate the costs associated with intake, Fiscal Research used the total number of charges. To calculate the costs associated with diversion supervision, community programming, court supervision, and detention, Fiscal Research used the number of distinct juveniles. North

Carolina Sentencing and Policy Advisory Commission (SPAC) estimates were used to calculate the costs associated with Level 1, 2, and 3 dispositions.

As cases proceed through the juvenile justice system, complaints may be dropped, diverted, or approved for court. To estimate the number of complaints dropped, Fiscal Research used the rate of case closures for 15-year-old juveniles in FY 2015-16 as supplied by the Administrative Office of the Courts (AOC). The calculations for these case closures are in the table below. 14.4 percent of complaints against 15-year-olds were closed prior to intake in FY 2015-16.

Projections for Complaints Closed by Class 16- and 17-Year-Olds						
Complaint Class	Total Projected Complaints, 16/17 YOs	Actual Percentage Closed, 15 YOs	Projected Closed Complaints	Total Projected Complaints Remaining at Intake	Distinct Juvenile Ratio	Distinct Juveniles at Intake
Class F	121	0.00%	0	121	4.81	25
Class G	301	1.80%	5	296	5.63	53
Class H	2,228	2.10%	47	2,181	5.13	425
Class I	951	1.90%	18	933	4.45	210
Class A1	758	9.00%	68	690	2.91	237
Class 1 Non-MV Misd.	7,729	12.50%	966	6,763	2.01	3,365
Class 2 Non-MV Misd.	4,971	21.10%	1,049	3,922	1.38	2,842
Class 3 Non-MV Misd.	4,118	21.90%	902	3,216	1.22	2,636
Infractions Non-MV Misd.	59	22.40%	13	46	1.1	42
Total/Average Percentage	21,236	14.4%	3,068	18,168		9,835

Juvenile cases may be diverted following intake. Again, using the AOC rate of diversions for 15-year-olds in FY 2015-16, Fiscal Research estimates that approximately 18.46 percent of complaints will be diverted after intake. Using the ratio of complaints per juvenile for each class of offense as supplied by DJJ, Fiscal Research estimates that 3,353 complaints involving 2,108 juveniles will be diverted after intake. The specific calculations for each class of complaint are in the table below.

Projections for Complaints Diverted by Class 16- and 17-Year-Olds						
Complaint Class	Total Projected Complaints After Intake, 16/17 YOs	Actual Percentage Diverted, 15 YOs	Projected Complaints Diverted	Distinct Juvenile Ratio	Distinct Juveniles Diverted	Total Projected Complaints Referred to Court
Class F	121	8.2%	10	4.81	2	111
Class G	296	0.9%	3	5.63	1	293
Class H	2,181	3.6%	79	5.13	15	2,103
Class I	933	1.3%	12	4.45	3	921
Class A1	690	15.2%	105	2.91	36	585
Class 1 Non-MV Misd.	6,763	20.1%	1,359	2.01	676	5,404
Class 2 Non-MV Misd.	3,922	24.0%	941	1.38	682	2,981
Class 3 Non-MV Misd.	3,216	25.8%	830	1.22	680	2,386
Infractions Non-MV Misd.	46	31.3%	14	1.1	13	31
Total/Average Percentage	18,168	18.46%	3,353		2,108	14,815

Therefore, of the 21,236 complaints likely to be made against the 16- and 17-year-old population, Fiscal Research estimates that 3,068 cases will be closed at intake, leaving 18,168 cases. Of these remaining cases, approximately 3,353 will be diverted, leaving 14,815 cases approved for court.

These base numbers will be used repeatedly in calculating the costs of this bill. They are summarized in the following table.

Base Numbers for Calculations: Estimated Complaints and Convictions for 16- and 17-Year-Olds	
Number of Projected Complaints Against 16- and 17-Year-Olds	21,236
Percentage of Cases Closed Prior to Intake (Average)	14.4%
Number of Complaints Closed	3,068
Number of Complaints Remaining	18,168
Number of Complaints at Diversion	18,168
Percentage of Complaints Diverted (Average)	18.46%
Number of Complaints Diverted	3,353
Remaining number of Complaints Approved for Court	14,815
Percentage of total complaints approved for court	69.7%

Once the base numbers were determined, cost estimates were calculated for each step of the juvenile process. Because the bill's changes to the juvenile criminal code take effect on December 1, 2019, most recurring costs will not take full effect until FY 2020-21. However, due to training needs, the Division will likely need to bring new staff on approximately six months prior to that date. Fiscal Research therefore assumes that these positions will be filled starting in FY 2019-20. In addition, the December 1, 2019 effective date results in a lower number of new juveniles entering the system during FY 2019-20. Therefore, FY 2020-21 should be considered the first full year in which this bill will impact the juvenile justice system.

The table below summarizes the total estimate for the Division of Juvenile Justice. Detailed explanations for each step follow.

Summary of Total Division of Juvenile Justice Funding Required FY 2017-18 through FY 2021-22					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
<u>Court Services</u>					
Court Counselors	\$0	\$0	\$10,397,617	\$17,500,457	\$17,208,239
Court Counselor Supervisors, Office Assistants	\$0	\$0	\$1,746,780	\$3,140,624	\$3,077,800
Subtotal Court Services	\$0	\$0	\$12,144,397	\$20,641,081	\$20,286,039
<u>Facility Services</u>					
Detention Services	\$0	\$0	-\$305,000	-\$516,060	-\$516,060
YDC Operating Costs	\$0	\$0	\$4,927,088	\$11,387,058	\$11,586,541
Subtotal Facility Services	\$0	\$0	\$4,622,088	\$10,870,998	\$11,070,481
<u>Community Programs</u>					
Electronic Monitoring	\$0	\$0	\$38,415	\$43,746	\$65,846
JCPC Funding	\$0	\$0	\$1,032,677	\$1,818,581	\$1,851,948
Level 2 Dispositions Services	\$0	\$0	\$4,541,952	\$7,990,608	\$8,142,139
Administration	\$0	\$0	\$126,156	\$243,098	\$247,745
Subtotal Community Programs	\$0	\$0	\$5,739,200	\$10,096,033	\$10,307,678
Subtotal Operating Costs for DJJ	\$0	\$0	\$22,505,685	\$41,608,112	\$41,664,198
Level 2 Residential Facility Cost	\$0	\$0	\$5,580,000	\$0	\$0
YDC Construction Cost	\$25,307,000	\$0	\$0	\$0	\$0
Subtotal Capital	\$25,307,000	\$0	\$5,580,000	\$0	\$0
Total Cost Division of Juvenile Justice	\$25,307,000	\$0	\$28,085,685	\$41,608,112	\$41,664,198

Summary of DJJ FTE Required					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Court Counselors	0.0	0.0	139.0	239.0	239.0
Court Counselor Supervisors	0.0	0.0	24.0	44.0	44.0
YDC Staff	0.0	0.0	89.0	151.0	151.0
Central Administration	0.0	0.0	1.5	3.0	3.0
Total DJJ FTE	0.0	0.0	253.5	437.0	437.0

Intake

In the juvenile system charges are referred to as complaints. When a complaint is taken out on a juvenile, an intake counselor collects information about the juvenile, decides whether to recommend him to court, prepares predisposition reports with a risk and needs assessment, and contacts the juvenile's parents.

In FY 2015-16, approximately 14.4 percent of complaints against 15-year-old juveniles were closed prior to intake. The remaining 85.6 percent of complaints resulted in an intake. DJJ estimates that each intake takes approximately six hours for a court counselor to process. To estimate the cost of the additional juveniles on the court counselor workload, the estimated number of complaints for each year of implementation is multiplied by the percent of complaints closed for the given level of offense to determine the number that would result in an intake. That number is multiplied by six hours, and then divided by annual working hours (1,800) to arrive at the number of additional full time equivalent (FTE) court counselor positions required.

The cost per FTE was calculated using the FY 2015-16 starting court counselor total position cost (salary plus estimated benefits and operating costs, adjusted each year for inflation) plus one-time hiring costs. In FY 2019-20, the total position cost will be \$68,841 plus one-time costs of \$5,962. Because of the bill's effective date, only 35 FTE will be required in FY 2019-20, while 61 FTE will be required in FY 2020-21. The total cost is therefore estimated to be \$2,409,435 before one-time expenses in FY 2019-20 and \$4,310,443 before one-time expenses in FY 2020-21. These calculations are displayed on the table below.

Estimated Cost for New Intake Counselors					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Cumulative Complaints	0	0	21,236	21,236	21,236
Prelim. Number of Complaints Resulting in Intakes	0	0	18,168	18,168	18,168
Effective Date Modifier	0	0	58.34%	100.00%	100.00%
Modified Number of Complaints with Intake	0	0	10,599	18,168	18,168
DJJ Estimated Court Counselor Hours per Intake	0	0	6	6	6
Total Hours	0	0	63,594	109,008	109,008
Annual Working Hours	0	0	1,800	1,800	1,800
Est. Court Counselors Needed for Intake	0	0.0	35	61	61
Starting CC Salary	\$0	\$0	\$47,784	\$49,049	\$49,978
Social Security	\$0	\$0	\$3,656	\$3,752	\$3,823
Health Insurance	\$0	\$0	\$6,163	\$6,326	\$6,446
Retirement	\$0	\$0	\$7,803	\$8,010	\$8,161
Subtotal Salaries and Benefits	\$0	\$0	\$65,406	\$67,137	\$68,408
Position Operating Costs	\$0	\$0	\$3,435	\$3,526	\$3,593
Total Position Cost	\$0	\$0	\$68,841	\$70,663	\$72,001
Salary/Benefit/Op. Costs Total	\$0	\$0	\$2,409,435	\$4,310,443	\$4,392,061
One-Time Costs at Hiring Per Position	\$0	\$0	\$5,962	\$6,120	\$0
Total One-Time Costs	\$0	\$0	\$208,670	\$159,120	\$0
Cost for New Intake Counselors	\$0	\$0	\$2,618,105	\$4,469,563	\$4,392,061

DJJ currently has approximately one court counselor supervisor and office assistant for every 9.5 counselors. The cost for new court counselor supervisors and assistants is calculated later in the analysis based on the sum total of all counselors added. Please see the Court Counselor Supervisor section for more information.

Diversion Programming and Supervision

At intake, court counselors make a determination about whether or not to approve a case for court, close the case without further action, or divert it to a community program. If a juvenile is diverted, the court counselor prepares a diversion plan or contract, which may include referring the juvenile to a community program. In FY 2015-16, 18.46 percent of juvenile cases were diverted.

Diversion prior to referral to court often requires juveniles to participate in some sort of community program. Community programs are funded by the State through the Juvenile Crime

Prevention Councils (JCPC). In FY 2015-16, the General Assembly appropriated \$21,822,149 to serve 22,829 juveniles through the JCPCs. Allocations to individual JCPCs were formerly based on the juvenile population in the county or counties served by the JCPC. However, that formula has been frozen for several years and is no longer an accurate calculation for JCPC funding. If the formula is revised, the addition of 16- and 17-year-olds would require an increase in the per capita funding of the JCPCs. Since the formula is not in use, a per-juvenile expenditure amount was calculated. For FY 2015-16, JCPC expenditures per juvenile were \$956 (\$21,822,149 divided by 22,829 juveniles served equals \$956, rounded up), or \$2.62 per day (\$956 divided by 365). Adjusted for inflation, the cost per day in FY 2020-21 will be \$2.93.

To calculate the additional resources that will be needed by JCPCs as a result of this bill, Fiscal Research multiplied the number of juveniles requiring diversion supervision by the average number of days a juvenile remains under diversion supervision. The product was then multiplied by the cost per day in FY 2015-16, adjusted for inflation. In the first full year of implementation, there are 2,108 juveniles projected to be on diversion from the new population (previously calculated based on the ratio of complaints to juveniles for each offense class). DJJ notes that approximately 51% of diverted juveniles were assigned to a JCPC in FY 2015-16. If this ratio holds, a total 1,075 juveniles will be diverted to a JCPC program. 1,075 juveniles times 127 average days under diversion supervision times \$2.93 equals \$400,018 in additional funding required for JCPCs to serve juveniles diverted prior to court referral in the first full year of implementation.

JCPC costs for diversions are summarized in the table below. Please note: this is only the JCPC cost associated with diversion cases. There will also be JCPC costs associated with dispositions for youth adjudicated delinquent for other offenses. Those costs are calculated later in this analysis.

Estimated Cost for JCPC Diversion Programming					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Total Percent of Complaints Diverted Prior to Court	0	0	18.46%	18.46%	18.46%
Number of New Complaints Diverted	0	0	3,353	3,353	3,353
Number of New Juveniles Diverted (Calculated above)	0	0	2,108	2,108	2,108
Effective Date Modifier	0%	0%	58.34%	100.00%	100.00%
Modified New Diverted Juveniles in JCPCs	0	0	1,230	2,108	2,108
Percentage Participation in JCPCs	0%	0%	51%	51%	51%
Total Number of Diverted Juveniles in JCPCs	0	0	627	1,075	1,075
Avg. Number of Days Under Diversion Supervision	0	0	127	127	127
JCPC Program Cost per Day	\$0	\$0	\$2.85	\$2.93	\$2.98
Subtotal JCPC Programming, Diversions	\$0	\$0	\$226,943	\$400,018	\$406,845

Juveniles on diversion require supervision from a court counselor. DJJ reports that the diversion supervision caseload for court counselors is 40 cases per counselor, and that juveniles spend a

maximum of 183 days under diversion supervision. To determine the number of new court counselors needed, the average number of juveniles under diversion supervision in a given day was divided by 40 for each year. The result was then multiplied by the total position cost for a new court counselor to determine the cost for new court counselors for diverted cases. For example, in the first full year of implementation, it is estimated that an average of 1,057 juveniles will be under diversion on a given day (2,108 juveniles times 183 maximum days under supervision divided by 365 days a year). That number divided by 40 equals 26 new court counselor FTE. Using the total position costs calculated in the previous section, \$1,032,615 would be required for new diversion counselors beginning in FY 2019-20, with \$1,837,238 required in FY 2020-21, not including one-time costs. The following table shows these calculations.

Estimated Cost for Diversion Supervision Counselors					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Number of New Juveniles Diverted	0	0	1,230	2,108	2,108
Avg. Number of Juveniles Under Supervision	0	0	617	1,057	1,057
Diversion Supervision Cases per Court Counselor	0	0	40	40	40
Est. Court Counselors Needed	\$0	\$0	15	26	26
Total Position Cost per Court Counselor	\$0	\$0	\$68,841	\$70,663	\$72,001
Subtotal, Salary/Benefit/Op. Costs	\$0	\$0	\$1,032,615	\$1,837,238	\$1,872,026
One-Time Costs at Hiring Per Position	\$0	\$0	\$5,962	\$6,120	\$0
Total One-Time Costs	\$0	\$0	\$89,430	\$67,320	\$0
Total Court Counselor Costs for Diverted Cases	\$0	\$0	\$1,122,045	\$1,904,558	\$1,872,026

The total cost for diversion programming and supervision in the first full year of implementation, FY 2020-21, will therefore be \$2,304,576. These projections are summarized in the table below.

Total Costs for Diversion Programming and Supervision					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Subtotal, JCPC Programming Costs	\$0	\$0	\$226,943	\$400,018	\$406,845
Subtotal, Diversion Court Counselors	\$0	\$0	\$1,122,045	\$1,904,558	\$1,872,026
Total Cost Diverted Complaints	\$0	\$0	\$1,348,988	\$2,304,576	\$2,278,871

Electronic Monitoring

As part of their disposition, juveniles may require electronic monitoring. DJJ contracts with a vendor for this service with different price points depending on the device utilized. In FY 2015-16, approximately 1.29 percent of juveniles in the juvenile justice system were on electronic monitoring. Based on the estimate above, this bill will add approximately 11,862 16- and 17-year-olds to the juvenile justice system. Approximately 153 of these juveniles will be placed on electronic monitoring, at a cost of \$43,746 annually before inflation adjustments. The tables below show these calculations.

Electronic Monitoring Costs				
	Cost Per Device	Average Daily Percentage	Juveniles	Total Cost Per Device
ET1 Device (GPS)	\$287	1.01%	120	\$34,440
HG206 Device (cell unit)	\$282	0.28%	33	\$9,306
Total		1.29%	153	\$43,746

Electronic Monitoring Costs Adjusted for Inflation					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Annual Cost of Electronic Monitoring	\$0	\$0	\$47,640	\$48,900	\$49,826
Effective Date Modifier	0%	0%	58.34%	100%	100%
Total Cost	\$0	\$0	\$27,793	\$48,900	\$49,826

Detention

DJJ, in conjunction with AOC and SPAC, estimates that six percent of juveniles with a complaint against them will be placed in a detention center. This figure includes those who are sent to a detention center pending a disposition, those who serve their sentence in a detention center, and those who violate their probation terms. The table below shows an estimate for the number of 16- and 17-year-old juveniles that would serve in detention under this bill in the first full year of implementation.

Estimated Number of Juveniles Placed in Detention	
Number of Complaints Approved for Intake	18,168
Number of Juveniles Charged	9,835
AOC Est. Percentage Serving in Detention	6%
Number of Juveniles Placed in Detention	590

To calculate the additional detention costs associated with this bill, Fiscal Research first determined what the current detention bed capacity is. There are eight detention centers in North Carolina (two county facilities and six State-run facilities) with a total bed capacity of 194. In FY 2015-16 the average detention population was 152, leaving approximately 42 beds available. The need for new beds is determined based on bed days available versus bed days required. The average number of days in detention for the new population is 18 days each, or 10,620 bed days in the first full year of implementation (590 juveniles times 18 days equals 10,620 bed days). Given that DJJ currently has approximately 15,330 bed days in surplus, this bill would not require the construction of additional detention facilities. The table below summarizes this information.

Est. New Bed Days Required vs. Existing Bed Days					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Number of Juveniles Placed in Detention	0	0	590	590	590
Effective Date Modifier	0	0	58.34%	100.00%	100.00%
Modified Distinct Juveniles	0	0	344	590	590
Average Days in Detention	0	0	18	18	18
Additional Detention Bed Days Required	0	0	6,196	10,620	10,620
Existing Detention Bed Capacity	0	0	365	365	365
Existing Bed Days Available	0	0	15,330	15,330	15,330
Difference (Days Available less New Days Required)	0	0	9,134	4,710	4,710

In addition, the bill may require DJJ to house individuals under the age of 18 charged with A-E felonies in detention centers. Although these juveniles will be tried and perhaps sentenced under the adult system, until they are convicted and sentenced they are still considered juveniles for detention purposes. AOC data shows that in FY 2015-16, 846 A-E felony charges were brought against 16- and 17-year-olds. Based on DJJ's complaints-per-juvenile ratios, Fiscal Research estimates that 185 distinct juveniles will require detention under this bill. These calculations are shown below.

Projected Distinct Juveniles A-E Felonies			
Detention	16-17 Year Old Complaints	Ratios	16-17 Year Old Distinct juveniles
Class A	30	6.33	5
Class B1	70	4.75	15
Class B2	22	6	4
Class C	82	2.29	36
Class D	487	6.08	80
Class E	155	3.45	45
Total	846		185

A-E felony cases are more likely to require detention, and the average detention stay will likely be longer than the average for lower level offenses. In FY 2015-16, 48.4% of juveniles aged 15 years old and younger who were accused of an A-E felony were placed in detention. Applying this ratio to the projected population above, DJJ estimates that 90 distinct juveniles with an A-E felony complaint will require detention. The average stay for A-E felony cases is currently 71 days. Using the same calculation methodology as above, Fiscal Research estimates a need for 5 new detention beds for this population in the first full year of implementation (6,390 bed days divided by 365

days equals 18 beds (rounded) minus 13 (rounded) bed days required for the non-A-E felony population equals 5). These calculations are shown in the table below.

Est. New Bed Days Required vs. Existing Bed Days for A-E Felony Population					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Number of A-E Charges 16/17YOs, FY 2015-16	0	0	846	846	846
Distinct Juveniles (Calculated above)	0	0	185	185	185
Effective Date Modifier	0	0	58.34%	100%	100%
Modified Distinct Juveniles	0	0	108	185	185
Percentage of A-E Felonies in Detention	0%	0%	48.40%	48.40%	48.40%
Distinct Juveniles in Detention	0	0	52	90	90
Average Detention Stay in Days, A-E Felony	0	0	71	71	71
Additional Detention Bed Days Required	0	0	3,692	6,390	6,390
Days Remaining after F-I/Misd. Pop. Added (Table above)	0	0	9,138	4,710	4,710
Difference (Days Available Less New Days Required)	0	0	5,446	-1,680	-1,680
Number of New Beds Required	0	0	0	5	5

As these projections demonstrate, the juvenile detention system will require additional beds as a result of this bill. DJJ proposes to house these new 16- and 17-year-old A-E juveniles in existing county facilities. By statute, DJJ splits the cost of housing juveniles in detention facilities with county governments. If the juvenile is housed outside of their own county, the home county must pay DJJ 50 percent of the \$244 per day rate (\$122 per day) for detention costs. Similarly, when juveniles from one county are housed in another county's facility, DJJ must pay the hosting county 50 percent of the daily \$244 rate (\$122 per day). Because the lower-level offense can be housed entirely in State facilities, Fiscal Research estimates receipts to DJJ of \$1,295,640 annually from the counties (10,620 detention days at \$122 per day) in the first full year of implementation. DJJ proposes to house all of the new A-E population in county facilities. This would result in additional costs to DJJ of \$779,580 a year in FY 2020-21 (6,390 bed days at \$122/day).

Net *receipts* (receipts minus costs) for detention centers would therefore equal \$516,060 in the first year of implementation. This projection assumes that the rate will not be adjusted for inflation or altered by future legislation. These calculations are displayed in the table below.

Detention System Costs					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Number of Additional Bed Days Required - State Facilities	0	0	6,192	10,620	10,620
Rate per Day	\$0	\$0	\$122	\$122	\$122
Total Receipts, State Facilities	\$0	\$0	\$755,424	\$1,295,640	\$1,295,640
Number of Additional Bed Days Required - County Facilities	0	0	3,692	6,390	6,390
Rate per Day	\$0	\$0	\$122	\$122	\$122
Total Expenses, County Facilities	\$0	\$0	\$450,424	\$779,580	\$779,580
Net Receipts	\$0	\$0	\$305,000	\$516,060	\$516,060

Dispositions

Juveniles whose cases are not closed or diverted are considered “approved for court”. As already established, Fiscal Research estimates that approximately 69.7% (rounded) of new cases for the relevant age group will be approved for court.

Estimated Cases Approved for Court	
Total Class F-I and A1-3 Complaints	21,236
DJJ 2016 % Approved for Court (rounded)	69.7%
Number of Complaints Approved for Court	14,815

Once in court, if a juvenile is found to have committed the offense for which he is charged, the juvenile is adjudicated delinquent. Article 25 of Chapter 7B of the General Statutes lays out the dispositions available for juveniles. For juveniles adjudicated delinquent for class 1, 2, or 3 misdemeanors, dispositional options are limited to Level 1 or Level 2. Juveniles adjudicated delinquent for Class F through I felonies or an A1 misdemeanor may get a Level 3 disposition if they have a significant prior history. Level 1 and 2 dispositions primarily consist of court supervision (by the court counselor) and participation in one or more community programs run through the JCPCs. Level 2 dispositions can also include placement in a group home or another residency program. Level 3 dispositions can include placement in a Youth Development Center (YDC) followed by community supervision by a court counselor.

SPAC provides projections based on the number of convictions in the relevant offense classes for 16- and 17-year-olds in adult court. The following table shows the projected number of convictions (delinquent adjudications) based on the bill.

Conviction Projections for Offenders Aged 16 to less than 18 Years	
Class F Felony	62
Class G Felony	117
Class H Felony	499
Class I Felony	146
Class A1 Misdemeanor	186
Class 1 Misdemeanor	2,029
Class 2 Misdemeanor	897
Class 3 Misdemeanor	802
Total	4,738

SPAC also projected the disposition distribution for the new juvenile population. Assuming that the distribution for the new age groups will be similar to the current 15-year-old delinquent population, 56 percent will receive a Level 1 disposition, 40 percent will receive a Level 2 disposition, and four percent will receive a Level 3 disposition. The following chart shows the number of dispositions by type for each stage of implementation.

Projected Disposition Distribution for Juveniles Aged 16 to less than 18 Years FY 2019-20	
Level 1 Disposition (56%)	2,653
Level 2 Disposition (40%)	1,895
Level 3 Disposition (4%)	190
Total Convictions	4,738

Each conviction does not necessarily represent a distinct juvenile, however. Using data from Adult Correction, DJJ estimates a ratio of 1.3 convictions per person in the age bracket for FY 2015-16. Dividing SPAC's number of convictions by this rate yields an estimate of 3,645 distinct juveniles convicted per year. This is illustrated in the table below.

Projected Adjudicated Delinquent Distinct Juveniles and Disposition Distribution, Aged 16-17	
Number of Convictions, FY 2015-16	4,738
Ratio of Convictions to Juveniles	1.3
Projected Number of Distinct Juveniles Adjudicated Delinquent	3,645
Level 1 Disposition – Distinct Juveniles (56%)	2,041
Level 2 Disposition – Distinct Juveniles (40%)	1,458
Level 3 Disposition – Distinct Juveniles (4%)	146
Total Distinct Juveniles	3,645

(All disposition levels will require court counselor supervision. These costs are calculated in the "Disposition Supervision" section which follows. In the first full year of implementation, the estimated cost for disposition counselors is \$11,126,336. The costs calculated in this section are those required beyond disposition supervision.)

Level 1

Level 1 dispositions are primarily community programs funded by the local JCPC. As calculated previously in this analysis, the cost per participant is currently \$956 per year; adjusted for inflation, this is \$1,069 per year in FY 2020-21, the first full effective year of the bill. In Fiscal Year 2015-16, 65% of Level 1 dispositions resulted in the juvenile being assigned to a JCPC program while other dispositions did not generate costs to the state beyond a court counselor's supervision. To calculate the additional JCPC costs for Level 1 dispositions, the estimated number of distinct juveniles adjudicated Level 1 is multiplied by 65%. The resulting number is multiplied by the cost per participant. The estimated cost in the first year of implementation is \$1,418,563. These calculations are in the table below. (Note that this total does not include diverted youth participating in JCPC programs. Those expenses, calculated previously as \$400,018 bring the total expense for JCPC programs under this bill to \$1,818,581.)

Estimated Additional Funding Required for JCPCs for Level 1 Dispositions					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Level 1 Projected Distinct Juveniles	0	0	2,041	2,041	2,041
Effective Date Modifier	0	0	58.34%	100%	100%
Modified Level 1 Projected Distinct Juveniles	0	0	1,191	2,041	2,041
Percentage Receiving Expense-Bearing Level 1 Dispositions	0	0	65%	65%	65%
Level 1 Projected Distinct Expense-Bearing Juveniles, 16/17 Yos	0	0	774	1,327	1,327
JCPC Cost per Participant (adj. for inflation)	\$0	\$0	\$1,041	\$1,069	\$1,089
Additional JCPC Funding Required	\$0	\$0	\$805,734	\$1,418,563	\$1,445,103

Level 2

Level 2 dispositions can include both community-based and residential-based treatments. In FY 2015-16, the General Assembly appropriated \$19,812,412 for programs primarily directed at Level 2 dispositions. To estimate the additional cost for Level 2 services, Level 2 dispositions for 15-year-olds in FY 2015-16 were categorized as either community-based or residential. As with Level 1 dispositions, not all Level 2 dispositions result in an additional expense to the State. On average, 42.1% of juveniles adjudicated delinquent and assigned a Level 2 disposition are required to undergo a type of disposition that incurs an expense on the State beyond the supervision of a Court Counselor. This is illustrated below.

Estimated Additional Level 2 Dispositions	
Level 2 Projected Dispositions, 16/17YOs	1,895
Level 2 Projected Distinct Juveniles, 16/17YOs	1,458
Percentage Receiving Expense-Bearing Level 2 Disposition	42.1%
Level 2 Distinct Expense-Bearing Juveniles	614

Level 2 dispositions in FY 2015-16 for 15-year-olds resulted in approximately 66% of juveniles receiving a community-based disposition and the remaining 34% receiving a residential disposition. These ratios were applied to the total estimated number of expense-bearing juveniles. The resulting number of dispositions was multiplied by the average cost of a community-based or residential Level 2 program, respectively. The calculations for the number of juveniles in each category of Level 2 program are shown in the table below.

Estimated Level 2 Dispositions by Category					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Level 2 Distinct Expense-Bearing Juveniles	0	0	614	614	614
Effective Date Modifier	0	0	58.34%	100%	100%
Modified Level 2 Distinct Expense-Bearing Juveniles	0	0	358	614	614
Level 2 Dispositions, Community-Based Percentage	0	0%	66%	66%	66%
Level 2 Projected Juveniles, Community-Based	0	0	236	405	405
Level 2 Dispositions, Residential Percentage	0	0%	34%	34%	34%
Level 2 Projected Juveniles, Residential	0	0	122	209	209

DJJ contracts with a number of organizations that provide community-based Level 2 services. In FY 2015-16, these programs carried an average cost of \$4,522 per juvenile. Adjusted for inflation, these programs will cost an average of \$5,055 per juvenile in the first full year of implementation. With a projected population of 405 juveniles requiring these services, the total cost in FY 2020-21 for Level 2 community-based programs will be \$2,047,275.

Level 2 Community-Based Program Expenses					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Level 2 Projected Juveniles, Community-Based	0	0	236	405	405
Level 2 Community-Based Cost Per Participant (Adj. for Inflation)	\$0	\$0	\$4,924	\$5,055	\$5,151
Level 2 Total Expenditure, Community-Based	\$0	\$0	\$1,162,064	\$2,047,275	\$2,086,155

DJJ contracts with other providers for Level 2 residential programs. At a cost of approximately \$28,437 for each juvenile (adjusted for inflation), new residential programming costs will be approximately \$5,943,333 for 209 individuals in FY 2020-21.

DJJ's residential programs currently have a waitlist, a problem which will be exacerbated by the addition of this new population. DJJ would therefore require expanded Level 2 facilities. Nearly all Level 2 services are contract-based, and the Division now requires vendors to incorporate any building construction, expansion, or leasing costs in their RFP submission. The current cost for a new Level 2-style 8-bed residential facility is \$650,000. Level 2 residential programs currently last approximately four months, enabling one facility to serve approximately 24 juveniles per year. SPAC data suggests there will be approximately 209 juveniles in need of residential programming. This will require approximately 72 beds in 9 residential facilities at a cost of \$5,850,000 (\$650,000 times 9 facilities). These costs do not include continued programming for Level 2 residential programs (already calculated).

Level 2 Residential Program Expenses					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Level 2 Projected Juveniles, Residential	0	0	122	209	209
Level 2 Residential Cost Per Participant (Adj. for Inflation)	\$0	\$0	\$27,704	\$28,437	\$28,976
Level 2 Programmatic Costs, Residential	\$0	\$0	\$3,379,888	\$5,943,333	\$6,055,984
Additional Level 2 Facilities	0	\$0	\$5,580,000	\$0	\$0
Total Level 2 Residential Funding Required	0	\$0	\$8,959,888	\$5,943,402	\$6,055,984

This results in a total estimated cost of \$7,990,608 for Level 2 dispositions in FY 2020-21. These calculations are shown below.

Total Level 2 Expenses					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Community-Based Programs	\$0	\$0	\$1,162,064	\$2,047,275	\$2,086,155
Residential Programs	\$0	\$0	\$8,959,888	\$5,943,333	\$6,055,984
Total	\$0	\$0	\$10,121,952	\$7,990,608	\$8,142,139

Level 3

The dispositional alternative for Level 3 dispositions is admission to a youth development center (YDC). There are currently four YDCs with a bed capacity of 247. Average bed availability in the most recent year was 236, resulting in an average of only 11 beds open. Because YDC bed space fluctuates on a regular basis, this analysis assumes that no beds will be available to support the new population. The Sentencing and Policy Advisory Commission (SPAC) data, as analyzed above, supports an estimate of an additional 146 YDC commitments annually once the bill takes full effect.

However, not all Level 3 dispositions are immediately or irrevocably placed in a YDC. They may be enrolled in other Level 2 programs or receive some other kind of dispositional alternative. YDC commitment has become the solution of last resort in recent years for the Division, and it is therefore likely that not all 146 projected delinquents will require commitment. DJJ argued in their analysis, based on current Adult Correction data, that judges have a history of being more lenient with juveniles during sentencing, and that around 2/3rds of Level 3 offenders actually receive commitment to a YDC. If this ratio holds, the number of beds required would be 98 rather than 146.

To provide an alternative estimate, Fiscal Research requested data from SPAC showing the most recent five fiscal years of Level 3 dispositions for 15-year-olds. From FY 2011-2012 to FY 2015-16, an average of 50 individuals received a Level 3 disposition as a result of committing an offense in the range considered by this bill (Class F felony through Class 3 Misdemeanor). This analysis has assumed that 15-year-olds will exhibit similar patterns to 16- and 17-year-olds. Since the new population combines two age groups, the 15-year-old data is multiplied by two, giving an average of 100 Level 3 dispositions. This result is comparable to the alternative methodology already discussed. Therefore, based on the analysis of available data, Fiscal Research assumes that DJJ will commit approximately 98 juveniles from the new population to YDCs.

Modern YDCs are constructed in pods of 12 beds each. Up to five pods can be attached to a single facility while maintaining operational efficiency. As such, the proposed building capacity will be the nearest multiple of twelve to the estimated number of new commitments, resulting in an estimated need of 96 beds. The Department of Public Safety's engineering office estimates the cost per bed for a new 96-bed YDC to be \$255,281. This is based on the market-rate of new construction costs. Funding for construction of the new YDC will be needed beginning in FY 2017-18 and is summarized in the table below.

Estimated Construction Costs for Youth Development Centers	
Level 3 Dispositions	190
Level 3 Distinct Juveniles	146
Average Commitment to YDC for Juvenile Offenders	67%
Total YDC Beds	98
Additional Beds Required	96
Construction Cost per 96-bed Facility	\$24,507,000
One-time Furnishing Costs	\$800,000
Total Construction Cost	\$25,307,000

The new 96-bed facility would be scheduled to open around December 2019, at the time when the bill would adjust the age of jurisdiction. However, due to the lag time between complaints being registered and YDC commitment, it is unlikely that the facility's capacity will be required prior to July 1, 2020.

DJJ estimates the staffing needs of a completed 96-bed facility to be 151 FTE. The Division's analysis suggested hiring 89 staff in FY 2018-19 and bringing the rest on board in time for the facility's opening the next year. However, given the actual likely staffing needs of the facility, Fiscal Research believes these positions could be hired at the beginning of FY 2019-20 with the remainder beginning at the start of FY 2020-21. This is a staffing ratio of 1.57 FTE per bed, a lower ratio than at other facilities presumably due to economies of scale.

The total position costs are displayed in the table below.

Estimated Operating Costs for Youth Development Centers					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
FTE	0	0	89	151	151
Salaries, Benefits and Operating Costs	\$0	\$0	\$3,196,421	\$3,263,281	\$3,312,401
Other YDC Operating Costs	\$0	\$0	\$1,896,784	\$1,946,977	\$1,983,852
Total Operating Costs for New YDCs	\$0	\$0	\$5,093,205	\$5,210,258	\$5,296,253

Disposition Supervision

Juveniles who are adjudicated delinquent receive either a Level 1, Level 2, or Level 3 disposition. Regardless of their disposition level, each juvenile requires a court counselor to supervise and administer their disposition. The current caseload average for dispositions is 24 cases per counselor. The required number of disposition supervision court counselors is dependent on the number of adjudicated delinquent juveniles in the new population. As such, this bill will necessitate the creation of 89 FTE in FY 2019-20 at \$68,841 per FTE, with an additional 63 FTE

added for FY 2020-21 at \$70,663 per FTE, for a total of 152 FTE for disposition supervision in the first full year of implementation. The table below outlines these calculations.

Est. Court Counselors Needed for Disposition Supervision					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Convictions (All Disposition Levels)	0	0	4,738	4,738	4,738
Effective Date Modifier	0	0	58.34%	100%	100%
Modified Number of Convictions	0	0	2,765	4,738	4,738
Estimated Distinct Juveniles	0	0	2,127	3,645	3,645
Supervision Cases per Court Counselor	0	0	24	24	24
Est. Court Counselors Needed for Supervision	0	0	89	152	152
Total Position Cost per Court Counselor	0	\$0	\$68,841	\$70,663	\$72,001
Salary/Benefit Costs Total	0	\$0	\$6,126,849	\$10,740,776	\$10,944,152
One-Time Costs at Hiring Per Position	0	\$0	\$5,962	\$6,120	\$0
Total One-Time Costs	0	\$0.00	\$530,618	\$385,560	\$0
Total Counselor Costs for Convictions (All Dispositions)	0	\$0	\$6,657,467	\$11,126,336	\$10,944,152

Court Counselor Supervisors

Fiscal Research estimates that the bill will require 239 new court counselor FTE positions when fully implemented – 61 for intake, 26 for diversion supervision, and 152 for disposition supervision. DJJ currently has approximately one court counselor supervisor for every 9.5 counselors. Given that this bill would increase the number of supervised employees by over 60 percent, it will likely result in improved economies of scale. Fiscal Research has therefore rounded this number and used a ratio of one supervisor to every ten counselors to estimate the number of additional supervisors required.

There are currently 379 court counselors and 40 court counselor supervisors. In the first full year of implementation, FY 2020-21, the total number of court counselors is estimated to be 618 FTE (379 existing court counselors plus 239 new court counselors equals 618 FTE). At the estimated ratio of supervisors to counselors, DJJ will require 22 additional supervisors.

Currently, all court counselor supervisors have an office assistant. If this staffing pattern continues, the bill would also therefore require an additional 22 FTE for office assistants.

The table below shows the calculation for the estimated cost for 22 court counselor supervisors and their assistants. These positions will cost a total of \$3,018,224 in FY 20-21 for salary, benefits, and operating costs, not including one-time hiring costs.

Estimated Cost for New Counselor Supervisors and Assistants

Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Additional Intake Counselors Required	0	0.0	35.0	61.0	61.0
Additional Diversion Supervision Counselors Required	0	0.0	15.5	27.0	27.0
Additional Disposition Supervision Counselors Required	0	0.0	89.0	152.0	152.0
Total Additional Court Counselors	0	0.0	139.5	240.0	240.0
Existing Court Counselor Positions	0	0.0	379.0	379.0	379.0
Total Court Counselors	0	0.0	518.5	619.0	619.0
Court Counselors per Supervisor	0	0	10	10	10
Total Supervisors Required	0	0.0	52.0	62.0	62.0
Existing Supervisors	0	0.0	40.0	40.0	40.0
Additional Supervisors Required	0	0.0	12.0	22.0	22.0
Average Supervisor Salary and Benefits	\$0	\$0	\$76,728	\$78,765	\$80,312
Position Operating Costs	\$0	\$0	\$3,435	\$3,526	\$3,593
Total Position Cost, New Supervisors	\$0	\$0	\$961,956	\$1,810,402	\$1,845,910
Number of Office Assistants Required	0	0	12.0	22.0	22.0
Average Office Assistant Salary and Benefits	\$0	\$0	\$50,043	\$51,375	\$52,402
Position Operating Costs	\$0	\$0	\$3,435	\$3,526	\$3,593
Total Position Cost, New Assistants	\$0	\$0	\$641,736	\$1,207,822	\$1,231,890
Total Positions, Supervisors/Assistants	0	0	24	44	44
Subtotal Position Cost for New Counselor Supervisors and Assistants	\$0	\$0	\$1,603,692	\$3,018,224	\$3,077,800
One-Time Hiring Costs, All Positions	0	\$0	\$5,962	\$6,120	\$0
Total Costs, Court Counselor Supervisors and Assistants	0	\$0	\$1,746,780	\$3,140,624	\$3,077,800

Community Programs Administration

DJJ uses community program coordinators, program assistants and contract administrators to oversee JCPC funds and Level 2 disposition contracts. Approximately 41 juveniles are served by each JCPC program, and community program specialists oversee approximately 57 programs each. To determine the number of positions required to administer new JCPC funding, the number of youth served by JCPCs (diversion and Level 1 dispositions) was divided by the number of youth per program. That number was then divided by the number of programs per community program coordinator position. In the first full year of implementation, 2,402 juveniles (1,075 diversions plus 1,327 Level 1 Dispositions) will be served by 59 programs (2,402 divided by 41 equals 59). All positions were rounded to the nearest half position, so 1.0 community program coordinator FTE will be required in the first full year. The number of FTE was then applied to the total position cost to calculate the estimated cost for community program specialists. In the first year of implementation, the estimated cost is \$86,269.

The DJJ program assistant workload is 142 programs per FTE. Based on this caseload, DJJ will need one half-time assistant starting in the first full year of implementation. This carries a total position cost of \$27,278 in FY 2020-21.

DJJ contract administrators oversee, on average, \$5 million in contractual services each. Assuming all of the funding for Level 2 services will be distributed on a contractual basis (as has historically been the case), DJJ will need one full-time and one half-time contract administrator in the first full year of implementation. The total cost in the first year will be \$129,551. These costs are summarized in the table below.

Estimated Cost for Additional Community Program Administration

Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Est. Number of Youth Served by JCPCs	0	0	1,401	2,402	2,402
Avg. Number of Youth Served per Program	0	0	41	41	41
Number of Additional JCPC Programs	0	0	34	59	59
Avg. Programs per Position	0	0	57	57	57
New Positions Required – Community Program Specialists	0	0.0	0.5	1.0	1.0
Average Salary and Benefits	0	\$0	\$80,435	\$82,564	\$84,128
Position Operating Costs	0	\$0	\$3,597	\$3,705	\$3,803
Total Position Cost – Community Program Specialists	0	\$0	\$84,032	\$86,269	\$87,931
Cost for New Community Program Specialists	0	\$0	\$42,016	\$86,269	\$87,931
Number of Additional JCPC Programs	0	0	29	50	50
Avg. Programs per Position	0	0	142	142	142
New Positions Required – Processing Assistants	0	0.0	0.0	0.5	0.5
Average Salary and Benefits	0	\$0	\$49,470	\$50,779	\$51,740
Position Operating Costs	0	\$0	\$3,684	\$3,776	\$3,877
Total Position Cost – Processing Assistants	0	\$0	\$53,154	\$54,555	\$55,617
Cost for New Processing Assistants	0	\$0	\$0	\$27,278	\$27,809
Additional Level 2 Funding Required	0	\$0	\$4,541,952	\$7,990,608	\$8,142,139
Value of Contracts per Administrator	0	\$0	\$5,000,000	\$5,000,000	\$5,000,000
New Positions Required – Contract Administrators	0	0.0	1.0	1.5	1.5
Average Salary and Benefits	0	\$0	\$80,435	\$82,564	\$84,128
Position Operating Costs	0	\$0	\$3,705	\$3,803	\$3,875
Total Position Cost – Contract Administrators	0	\$0	\$84,140	\$86,367	\$88,003
Cost for New Contract Administrators	0	\$0	\$84,140	\$129,551	\$132,005
Total Community Program Administration FTE	0	0.0	1.5	3.0	3.0
Total Cost All Community Program Positions	0	\$0	\$126,156	\$243,098	\$247,745

Department of Public Safety – Division of Adult Correction (DAC)

The bill will have minimal impact on the Division of Adult Correction. H.B. 280 keeps 16- and 17-year-old offenders convicted of a Class A-E felonies in the adult system. SPAC reports there were 4,738 convictions that meet the revised criteria of F-I felonies and all misdemeanants supervised under juvenile jurisdiction. Of the 4,738 convictions, few offenders would receive active sentences in State prison. Most would serve their sentences in county jails through the Statewide Misdemeanant Confinement Program.

H.B. 280 will decrease the community corrections population because the majority of the 4,738 convictions receive supervised probation sentences. The Community Corrections Section estimates that there will be 3,511 fewer 16- and 17-year-old serving probation as a result of this bill. Currently, there are 1,855 probation officers with an average caseload of 57 offenders. Therefore, the average caseload would be reduced by 2 offenders per officer (3,511 offenders divided by 1,855 probation officers equals 2). Therefore, there will be no significant savings to the Community Corrections Section as a result of H.B. 280.

Administrative Office of the Courts (AOC)

The same complaint data used in the estimates above was used to estimate the impact on the court system.

Projections for Complaints Referred to Court			
Complaint Class	Total Complaints After Intake	Percent Diverted	Estimated Complaints Referred to Court
Class F felony	121	8.20%	111
Class G felony	296	0.90%	293
Class H felony	2,181	3.60%	2,102
Class I felony	933	1.30%	921
Subtotal Felony	3,531	2.95%	3,427
Class A1 misdemeanor	690	15.20%	585
Class 1 misdemeanor	6,763	20.10%	5,404
Class 2 misdemeanor	3,922	24.00%	2,981
Class 3 misdemeanor	3,216	25.80%	2,386
Subtotal Misdemeanor	14,591	22.17%	11,356
Infraction	46	31.30%	32
Total All Complaints	18,168	18.46%	14,815

A 2007 study of North Carolina court workload provided estimates of the minutes per case required for judges and clerks handling juvenile and adult cases. Because the case category for juvenile cases included abuse/neglect/dependency cases, AOC conducted a survey of district attorneys' offices and found that assistant district attorneys spent approximately 1.75 times longer on a juvenile delinquent case than on a comparable adult misdemeanor case. AOC provided three

scenarios for estimates for this bill that used different multipliers, ranging from 1.2 to 28. The table below shows the multipliers for each of AOC's scenarios.

AOC Scenarios - Juvenile Case Time Multipliers				
	Adult Case Time	Scenario 1 Multiplier	Scenario 2 Multiplier	Scenario 3 Multiplier
ADA – Felony	226.6	1.2	1.3	1.4
ADA – Misdemeanor	20	2	3	9.4
ADA – Infraction	6.5	2	3	28.8
DA Legal Assistant – Felony	179.1	1.2	1.3	1.4
DA Legal Assistant – Misdemeanor	19	2	3	3
DA Legal Assistant - Infraction	1.7	2	3	3
District Court Judge – Criminal	31.87	2	3	3
District Court Judge – Infraction	6.2	2	3	3
Deputy Clerk – Criminal	66.4	2	3	3
Deputy Clerk - Infraction	32.7	2	3	3

In Fiscal Research's estimation, these scenarios overstate the time differential for most juvenile cases. For the purposes of this note, the 1.75 multiplier from 2012 was used across all position categories. To the extent that juvenile cases do require significantly more time, this estimate may be understated.

The minutes used to calculate the number of additional judges, deputy clerks, and assistant district attorneys required by this bill have been raised by a factor of 1.75. For example, the number of minutes per adult case for a district court judge is 31.87. Multiplying 31.87 by 1.75 yields an estimated minutes per juvenile case of 55.77. The tables below shows the minutes per case in the adult system for each position compared to the estimated minutes per case that will be required in the juvenile system for felonies, misdemeanors, and infractions.

Minutes per Case by Position			
Felonies			
AOC Position	Minutes per Adult Case	Increased Time Factor	Estimated Minutes per Juvenile Case
District Court Judge	31.87	1.75	55.77
Deputy Clerk	66.4	1.75	116.20
Assistant District Attorney	226.6	1.75	396.55
District Attorney Legal Assistant	179.1	1.75	313.43

Minutes per Case by Position Misdemeanors			
AOC Position	Minutes per Adult Case	Increased Time Factor	Estimated Minutes per Juvenile Case
District Court Judge	31.87	1.75	55.77
Deputy Clerk	66.4	1.75	116.20
Assistant District Attorney	20	1.75	35.00
District Attorney Legal Assistant	19	1.75	33.25

Minutes per Case by Position Infractions			
AOC Position	Minutes per Adult Case	Increased Time Factor	Estimated Minutes per Juvenile Case
District Court Judge	6.2	1.75	10.85
Deputy Clerk	32.7	1.75	57.23
Assistant District Attorney	6.5	1.75	11.38
District Attorney Legal Assistant	1.7	1.75	2.98

To determine the number of positions required as a result of the increased workload for juveniles, the number of minutes per case for each position was multiplied by the number of cases that would be approved for court. Since it can be assumed that the all of the cases would be heard in adult court were it not for the bill, the number of minutes per adult cases was multiplied by the total number of cases to determine the current staffing requirements in the adult system. Total minutes were then divided by the number of minutes in a year for each position. The result was then subtracted from the total number of FTE required in the juvenile system to determine the additional positions that would be required if these cases were juveniles. (All FTE were rounded to the nearest half position, except for judges, which were rounded to the nearest whole position.) Once the number of FTE for each type of position was determined, position costs were applied to derive the cost for the additional FTE. The charts below show the number of additional FTE required and the cost for each type of position by offense classification.

Estimated Cost for District Court Judges (Based on FY 2017-18 Position Costs)				
District Court Judge	Felonies	Misdemeanors	Infractions	Total
Complaints	3,531	14,591	46	18,168
DPS 2015 % Approved for Court (Est.)	97%	78%	69%	82%
Number of Complaints Approved for Court	3,427	11,356	32	14,815
Minutes Required per Juvenile Case	55.77	55.77	10.85	
Total Additional Minutes Required - Judge	191,124	633,324	347	824,795
Minutes per FTE - Judge	83,328	83,328	83,328	83,328
FTE Required for Juvenile Cases - Judge	2.00	8.00	0.00	10.00
Current Minutes Required for Adult Cases	112,533	465,015	285	577,833
FTE Required for Adult Cases	1.00	6.00	0.00	7.00
FTE Difference (Juvenile less Adult) - Judge	1.00	2.00	0.00	3.00
Salary and Benefit Costs - Judge	\$172,462	\$172,462	\$172,462	\$172,462
Other Recurring Position Costs	\$17,203	\$17,203	\$17,203	\$17,203
Non-Recurring Position Costs	\$9,853	\$9,853	\$9,853	\$9,853
Total Position Cost - District Court Judge	\$199,518	\$399,036	\$0	\$598,554

Estimated Cost for Deputy Clerks (Based on FY 2017-18 Position Costs)				
Deputy Clerk	Felonies	Misdemeanors	Infractions	Total
Complaints	3,531	14,591	46	18,168
DPS 2015 % Approved for Court (Est.)	97%	78%	69%	82%
Number of Complaints Approved for Court	3,427	11,356	32	14,815
Minutes Required per Juvenile Case	116.20	116.20	57.23	
Total Additional Minutes Required - Clerk	398,217	1,319,567	1,831	1,719,616
Minutes per FTE -Clerk	85,426	85,426	85,426	83,328
FTE Required for Juvenile Cases - Clerk	4.50	15.50	0.00	20.00
Current Minutes Required for Adult Cases	234,458	968,842	1,504	1,204,804
FTE Required for Adult Cases	2.50	11.50	0.00	14.00
FTE Difference (Juvenile less Adult) - Clerk	2.00	4.00	0.00	6.00
Salary and Benefit Costs - Clerk	\$41,175	\$41,175	\$41,175	\$41,175
Other Recurring Position Costs	\$7,808	\$7,808	\$7,808	\$7,808
Non-Recurring Position Costs	\$2,299	\$2,299	\$2,299	\$2,299
Total Position Cost - Clerk	\$102,564	\$205,128	\$0	\$307,692

Estimated Cost for Assistant District Attorneys (Based on FY 2017-18 Position Costs)				
Assistant District Attorney (ADA)	Felonies	Misdemeanors	Infractions	Total
Complaints	3,531	14,591	46	18,168
DPS 2015 % Approved for Court (Est.)	97%	78%	69%	82%
Number of Complaints Approved for Court	3,427	11,356	32	14,815
Minutes Required per Juvenile Case	396.55	35.00	11.38	
Total Additional Minutes Required - ADA	1,358,977	397,460	364	1,756,801
Minutes per FTE - Asst. District Attorney	90,720	90,720	90,720	83,328
FTE Required for Juvenile Cases - ADA	15.00	4.50	0.00	19.50
Current Minutes Required for Adult Cases	800,125	291,820	299	1,092,244
FTE Required for Adult Cases	9.00	3.00	0.00	12.00
FTE Difference (Juvenile less Adult) - ADA	6.00	1.50	0.00	7.50
Salary and Benefit Costs - Asst. District Attorney	\$99,975	\$99,975	\$99,975	\$99,975
Other Recurring Position Costs	\$20,216	\$20,216	\$20,216	\$20,216
Non-Recurring Position Costs	\$3,752	\$3,752	\$3,752	\$3,752
Total Position Cost - ADA	\$743,658	\$185,915	\$0	\$929,573

Estimated Cost for ADA Legal Assistants (Based on FY 2017-18 Position Costs)				
ADA Legal Assistant	Felonies	Misdemeanors	Infractions	Total
Complaints	3,531	14,591	46	18,168
DPS 2015 % Approved for Court (Est.)	97%	78%	69%	82%
Number of Complaints Approved for Court	3,427	11,356	32	14,815
Minutes Required per Juvenile Case	313.43	33.25	2.98	
Total Additional Minutes Required - Legal Assistant	1,074,125	377,587	95	1,451,807
Minutes per FTE - Legal Assistant	78,315	78,315	78,315	83,328
FTE Required for Juvenile Cases - Legal Assistant	13.50	5.00	0.00	18.50
Current Minutes Required for Adult Cases	632,402	277,229	78	909,709
FTE Required for Adult Cases	8.00	3.50	0.00	11.50
FTE Difference (Juvenile less Adult) - Legal Assistant	5.50	1.50	0.00	7.00
Salary and Benefit Costs - Legal Assistant	\$55,209	\$55,209	\$55,209	\$55,209
Other Recurring Position Costs	\$8,456	\$8,456	\$8,456	\$8,456
Non-Recurring Position Costs	\$4,198	\$4,198	\$4,198	\$4,198
Total Position Cost - Legal Assistant	\$373,247	\$101,795	\$0	\$475,042

In addition to the position costs required, Section 3.2 of the bill requires AOC to expand access to its automated electronic information management system for juvenile courts, J Wise, to include prosecutors and attorneys representing juveniles in juvenile court proceedings. AOC estimates the cost of this expansion will be \$910,640 nonrecurring. However, since the expansion will be

handled by existing AOC information technology staff, no additional funding should be required. Therefore, no costs have been included in the estimate for this section.

The chart below shows the amounts required by AOC in each year of the fiscal year estimate. Because the bill has an effective date of December 1, 2019 for the changes to juvenile age, no positions will be needed by the courts before January 1, 2019. Therefore, estimates for FY 2019-20 are for six months. The recurring costs are cumulative, while the nonrecurring costs reflect only the amount needed for the additional positions when they are created in FY 2019-20. Costs have been adjusted for inflation using the inflation rates provided by Moody's economy.com in January, 2017.

Estimated Costs for Administrative Office of the Courts						
Position/Item	FTE	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
District Court Judge	3.00	\$0	\$0	\$332,820	\$618,946	\$630,669
Deputy Clerk	6.00	\$0	\$0	\$170,348	\$319,699	\$325,754
Assistant District Attorney	7.50	\$0	\$0	\$507,466	\$980,568	\$999,140
ADA Legal Assistant	7.00	\$0	\$0	\$267,282	\$484,778	\$493,960
AOC Total Costs	23.50	\$0	\$0	\$1,277,916	\$2,403,991	\$2,449,523

Indigent Defense Services (IDS)

The Office of Indigent Defense Services (IDS) provides public defenders for defendants found to be indigent. In FY 2015-16, 50.3 percent of adults charged with a non-traffic misdemeanor were found to be indigent. IDS currently pays the same hourly rate (\$55) to private assigned counsel (PAC) for juvenile and adult cases. However, IDS reports that there may be some change in per case expenditures based on the average amount of time a PAC attorney spend on misdemeanor cases in superior or district court compared to juvenile court. IDS expects cases involving 16- and 17-year-olds in juvenile court to take less time than they would otherwise in superior court while taking more time than they would otherwise in district court. As a result, the transfer of cases from superior court to juvenile court is expected to produce savings, while the transfer of cases from district court to juvenile court is expected to increase costs. The net result is an increased cost to IDS.

G.S. 7B-2000 states that “[a]ll juveniles shall be conclusively presumed to be indigent”. In their analysis, IDS carried through with this assumption when calculating likely costs. The additional cost per district court case is determined by multiplying the current PAC counsel rate of \$55/hour times the number of likely charges times the difference between the time spent on each case in juvenile court compared to another type of court.

For example, IDS calculated the average time for a Class F felony case to be 6.29 hours in district court and 7.96 hours in juvenile court. They also estimated that 64% of Class F felony cases involving 16- and 17-year-olds are tried in district court while 36% of cases are tried in superior court. The difference between the time required (1.67) is multiplied by the number of projected cases involving 16- and 17-year-olds as supplied by AOC earlier in this analysis (111) and times

the percentage of cases in district court (64%), then multiplied by the PAC rate (\$55), resulting in a cost estimate of \$6,521.

These calculations are shown for each class of offense in the table below. To the extent that the statute's underlying expectation of indigence is incorrect and families of juveniles provide their children with counsel, this estimate may be overstated.

IDS Costs - Superior Court vs. Juvenile Court								
	Number of Offenses	% Cases in Superior Court	Cases in Superior Court	Average Hours in Superior Court	Average Hours in Juvenile Court	Rate per Hour - Superior Court	Rate per Hour - Juvenile Court	Cost Difference for Superior Court
Class F Felony	111	36%	40	12.23	7.96	\$60	\$55	(\$11,840)
Class G Felony	293	35%	103	10.6	7.73	\$60	\$55	(\$21,718)
Class H Felony	2,102	25%	526	9.27	6.52	\$60	\$55	(\$103,937)
Class I Felony	921	23%	212	8.1	5.88	\$60	\$55	(\$34,471)
Non-Traffic Misdemeanor	11,356	1%	114	7.33	4.17	\$60	\$55	(\$23,991)
Infractions	32	0%	0	0	2	\$60	\$55	\$0
Total								(\$195,957)

IDS Costs - District Court vs. Juvenile Court							
	Number of Offenses	% Cases in District Court	Cases in District Court	Average Hours in District Court	Average Hours in Juvenile Court	Rate per Hour - All Courts	Cost Difference for District Court
Class F Felony	111	64%	71	6.29	7.96	\$55	\$6,521
Class G Felony	293	65%	190	5.6	7.73	\$55	\$22,259
Class H Felony	2,102	75%	1,577	5.09	6.52	\$55	\$124,031
Class I Felony	921	77%	709	4.71	5.88	\$55	\$45,624
Non-Traffic Misdemeanor	11,356	99%	11,242	3.59	4.17	\$55	\$358,620
Infractions	32	100%	32	0	2	\$55	\$3,520
Total							\$560,575

IDS Costs - Net					
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Superior Court Savings	\$0	\$0	(\$114,321)	(\$195,957)	(\$195,957)
District Court Costs	\$0	\$0	\$327,039	\$560,575	\$560,575
Net IDS Costs	\$0	\$0	\$212,718	\$364,618	\$364,618

IDS also estimates that they will also require two additional FTE: one assistant juvenile defender and one contracts administration position. However, the need for these positions is less clear than the PAC requirements already calculated. Unlike AOC, IDS does not have a workload formula for its public defenders. In addition, the need for a contracts administrator is dependent on the results of a current pilot program, the results of which will not be reported to the General Assembly until March 2018.

General Assumptions

General assumptions used throughout this analysis are listed below. In instances where an assumption was used only for a particular calculation, that assumption is noted in the appropriate section of the analysis.

1. Policies and practices currently in place in the Division of Juvenile Justice will be used to manage and treat the new population. This analysis assumes no significant changes will be made to the current system if 16- and 17-year-olds are added.
2. This analysis does not take into account potential fluctuations in the delinquent juvenile population. The State's population growth, if it continues, may lead to increased requirements, while the drop in juvenile crime over the past several years, if it continues, may lead to decreased requirements. Given the short window of impact for this analysis of two years, the most recent year's delinquent population data was carried forward.
3. All costs have been adjusted for inflation based on the rates found on Moody's economy.com as of January, 2017.
4. No personnel funding was estimated prior to the first year of implementation. It is assumed that there will be gradual build-up of services required throughout the year, as not everyone in the projected population will commit a crime and have a complaint filed against them on December 1, 2019. Since the increase in population will be gradual, there is time during the first year of implementation for hiring and training of new staff.

SOURCES OF DATA: Department of Public Safety, Administrative Office of the Courts, Office of Indigent Defense Services, North Carolina Sentencing and Policy Advisory Commission

TECHNICAL CONSIDERATIONS: The bill transfers 16- and 17-year-olds who commit certain felonies, misdemeanors or infractions to the juvenile system, except in the case of violations of motor vehicle laws. AOC has expressed concerns with the viability of separating motor vehicle infractions from other violations of the law. For example, a 17-year-old may be pulled over for speeding but is found to be in possession of a small amount of marijuana. The speeding ticket would in this case be treated as an infraction in the adult system while the marijuana penalty must be treated through the juvenile system under this bill. Separating the two charges may prove complex for the courts and law enforcement to process.

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Mark White, Kristine Leggett, John Poteat

APPROVED BY:

Mark Trogdon, Director
Fiscal Research Division

DATE: May 5, 2017



Signed Copy Located in the NCGA Principal Clerk's Offices

**House Pages
Assignments
Thursday, May 11, 2017
Session: 10:00 AM**

Committee	Room	Time	Staff	Comments	Member
Appropriations	643	8:45 AM	Marc-Alain Bertoni		Rep. Debra Conrad
			Trey Blackwood		Rep. Hugh Blackwell
			Joshua Cartret		Rep. Brenden Jones
			Mary Beth Rhyne		Rep. Rena Turner



Committee Sergeants at Arms

NAME OF COMMITTEE House Comm. on Appropriations

DATE: 05/11/17 Room: 643

House Sgt-At Arms:

1. Name: <u>Young Bae</u>	<u>Warren Hawkins</u>
2. Name: <u>Marvin Lee</u>	<u>David Leighton</u>
3. Name: <u>Reggie Sills</u>	<u>Malachi McCullough</u>
4. Name: <u>Jim Moran</u>	<u>Russell Salisbury</u>
5. Name: <u>Rey Cooke</u>	<u>Jonas Cherry</u>
<u>Joe Crook</u>	<u>David Linthicum</u>
<u>Barry Moore</u>	<u>Thomas Terry</u>
<u>Bill Bass</u>	<u>[REDACTED]</u>
1. Name: _____	_____
2. Name: _____	_____
3. Name: _____	_____
4. Name: _____	_____
5. Name: _____	_____



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/11/17

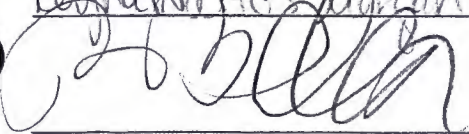
Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Marilyn Arla	Rep Stevens
Doug Lass	NLSTA
Dustin Ingall's	Rep. John
Reginald H. Henson	Comoder Consulting
	BCI
Emmanuel Wilder	North Carolina Federation of Young Republicans
Tarrach Celicha	CCSR
Dick Gilbr	Law Off of LWC PLLC
Matthew Babcock	PPAR
M. Ty	Rep. Boles
Susanne Davis	OSHR



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/11/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Bradford Sneed	DOJ
Kris Parks	DRNC
Alexi Arthur	NCRMA
Elizabeth Robinson	NCRMA
Catherine L Anderson	DPS - JUVJUS
Kimberly Quintus	DPS - Juvenile Justice
Cindy Porterfield	DPS - Juvenile Justice
Michael Rieder	DPS - Juvenile Justice
William Lassiter	NC DPS Juvenile Justice
Jessica Smith	UNC School of Government
Eric Zogly	OJD



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/11/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Michelle Hall	NC Sentencing Commission
Ginny Hevener	" " "
Matthew Herr	DRNC
Suzanna Birdseye	ACLU-NC
Dan DeLoach	Rep. Lane
Adam SOTAK	NC Child
Deans Eatman	NC DOT
J Perens	CSS
Melisse Boughton	NC Policy Watch
Sarah Gillooly	ACLU
AMES SIMMONS	EQUALITY NC



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/11/17

Name of Committee

Date _____

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NAME _____

FIRM OR AGENCY AND ADDRESS

White, John

Combinatorial

Julia Adams Scheurich

Oak City 4R

Terry Pratt

Albemarle Fishermans Assoc

Cory HAND

NCHA

Alan Briggs

NC Food Banks



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/11/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Kelly McGee	3P
Samuel	Roanoke
Ashley Weldon	DA - 30th
Peg Dore	Conf. of DAs
Holly Bowick	DA - 30th District
Mildred Spearman	NCAOC
Karin Willard	NCA Intern
Joy Hicks	NCDOT
Chris Saunders	NCA + CS
Sue Ann Forrest	NCMS
Lindsey Davis	Rep. Faircloth



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/11/17

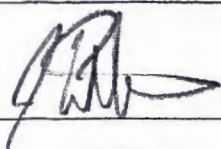
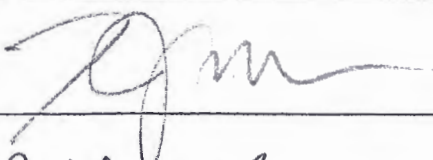
Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Chris Bronghton	MWC
Jonathan Barbaker	Barbaker Assoc
Elizabeth Biser	Brooks Piers
Chris McClure	Brooks P.
	MWC
MWB.com	
	Miss
Richard Bostic	NC SBA
Michelle Frazier	SML
Josh Lanier	SML
Will Robinson	NCCALJ



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/11/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Andy Brandon	NC DPS
Lara Cole	NC DPS
Ken Wright	NC DOR
Bruce Hildner	NCSB
[Signature]	BH
Dana Sips	SA
Tom Murr	NC Judicial Branch
Robb Jansen	NCSBE
Schuthia Peacock	NCNA
Jason Kessler	NCNA
Tina Gordon	NC Nurses Association



Candace Slate (Rep. Nelson Dollar)

From: Candace Slate (Rep. Nelson Dollar)
Sent: Thursday, May 25, 2017 4:46 PM
To: Candace Slate (Rep. Nelson Dollar)
Subject: <NCGA> House Appropriations Committee Meeting Notice for Wednesday, May 31, 2017 at 8:45 AM
Attachments: Add Meeting to Calendar_LINC_ics

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Wednesday, May 31, 2017
TIME: 8:45 AM
LOCATION: 643 LOB
COMMENTS: Senate Bill 257 Appropriations Act 2017

Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 4:34 PM on Thursday, May 25, 2017.

___ Principal Clerk
___ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)



Corrected #1: adding SB 421 and HB 284

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Wednesday, May 31, 2017

TIME: 8:45 AM

LOCATION: 643 LOB

COMMENTS: Senate Bill 257 Appropriations Act 2017

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>SB 421</u>	Use of Career & Technical Funds/Onslow County.	Senator Brown
<u>HB 284</u>	25-Year LEO Retirement Option.	Representative Murphy Representative McNeill Representative Rogers Representative Malone

Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:19 PM on Tuesday, May 30, 2017.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)





House Appropriations Committee

**Wednesday, May 31, 2017, 8:45 AM
643 Legislative Office Building**

AGENDA

**Welcome, Opening Remarks
and Presentation of Committee Rules**

Rep. Nelson Dollar, Senior Chair
Rep. Dean Arp
Rep. Justin Burr
Rep. John Faircloth
Rep. Linda Johnson
Rep. Donny Lambeth
Rep. Chuck McGrady

Consideration of the following bills:

BILLS

SB 257 (PCS)

SHORT TITLE

Appropriations Act of 2017

SPONSORS

Sen. Harry Brown
Sen. Kathy Harrington
Sen. Brent Jackson

SB 421

Use of Career & Technical Funds/
Onslow County

Sen. Harry Brown

ADJOURN



Appropriations Committee

[illegible]



Rep. Carla Cunningham	X
Rep. Ted Davis	X
Rep. Jimmy Dixon	X
Rep. Josh Dobson	X
Rep. Andy Dulin	X
Rep. Beverly Earle	X
Rep. Jeffrey Elmore	X
Rep. Jean Farmer-Butterfield	X
Rep. Susan Fisher	X
Rep. Elmer Floyd	X
Rep. Carl Ford	X
Rep. Rep. John Fraley	X
Rep. Terry Garrison	X
Rep. Rosa Gill	X
Rep. C Graham	X
Rep. G. Graham	X
Rep. Holly Grange	X
Rep. Duane Hall	
Rep. Kyle Hall	X
Rep. Jon Hardister	X
Rep. Pricey Harrison	X
Rep. Craig Horn	
Rep. Howard Hunter	X
Rep. Pat Hurley	X
Rep. Frank Iler	X
Rep. Verla Insko	X
Rep. Darren Jackson	X
Rep. Joe John	X
Rep. Brenden Jones	X
Rep. David Lewis	
Rep. Marvin Lucas	X
Rep. Chris Malone	X
Rep. Grier Martin	X



[illegible]



[illegible]



MINUTES
HOUSE APPROPRIATIONS COMMITTEE

Tuesday, May 31, 2017

8:45 a.m.

Legislative Office Building, Room 643

ATTENDEES:

Chairmen: Representatives Dollar, Arp, Burr, Faircloth, L. Johnson, Lambeth and McGrady

Members: Adcock, Ager, Autry, Ball, Belk, J. Bell, L. Bell, Black, Blackwell, Boles, Boswell, Brawley, Brisson, Brockman, Brody, Bumgardner, Clampitt, Cleveland, Conrad, Corbin, Cunningham, Davis, Dixon, Dobson, Dulin, Earle, Elmore, Farmer-Butterfield, Fisher, Floyd, Ford, Fraley, Garrison, Gill, C. Graham, G. Graham, Grange, K. Hall, Hardister, Harrison, Hunter, Hurley, Iler, Insko, Jackson, John, Jones, Lucas, Malone, Martin, McElraft, McNeill, Michaux, Millis, Murphy, Pierce, Pittman, Potts, Presnell, Quick, B. Richardson, W. Richardson, Riddell, Rogers, Ross, Sauls, Shephard, Speciale, Stevens, Strickland, Terry, Torbett, B. Turner, R. Turner, Watford, White, Willingham, Wray, Yarborough, Zachary

I. Call to Order

Senior Chair, Nelson Dollar presided and called the meeting to order at 8:55 a.m.

II. Introductions

Representative Dollar introduced Sergeant-at-Arms Staff assisting with the meeting. Also introduced were students serving as House Pages.

III. Review of Rules

Representative Dollar Reviewed 2017 Rules for Committee Procedures.

IV. Action Agenda Items

A. 2017 Appropriations Act

B. Proposed Committee Substitute SB257

Representative Dollar called upon committee chairs to review their committee's budget.

EDUCATION:	Elmore, Hurley, Fraley
HHS:	Dobson, Murphy, Malone
AG/NER:	Dixon, Ross, K. Hall, McElraft
JPS:	R. Turner, McNeill, Boles
TRANSPORTATION:	Torbett, Iler, Shephard, Presnell
GEN. GOVERNMENT:	Cleveland, Riddell



IT: Saine
CAPITAL: Hardister

C. SB421: Use of Career & Technical Funds/ Onslow County

Representative Shepherd introduced SB421 to amend the purpose of appropriated funds to Onslow County during the 2016-17 Fiscal Year to retrofit and purchase equipment for a regional career and technical education center to allow the funds be used for the construction of a new education center.

Representative Shepherd moved for a favorable report of SB421. The motion passed.

D. Recess

The Committee recessed at 12:07 p.m. to reconvene at 1:30

E. Amendments

<u>Representative</u>	<u>Amendment</u>	<u>Adopted/Failed</u>
McNeill	S257-AMS-24 [v.3]	Adopted
Lambeth	S257-ALH-23 [v.2]	Adopted
Rogers	S257-AMH-19 [v.7]	Adopted
Murphy	S257-AMR-14 [v.1]	Adopted
Rogers	S257-AMS-29 [v.3]	Adopted
Murphy	S257-AMG-13 [v.3]	Adopted
Fraley	S257-AMK-19 [v.5]	Adopted
McElraft	S257-AMH-21 [v.5]	Adopted
Malone	S257-ALU-14 [v.2]	Adopted
McNeill	S257-AMU-18 [v.5]	Adopted
Hardister	S257-AML-19 [v.3]	Adopted
	Show of hands	Aye: 46; No: 30
Hurley	S257-AMK-18 [v.4]	Adopted
Boles	S257-AMM-23 [v.2]	Adopted
G. Graham	S257-AMS-31 [v.2]	Adopted
Stevens	S257-AMS-27 [v.3]	Adopted
C. Graham	S257-ALU-15 [v.3]	Adopted
Grange	S257-ALH-22 [v.6]	Adopted
Cleveland	S257-ALG-17 [v.3]	Adopted
Torbett	S257-AMQ-13 [v.6]	Adopted
	Show of hands	Aye: 42; No: 29
Brody	S257-AMQ-25 [v.2]	Adopted
Dollar	S257-AMQ-18 [v.1]	Adopted
Boles	S257--AMS-20 [v.2]	Adopted



<u>Representative</u>	<u>Amendment</u>	<u>Adopted/Failed</u>
Murphy	S257-AMG-20 [v.1]	Adopted
Blackwell	S257-ALH-25 [v.3]	Adopted
McElraft	S257-AMQ-24 [v.1]	Adopted
McNeill	S257-AMS-26 [v.5]	Adopted
K. Hall	S257-AMU-22 [v.1]	Adopted
McNeill	S257-AMS-21 [v.4]	Adopted
Ross	S257-AMQ-17 [v.2]	Adopted
Hardister	S257-AMQ-21 [v.2]	Adopted
Insko	S257-AMG-19 [v.1]	Adopted
Blackwell	S257-AMK-21 [v.3]	Adopted
Dobson	S257-AMR-11 [v.6]	Adopted
Millis	S257-AMH-23 [v.2]	Adopted
	Show of hands	Aye: 44; No: 22
Elmore	S257-AMU-16 [v.2]	Adopted
Blackwell	S257-ALH-21 [v.4]	Adopted
Boles	S257-AMS-22 [v.5]	Adopted
White	S257-AMG-12 [v.8]	Adopted
Saine	S257-AMQ-20 [v.1]	Adopted
Faircloth	S257-AMK-30 [v.2]	Adopted
Dollar	S257-AMG-14 [v.11]	Adopted
Blackwell	S257-AMT-10 [v.5]	Adopted
Dollar	S257-AMQ-26 [v.5]	Adopted
Blackwell	S257-AMT-12 [v.2]	Adopted
Gill	S257-AMK-23 [v.3]	Failed
Insko	S257-AMR-16 [v.5]	Adopted
McNeill	S257-AMQ-19 [v.2]	Adopted
McNeill	S257-AMQ-22 [v.3]	Adopted
Arp	S257-AMH-24 [v.1]	Adopted
Michaux	S257-ALM-9 [v.1]	Failed
McNeill	S257-AMM-25 [v.1]	Adopted

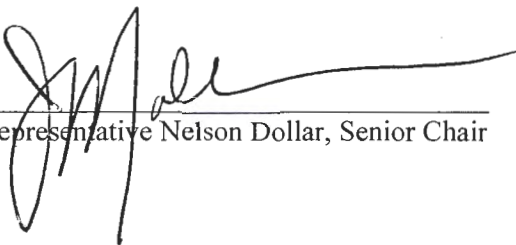


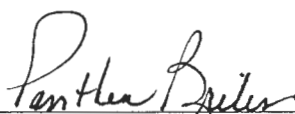
Representative Donny Lambeth moved that Senate Bill 257, as amended, be rolled into a Committee Substitute; favorable report as to the Committee Substitute, unfavorable as to the original Bill; and further, move that staff be authorized to make technical corrections and conforming changes and to adjust all totals in the Bill and the report necessary to effectuate amendments.

Chairman Dollar called for the question. Vote on the motion was unanimous

V. Adjournment

The House Committee on Appropriations adjourned at 4:38 p.m.



Representative Nelson Dollar, Senior Chair

Panthea Briles, Committee Clerk

2
1



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S

1

SENATE BILL 421

Short Title: Use of Career & Technical Funds/Onslow County. (Public)

Sponsors: Senator Brown (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 29, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE PURPOSES FOR WHICH CERTAIN FUNDS APPROPRIATED
3 TO ONSLOW COUNTY FOR THE 2016-2017 FISCAL YEAR MAY BE USED AND TO
4 MAKE THOSE FUNDS NONREVERTING.

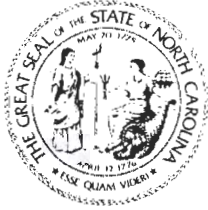
5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Notwithstanding any provision of S.L. 2016-94, or of the Committee
7 Report described in Section 39.2 of that act, to the contrary, the sum of five million dollars
8 (\$5,000,000) in nonrecurring funds for the 2016-2017 fiscal year appropriated in that act to
9 Onslow County to retrofit and purchase equipment for a regional career and technical education
10 center may be used to fund the construction of a new education center. G.S. 143C-1-2(b) and
11 G.S. 143C-6-23(f1)(1) shall not apply to the funds described in this section.

12 **SECTION 2.** This act is effective when it becomes law.







SENATE BILL 421: Use of Career & Technical Funds/Onslow County.

2017-2018 General Assembly

Committee: House Appropriations
Introduced by: Sen. Brown
Analysis of: First Edition

Date: May 31, 2017
Prepared by: Committee Counsel

OVERVIEW: *S421 allows nonrecurring funds appropriated in the Appropriations Act, S.L. 2016-94, for the 2016-2017 fiscal year to be used beyond the fiscal year for a different purpose.*

SUMMARY:

Senate Bill 421 authorizes the repurposing of five million dollars (\$5,000,000) in nonrecurring funds for the 2016-2017 fiscal year appropriated to Onslow County to retrofit and purchase equipment for a regional career and technical education center. Instead, the funds will be used for the construction of a new education center. This is accomplished by notwithstanding G.S. 143C-1-2(b) and 10 G.S. 143C-6-23(f1)(1) to prevent reversion and return of the grant funds.

RELEVANT LAW:

§ 143C-1-2. Appropriations: constitutional requirement; reversions.

(b) Reversions. – Unless otherwise provided by law, at the end of the fiscal year the unexpended, unencumbered balance of an appropriation reverts to the fund from which the appropriation was made; except that (i) an appropriation to the General Assembly shall not revert unless otherwise provided by the Legislative Services Commission, (ii) an appropriation for a capital improvement project shall revert as provided by G.S. 143C-8-11, and (iii) an appropriation for the implementation of information technology (IT) projects shall not revert until the project is implemented or abandoned.

"§ 143C-6-23. State grant funds: administration; oversight and reporting requirements.

(f1) Return of Grant Funds. – Except as otherwise required by federal law, a grantee or subgrantee shall return to the State all affected grant funds and interest earned on those funds if any of the following occurs:

- (1) The funds are in the possession or control of a grantee and are not expended, made subject to an encumbrance, or disbursed to a subgrantee by August 31 immediately following the fiscal year in which the funds are appropriated by the General Assembly, or a different period set forth in the terms of the applicable appropriation or federal grant.

Kory Goldsmith
Director



Legislative Drafting
919-733-6660

S 4 2 1 - S M L R - 3 E 1 - V - 2



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

**Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair**

FAVORABLE

SB 421

Use of Career & Technical Funds/Onslow County.

Draft Number:	None
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Dollar

TOTAL REPORTED: 1



* C M R 4 6 O - V - 1 *



**North Carolina House of Representatives
Appropriations Committee**

2017 RULES FOR COMMITTEE PROCEDURES

May 31, 2017

The following rules govern the eligibility of amendments to Senate Bill 257:

1. Amendments cannot increase total spending within a committee area beyond the total for that committee as shown in the committee report (House Rule 43(b)(1)).
2. Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the committee (House Rule 43(b)(2)).
3. Amendments cannot increase total spending, from any source, beyond the total amount shown in the committee report (House Rule 43(b)(3)).
4. Amendments that cause the budget to be unbalanced are not in order (House Rule 43(b)(4)).
5. Amendments cannot spend reversions (House Rule 43(b)(5)).
6. Amendments cannot make nonrecurring reductions to fund recurring items (House Rule 43(b)(6)).
7. Amendments cannot change substantive policy or law (House Rule 36.4).
8. Amendments cannot propose to include material not directly related to the budget. (House Rule 43(a))
9. Amendments cannot change the recurring or non-recurring designation of money items.
10. Amendments cannot adjust salary and benefit appropriations for the departments, agencies, or programs.
11. Amendments cannot reduce or eliminate vacant positions (or the associated savings in the salary and benefits) in agency budgets beyond those included in the committee report.
12. Amendments must be in writing, the original signed, with 150 copies available for distribution. The Sergeant-at-Arms will distribute copies only at the direction of the Chairs.
13. No documents may be distributed to members except by prior arrangement with the Chairs.
14. The House Budget Team will review amendments to make sure they are eligible for consideration. Eligible amendments will be heard after all of the subcommittee presentations have been made.
15. **To be considered, a proposed amendment (a) must have been requested from drafting staff by 12:00 pm or (b) if handwritten by a member, must have been logged in at the podium by 12:00 pm.**





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 5
(to be filled in by
Principal Clerk)

S257-AMS-27 [v.3]

Page 1 of 2

Amends Title [NO]
PCS

Date 05-31, 2017

Representative Stevens

moves to amend the bill on page 271, lines 35-37, by rewriting those lines to read:

"Magistrate/Clerk Staffing Pilot Project

Notwithstanding the minimum staffing number in G.S. 7A- 133(c), the Clerk of Superior Court in a county, with the written or emailed consent of the Chief District Court Judge, may hire one deputy or assistant clerk in lieu of one of the magistrate positions allocated to that county. To provide accessibility for law enforcement and citizens, the Clerk of Superior Court's office will provide some of the services traditionally provided by the magistrates' office during some or all of the regular courthouse hours. The Administrative Office of the Courts shall report on the results of the pilot project by October 1, 2018 to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety. The report shall include the counties participating, a summary of the magisterial tasks assumed by clerks, the estimated cost savings, and recommendations for future expansion.";

and moves to amend the Committee Report on page I-33 by adding two new items after Item 30 as follows:

Magistrate Positions (\$152,357) R (\$152,357) R

Eliminates two magistrate positions: 60006073 and 60006074.

-2.00 -2.00

Magistrate/Clerk Staffing Pilot Project \$152,357 R \$152,357 R

3.00 3.00

Creates 3 new deputy clerk positions in Surry County for a magistrate/clerk staffing pilot project. The Clerk's office will provide some of the services traditionally provided by the magistrates' office during some or all of the regular courthouse hours, freeing magistrates to work evenings and weekends.



* S 2 5 7 - A M S - 2 7 - V - 3 *


NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 5
(to be filled in by
Principal Clerk)

S257-AMS-27 [v.3]

Page 2 of 2

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

☒

FAILED

TABLED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 1
(to be filled in by
Principal Clerk)

S257-AMS-24 [v.3]

Page 1 of 1

Amends Title [NO]
PCS

Date 05.31, 2017

Representative McNeill

1 moves to amend the PCS on page 257, lines 24 through 26 by inserting between those lines the
2 following new provision:

3 **"STUDY INMATE HEALTH INFORMATION EXCHANGE SOFTWARE**

4 **SECTION 16C.10.** The Department of Public Safety, in collaboration with the
5 Department of Health and Human Services, shall study the feasibility of the State acquiring and
6 implementing an inmate health information exchange program to allow for the secure and
7 effective transfer of pertinent medical information on an inmate, including the ability to upload
8 and transmit test results, so that the need for replication of tests is either minimized or
9 eliminated. The Departments shall report their findings and recommendations, including any
10 legislative proposals, to the Joint Legislative Committees on Justice and Public Safety and
11 Health and Human Services by February 1, 2018."
12
13
14

SIGNED

Allen McNeill

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A M S - 2 4 - V - 3 *



4

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 4
(to be filled in by
Principal Clerk)

S257-AMH-21 [v.5]

Page 1 of 1

Amends Title [NO]
House PCS

Date 05.31, 2017

Representative McElraft

- 1 moves to amend the PCS on page 216, line 28, by renumbering Section 13.11 as Section
2 13.11(a);
3
4 and on page 217, line 7, by inserting the following new subsection after that line:
5 "SECTION 13.11.(b) The Joint Legislative Oversight Committee on Agriculture
6 and Natural and Economic Resources shall study the benefits and impact on the General Fund
7 of dedicating the proceeds of the tax levied by Article 8E of Chapter 105 of the General
8 Statutes for the purposes set forth in G.S. 143-215.73M, as enacted by subsection (a) of this
9 section, and for other conservation-related purposes. The Committee shall report its findings
10 and legislative recommendations to the 2018 Regular Session of the 2017 General Assembly
11 upon its convening."

SIGNED

Pat McElraft
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A M H - 2 1 - V - 5 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 6
(to be filled in by
Principal Clerk)

S257-ALU-14 [v.2]

Page 1 of 1

Amends Title [NO]
PCS

Date 05.31, 2017

Representative Malone

- 1 moves to amend the bill on page 155, line 4, by deleting the phrase "one hundred percent
2 (100%) of the".

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A L U - 1 4 - V - 2 *



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 10
(to be filled in by
Principal Clerk)

S257-AMQ-13 [v.6]

Page 1 of 2

Amends Title [NO]
PCS

Date 05.31, 2017

Representative Torbett

1 moves to amend the Committee Report, dated May 31, 2017, on page N8, by reducing the Item
2 entitled "**Risk and Vulnerability Assessment**" by one hundred thousand dollars (\$100,000) in
3 nonrecurring funds for the 2017-2018 fiscal year;

4
5 and further moves to amend the Committee Report, dated May 31, 2017, on Page N8 by adding
6 a new item after "**Consulting Services**" to read:

7 " Grant Management System	\$100,000 NR	\$0 NR
8 Provides \$100,000 to purchase a grant		
9 management system for the Department		
10 of Military and Veterans Affairs.";		

11
12 and further moves to amend the PCS on page 341, lines 21 through 27, by rewriting those lines
13 to read:

14 "SECTION 37.1.(a) Of the funds appropriated in this act to the Department of
15 Information Technology, Government Data Analytics Center (GDAC), the sum of two million
16 dollars (\$2,000,000) for the 2017-2018 fiscal year and the sum of two million dollars
17 (\$2,000,000) for the 2018-2019 fiscal year shall be used to fund contract additions that support
18 GDAC infrastructure and operations improvements, including security upgrades to comply
19 with State and federal requirements, and to provide enhanced and expanded GDAC user
20 services, data storage, data integration, and system maintenance.

21 SECTION 37.1.(b) Of the two million dollars (\$2,000,000) allocated for expanded
22 services during the 2017-2018 fiscal year in subsection (a) of this section, nine hundred
23 thousand dollars (\$900,000) shall be used for veterans data analytics in coordination with the
24 Department of Military and Veterans Affairs.";

25
26 and further moves to amend the PCS on page 273, lines 50 through 51, by inserting between
27 those lines the following new section to read:

28 "**GRANT MANAGEMENT SYSTEM**

29 SECTION 19.3. The Department of Military and Veterans Affairs shall coordinate
30 with the Department of Information Technology to acquire a grant management system to
31 facilitate the management of grant programs by monitoring the receiving, processing, and
32 awarding of grants.";



* S 2 5 7 - A M Q - 1 3 - V - 6 *

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 10
(to be filled in by
Principal Clerk)

S257-AMQ-13 [v.6]

Page 2 of 2

- 1
2 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
Senate Bill 257**

AMENDMENT NO. 12
(to be filled in by
Principal Clerk)

S257-AMG-14 [v.11]

Page 1 of 3

Amends Title [NO]
PCS

Date 05-31, 2017

Representative Dollar

1 moves to amend the PCS on page 314, lines 41-42, by inserting the following between the
2 lines:

3 **"DISTRIBUTION OF COMPENSATION INCREASE RESERVE**

4 **SECTION 35.1A.** The funds appropriated for salaries and benefits set forth in this
5 act shall be distributed to the respective State agencies, departments, and institutions based on
6 the provisions of Part 8 and Part 35 of this act."; and
7

8 moves to amend the Committee Report on page K 29 by adding the following new items to
9 effectuate the distribution of funds reserved for compensation increases:

10 **Implement Classification and Compensation System**

11 FY 2017-18 – \$504,724

12 FY 2018-19 – \$1,009,447
13

14 **Compensation Increase Reserve**

15 FY 2017-18 – \$7,826,238

16 FY 2018-19 – \$15,652,475
17

18 **State Health Plan**

19 FY 2017-18 – \$1,325,625

20 FY 2018-19 – \$2,809,063
21

22 **Retirement Contributions**

23 FY 2017-18 – \$1,147,978

24 FY 2017-18 NR – \$1,510,497

25 FY 2018-19 – \$5,105,481
26

27 **Savings from Personnel Turnover**

28 FY 2017-18 – (\$7,501,347)

29 FY 2018-19 – (\$7,501,347); and
30

31 further moves to adjust the totals in the General Maintenance Reserve, Item 35 on page K 27,
32 accordingly; and



* S 2 5 7 - A M G - 1 4 - V - 1 1 *

NORTH CAROLINA GENERAL ASSEMBLY

AMENDMENT

Senate Bill 257

AMENDMENT NO. 12

(to be filled in by
Principal Clerk)

S257-AMG-14 [v.11]

Page 2 of 3

1 further moves to amend the PCS on page 17, lines 19-20,
2 by inserting between the lines the following new section:

3 **"REPORT ON USE OF LAPSED SALARY FUNDS**

4 **SECTION 6.12.(a)** The Office of State Budget and Management (OSBM) in
5 conjunction with State agencies, as defined in G.S. 143C-1-1(d)(24), shall report on the use of
6 lapsed salary funds for fiscal year 2016-2017 and fiscal year 2017-2018. State agencies shall
7 report to the OSBM on the use of lapsed salary including all of the following:

- 8 (1) The total amount of accrued lapsed salary funds by funding source.
9 (2) The total number of full-time equivalent positions comprising the lapsed
10 salary funds.
11 (3) The total expenditure of lapsed salaries by purpose.
12 (4) The legal authorization to expend lapsed salary funds.

13 **SECTION 6.12(b)** The OSBM shall report to the Joint Legislative Oversight
14 Committees on Health and Human Services; Education; Justice and Public Safety;
15 Transportation; Information Technology; General Government; and Agriculture and Natural
16 and Economic Resources and the Fiscal Research Division on the use of lapsed salary funds as
17 prescribed in subsection (a) of this section as follows:

- 18 (1) By making a final report on fiscal year 2016-2017, no later than October 1,
19 2017.
20 (2) By submitting preliminary reports on fiscal year 2017-2018 data, no later
21 than January 31, 2018, and May 1, 2018, and making a final report on fiscal
22 year 2017-2018 data, no later than September 1, 2018."; and

23 ²⁰
24 on page 104, line ~~18~~,

25 by deleting "State Board of Community Colleges" and substituting "North Carolina
26 Community College System"; and

27
28 on page 279, lines 15-46,
29 by deleting the lines; and

30
31 on page 341, lines 15-16,

32 by inserting between the lines the following new section:

33 **"AUTHORIZE STATE AGENCIES TO UNDERTAKE SMALL REPAIRS AND**
34 **RENOVATION PROJECTS WITH FUNDS AVAILABLE**

35 **SECTION 36.11.** G.S. 143C-8-7 reads as rewritten:

36 **"§ 143C-8-7. When a State agency may begin a capital improvement project.**

37 (a) No State agency may expend funds for the construction or renovation of any capital
38 improvement project except as needed to comply with this Article or otherwise authorized by
39 the General Assembly. Funds that become available by gifts, excess patient receipts above
40 those budgeted at the University of North Carolina Hospitals at Chapel Hill, federal or private
41 grants, receipts becoming a part of special funds by act of the General Assembly, or any other
42 funds available to a State agency or institution may be utilized for advanced planning through

**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 12
(to be filled in by
Principal Clerk)

S257-AMG-14 [v.11]

Page 3 of 3

1 the working drawing phase of capital improvement projects, upon approval of the Director of
2 the Budget.

3 (b) A State agency may undertake repairs and renovations projects, upon approval of
4 the Director of the Budget, so long as each project satisfies the following:

5 (1) Total project costs do not exceed five hundred thousand dollars (\$500,000).

6 (2) The project is one of the types set forth in G.S. 143C-4-3(b)(1) through (13).

7 (3) The project is paid for with funds available to the agency.

8 (c) A constituent institution of The University of North Carolina, upon approval of the
9 Director of the Budget, may undertake repairs and renovations projects so long as each project
10 satisfies the following:

11 (1) Total project costs do not exceed one million dollars (\$1,000,000).

12 (2) The project is one of the types set forth in G.S. 143C-4-3(b)(1) through (13).

13 (3) The project is paid for with funds available to the constituent institution.

14 (d) Projects undertaken pursuant to subsection (b) and (c) of this section shall be
15 reported to the Joint Legislative Oversight Committee on Capital Improvements on a quarterly
16 basis. A report under this subsection shall include information about all of the following for
17 each project:

18 (1) The facility at which the project is being undertaken.

19 (2) The nature and scope of the project.

20 (3) The source of funds for the project.

21 (4) The category of projects set forth in G.S. 143C-4-3(b) that the project falls
22 within."; and

23
24 by adjusting the appropriate totals accordingly.

SIGNED _____


Amendment Sponsor

SIGNED _____

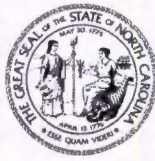
Committee Chair if Senate Committee Amendment

ADOPTED _____



FAILED _____

TABLED _____



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 13
(to be filled in by
Principal Clerk)

Page 1 of 1

S257-AMU-18 [v.5]

Amends Title [NO]
House PCS

Date 05-31, 2017

Representative McNeill

moves to amend the Appropriations Committee Report dated May 31, 2017, on page H71, item 63, by decreasing the reduction in recurring funds by \$116,052 and by deleting the following three positions from that item: 60091305 - Maintenance Mechanic II, 60033244 - Zoo General Curator, and 60033432 - Natural Science Research Curator I;

and on page H69, item 55, by deleting that item;

and on page H45, item 38, by deleting the recurring funds and by adding \$84,000 in non-recurring funds for the 2017-2018 fiscal year;

and on page H45, item 37, by decreasing the non-recurring funds by \$84,000;

and moves to amend the PCS, on page 3, line 12, by decreasing the amount on that line by \$84,000 for the 2017-2018 and 2018-2019 fiscal years;

and on page 3, line 21, by increasing the amount on that line by \$84,000 for the 2017-2018 and 2018-2019 fiscal years;

and by adjusting the appropriate totals accordingly.

SIGNED Allen M. Neele
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ☒ FAILED ☐ TABLED ☐





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 14
(to be filled in by
Principal Clerk)

S257-AMK-18 [v.4]

Page 1 of 2

Amends Title [NO]
PCS

Date 05.31. 2017

Representative Hurley

1 moves to amend the House Appropriations Committee money report on page F-24, item 48, by
2 decreasing the amount for the 2017-2018 fiscal year by \$2,000,000 in nonrecurring funds and
3 by rewriting the description of the item accordingly; and

4
5 on page F-24, by adding the following new item after item 48 to read:

6
7 **"48A Short-term Workforce Training** **\$2,000,000 NR**
8 **Fund Code: 1624**

9
10 Provides funds to support short-term workforce
11 continuing education programs that prepare students
12 for industry credentials. The revised net appropriation
13 for Short-term Workforce Training is \$2.0 million
14 in FY 2017-18."; and

15
16 moves to amend the bill on page 101, line 5, by substituting "2017-2018" with "2018-2019";
17 and

18
19 on page 101, lines 15-16, by rewriting the lines to read:

20
21 "the Joint Legislative Education Oversight Committee by March 1, 2019, on the
22 implementation of the new high-cost workforce Tier 1A and Tier 1B courses,"; and

23
24 on page 108, lines 15-16, by inserting between those lines the following new section to read:

25
26 **"INVEST IN SHORT-TERM WORKFORCE TRAINING**

27 **SECTION 9.14.(a)** Of the funds appropriated by this act to the Community
28 Colleges System Office for the 2017-2018 fiscal year, the System Office shall allocate funds to
29 community colleges to support short-term workforce training courses leading to industry
30 credentials. The State Board of Community Colleges shall adopt an application process for
31 community colleges to apply to receive these funds. These funds shall be allocated at the same
32 full-time equivalent (FTE) value as curriculum courses.



* S 2 5 7 - A M K - 1 8 - V - 4 *

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 14
(to be filled in by
Principal Clerk)

S257-AMK-18 [v.4]

Page 2 of 2

- 1 **SECTION 9.14.(b)** By April 1, 2018, the State Board of Community Colleges
2 shall submit a report on the implementation of this section to the Joint Legislative Education
3 Oversight Committee, the House Education Appropriations Committee, the Senate
4 Education/Higher Education Committee, the Fiscal Research Division, and the Office of State
5 Budget and Management."; and
6
7 by adjusting the appropriate totals accordingly.

SIGNED Pat Hurler
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 16
(to be filled in by
Principal Clerk)

S257-AML-19 [v.3]

Page 1 of 2

Amends Title [NO]
PCS

Date 5-31- 2017

Representative Hardister

1 moves to amend the PCS on page 291, lines 7-8, by inserting the following between the lines:

2 **"CHARTER SCHOOL TRANSPORTATION GRANT PILOT PROGRAM**

3 **SECTION 34.6B.(a)** Purpose. – The Department of Transportation, in
4 consultation with the Department of Public Instruction, shall establish the Charter School
5 Transportation Grant Pilot Program (Program). The purpose of the Program shall be to award
6 grant funds to a charter school meeting the requirements of subsection (b) of this section for the
7 reimbursement of sixty five percent (65%) of the eligible student transportation costs incurred
8 by the school in accordance with the provisions of this section. Of the funds appropriated in
9 this act from the Highway Fund for other State agencies, reserves, and transfers, the
10 Department of Transportation shall use two million five hundred thousand dollars (\$2,500,000)
11 in nonrecurring funds for the 2017-2018 fiscal year to award as grant funds in accordance with
12 this section.

13 **SECTION 34.6B.(b)** Program Eligibility. – If a charter school has a student
14 enrollment of at least fifty percent (50%) of its students residing in households with an income
15 level not in excess of the amount required for a student to qualify for the federal free or reduced
16 price lunch program in a semester of the school year, the charter school may apply to the
17 Department of Transportation for grant funds under the Program for reimbursement of sixty
18 five percent (65%) of the eligible student transportation costs incurred by the school for that
19 semester.

20 **SECTION 34.6B.(c)** Applications. – By August 1, 2017, the Department of
21 Transportation shall establish the criteria and guidelines for the grant application process for
22 the upcoming school year, including criteria for eligible student transportation costs to be
23 covered under the Program and any documentation required to be submitted with the
24 application. The Department of Transportation shall accept applications until December 31,
25 2017, for eligible student transportation costs incurred during the fall semester of the school
26 year and until May 30, 2018, for eligible student transportation costs incurred during the spring
27 semester of the school year.

28 **SECTION 34.6B.(d)** Award of Funds. – The Department of Public Instruction
29 shall select the charter schools eligible to receive grant funds under the Program, and shall
30 provide the list of recipients to the Department of Transportation. From funds available made
31 for the Program, the Department of Transportation shall award grant funds under the Program
32 to the selected charter schools by January 15, 2017, for eligible costs incurred during the fall



* S 2 5 7 - A M L - 1 9 - V - 3 *

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 16
(to be filled in by
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S257-AML-19 [v.3]

Page 2 of 2

1 semester of the school year and by June 15, 2018, for eligible costs incurred during the spring
2 semester of the prior school year.

3 **SECTION 34.6B.(e)** Reporting. – The Department of Transportation shall provide
4 an interim report by February 15, 2018, and a final report by August 15, 2018, to the Fiscal
5 Research Division, the Joint Legislative Transportation Oversight Committee, and the Joint
6 Legislative Education Oversight Committee on the administration of the Program, including the
7 number of charter schools that received grants and the amount of grant funds awarded to those
8 charter schools and the types of student transportation costs eligible for reimbursement under
9 the Program."; and

10
11 moves to amend the PCS on page 6, line 40, by decreasing the amount for the 2017-2018 fiscal
12 year by two million five hundred thousand dollars (\$2,500,000) in nonrecurring funds; and

13
14 moves to amend the PCS on page 7, line 5, by increasing the amount for the 2017-2018 fiscal
15 year by two million five hundred thousand dollars (\$2,500,000) in nonrecurring funds; and

16
17 moves to amend the Money Report on page K29 by adding a new item to read:

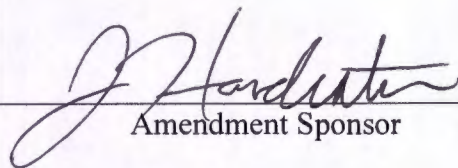
18 **"45 Charter School Transportation Grant Pilot Program** \$2,500,000 NR

19 **Fund Code:** N/A

20
21 Provides grant funds to a charter school with at least
22 50% of its student population qualifying for the federal
23 free and reduced lunch program for the reimbursement
24 of 65% of the charter school's eligible student
25 transportation costs."; and

26
27 moves to amend the Money Report on page K27, item 35, by increasing the reduction for the
28 2017-2018 fiscal year by two million five hundred thousand dollars (\$2,500,000).

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 17
(to be filled in by
Principal Clerk)

S257-ALH-23 [v.2]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31- 2017

Representative Hanes

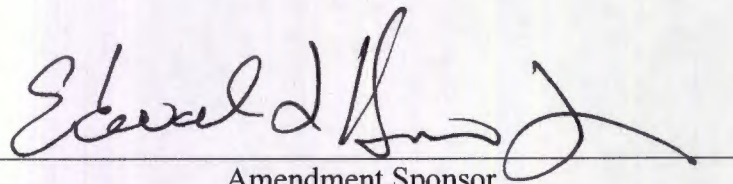
1 moves to amend the PCS on page 112, line 4,
2 by rewriting that line to read:
3 "ASSISTANT PROGRAM, CHIROPRACTIC MEDICINE PROGRAM, AND A PILOT
4 PROGRAM FOR BASIC LAW ENFORCEMENT TRAINING AT WSSU"; and
5

6 Further moves to amend the PCS on page 112, lines 21-29,
7 By rewriting those lines to read:

8 "SECTION 10.14.(c) The Board of Governors of The University of North
9 Carolina shall study the feasibility of establishing the following programs at Winston-Salem
10 State University: a Physician Assistant Program, a Chiropractic Medicine Program, and a pilot
11 program for Basic Law Enforcement Training. In its study, the Board of Governors shall
12 consider the costs and financial benefits of establishing these programs at Winston-Salem State
13 University.

14 The Board of Governors shall submit a report on the study, including its findings
15 and recommendations, by March 1, 2018, to the members of the Senate and the House of
16 Representatives, by filing a copy of the report with the Office of the President Pro Tempore of
17 the Senate, the Office of the Speaker of the House of Representatives, and the Legislative
18 Library."
19
20
21

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A L H - 2 3 - V - 2 *

Edward M. ...



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 18
(to be filled in by
Principal Clerk)

S257-AMH-19 [v.7]

Page 1 of 1

Amends Title [NO]
House PCS

Date 5-31- 2017

Representative Rogers

1 moves to amend the PCS on page 229, lines 12-13, by inserting the following language
2 between those lines:

3 **"UPPER HICKORY NUT GORGE TRAIL**

4 **SECTION 14.15.** The General Assembly authorizes the Department of Natural and
5 Cultural Resources to add the Upper Hickory Nut Gorge trail to the State Parks System as a
6 State trail as provided in G.S. 143B-135.54(b). The Department shall support, promote,
7 encourage, and facilitate the establishment of trail segments on State park lands and on lands of
8 other federal, State, local, and private landowners. On segments of the Upper Hickory Nut
9 Gorge Trail that cross property controlled by agencies or owners other than the Department's
10 Division of Parks and Recreation, the laws, rules, and policies of those agencies or owners shall
11 govern the use of the property. The requirement of G.S. 143B-135.54(b) that additions be
12 accompanied by adequate appropriations for land acquisition, development, and operations
13 shall not apply to the authorization set forth in this subsection."

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



* S 2 5 7 - A M H - 1 9 - V - 7 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 20
(to be filled in by
Principal Clerk)

S257-AMS-31 [v.2]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31 2017

Representative G. Graham

1 moves to amend the Money Report on page I-13 by adding the following two new items after
2 Item 13 to read:

3 **Treatment for Effective Community Supervision (TECS) (\$300,000) NR**
4 **Fund Code: 1375**

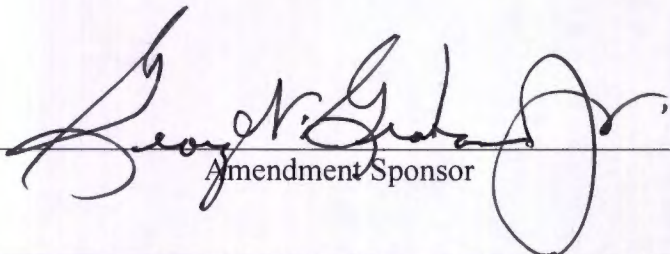
5 Reduces the funding for the Treatment for Effective Community Supervision.
6

7 **Reentry Councils** **\$300,000 NR**
8 **Fund Code: 1375**

9 Provides funds to support the Craven/Pamlico and Greene/Lenoir reentry councils that need
10 start-up funding.;
11

12 and by adjusting the appropriate totals accordingly.
13
14
15

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED ☒

FAILED ☐

TABLED ☐



* S 2 5 7 - A M S - 3 1 - V - 2 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 22
(to be filled in by
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S257-AMQ-18 [v.1]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017

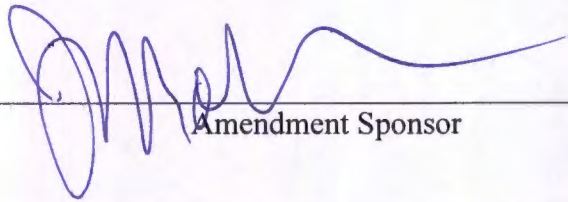
Representative Dollar

1 moves to amend the PCS on page 17, lines 20 through 21, by inserting between those lines the
2 following new section to read:

3
4 **"INDUSTRIAL COMMISSION PLAN FOR TRANSITION TO DEPARTMENT OF**
5 **INSURANCE**

6 **SECTION 6.12.** During the 2017-2018 fiscal year, the Industrial Commission shall
7 collaborate with the Department of Insurance on a plan to transition the Industrial Commission
8 from the Department of Commerce to the Department of Insurance to occur in July 2018. The
9 Industrial Commission and the Department of Insurance shall consider the statutory duties and
10 current functions of the Commission and shall design a plan and shall make recommendations
11 for the transition of the Industrial Commission. The Industrial Commission and the Department
12 of Insurance shall submit the transition plan and the recommendations to the Joint Legislative
13 Oversight Committee on Agriculture and Natural and Economic Resources and the Joint
14 Legislative Oversight Committee on General Government on or before March 1, 2018."

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED ☒

FAILED

TABLED



* S 2 5 7 - A M Q - 1 8 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 24
(to be filled in by
Principal Clerk)

S257-AMR-14 [v.1]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31 2017

Representative Murphy

- 1 moves to amend the bill on page 186, lines 11-16, by rewriting the lines to read:
2 **"PREPAID HEALTH PLAN BID DISCLOSURE**
3 **SECTION 11H.17A.** As part of the bidding process to be granted a Medicaid
4 capitated contract as a prepaid health plan under the State's 115 Demonstration Waiver
5 submitted in accordance with S.L. 2015-245, the Department of Health and Human Services
6 shall require each applicant to disclose any pending litigation in which the applicant is involved
7 relating to overbilling or otherwise defrauding the Medicare program."."

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



★ S 2 5 7 - A M R - 1 4 - V - 1 ★



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 25
(to be filled in by
Principal Clerk)

S257-AMG-13 [v.3]

Page 1 of 2

Amends Title [NO]
PCS

Date 5-31 2017

Representative Murphy

1 moves to amend the PCS on page 161, lines 1-2,
2 by inserting between the lines the following subsection and re-lettering the remaining
3 subsections accordingly:

4 "SECTION 11E.6.(c) G.S. 130A-131.9A reads as rewritten:

5 "**§ 130A-131.9A. Investigation to identify lead poisoning hazards.**

6 (a) When the Department learns of confirmed lead poisoning, the Department shall
7 conduct an investigation to identify the lead poisoning hazards to ~~children-children and~~
8 pregnant women. The Department shall investigate the residential housing unit where the child
9 or pregnant woman with confirmed lead poisoning resides. The Department shall also
10 investigate the supplemental addresses of the child or pregnant woman who has confirmed lead
11 poisoning.

12 (a1) When the Department learns of an elevated blood lead level, the Department shall,
13 upon informed consent, investigate the residential housing unit where the child or pregnant
14 woman with the elevated blood level resides. When consent to investigate is denied, the child
15 or pregnant woman with the elevated blood lead level cannot be located, or the child's parent or
16 guardian fails to respond, the Department shall document the denial of consent, inability to
17 locate, or failure to respond.

18 (b) The Department shall also conduct an investigation when it reasonably suspects that
19 a lead poisoning hazard to children or pregnant women exists in a residential housing unit or
20 child-occupied facility occupied, regularly visited, or attended by a child less than six years of
21 ~~age-age~~ or a pregnant woman.

22 (c) In conducting an investigation, the Department may take samples of surface
23 materials, or other materials suspected of containing lead, for analysis and testing. If samples
24 are taken, chemical determination of the lead content of the samples shall be by atomic
25 absorption spectroscopy or equivalent methods approved by the Department.""; and

by adjusting the appropriate totals accordingly.



★ S 2 5 7 - A M G - 1 3 - V - 3 ★

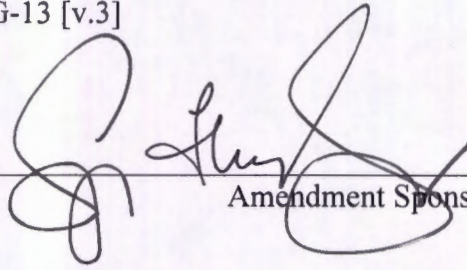
NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 25
(to be filled in by
Principal Clerk)

Page 2 of 2

S257-AMG-13 [v.3]

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 27
(to be filled in by
Principal Clerk)

S257-AMG-12 [v.8]

Page 1 of 3

Amends Title [NO]
PCS

Date 5-31 2017

Representative White

1 moves to amend the PCS on page 166, lines 29-30,
2 by inserting between the lines the following new subsection and re-lettering the remaining
3 subsections accordingly:

4 "SECTION 11F.2.(a) Notwithstanding any other provision of law, of the funds
5 appropriated in this act to the Department of Health and Human Services, Division of Mental
6 Health, Developmental Disabilities, and Substance Abuse Services, for Behavioral Health
7 Funding Changes for each year of the 2017-2019 fiscal biennium, the sum of five million
8 dollars (\$5,000,000) in nonrecurring funds for each year of the 2017-2019 fiscal biennium is
9 redirected from single-stream services to provide funding for supplemental short-term
10 assistance for group homes, as provided in Section 11F.18A of this act."; and

11
12 on page 176, lines 30-31,
13 by inserting between the lines the following new section:

14 **"SUPPLEMENTAL SHORT-TERM ASSISTANCE FOR GROUP HOMES**

15 **SECTION 11F.18A.(a)** As used in this section, "group home" means any facility
16 that (i) is licensed under Chapter 122C of the General Statutes, (ii) meets the definition of a
17 supervised living facility under 10A NCAC 27G .5601(c)(1) or 10A NCAC 27G .5601(c)(3),
18 and (iii) serves adults whose primary diagnosis is mental illness or a developmental disability
19 but may also have other diagnoses.

20 **SECTION 11F.18A.(b)** Of the funds appropriated in this act to the Department of
21 Health and Human Services, Division of Mental Health, Developmental Disabilities, and
22 Substance Abuse Services, the sum of five million dollars (\$5,000,000) in nonrecurring funds
23 for each year of the 2017-2019 fiscal biennium shall be used to provide temporary, short-term
24 financial assistance in the form of a monthly payment to group homes on behalf of each
25 resident who meets all of the following criteria:

- 26 (1) Was eligible for Medicaid-covered personal care services (PCS) prior to
27 January 1, 2013, but was determined to be ineligible for PCS on or after
28 January 1, 2013, due to Medicaid State Plan changes in PCS eligibility
29 criteria specified in Section 10.9F of S.L. 2012-142, as amended by Section
30 3.7 of S.L. 2012-145 and Section 70 of S.L. 2012-194.
31 (2) Has continuously resided in a group home since December 31, 2012.



* S 2 5 7 - A M G - 1 2 - V - 8 *

**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 27
(to be filled in by
Principal Clerk)

S257-AMG-12 [v.8]

Page 2 of 3

1 **SECTION 11F.18A.(c)** These monthly payments shall be subject to all of the
2 following requirements and limitations:

- 3 (1) The amount of the monthly payments authorized by this section shall not
4 exceed four hundred sixty-four dollars and thirty cents (\$464.30) per month
5 for each resident who meets all criteria specified in subsection (b) of this
6 section.
- 7 (2) A group home that receives the monthly payments authorized by this section
8 shall not, under any circumstances, use these payments for any purpose other
9 than providing, as necessary, supervision and medication management for a
10 resident who meets all criteria specified in subsection (b) of this section.
- 11 (3) The Department shall make monthly payments authorized by this section to
12 a group home on behalf of each resident who meets all criteria specified in
13 subsection (b) of this section only for the period commencing July 1, 2017,
14 and ending June 30, 2019, or upon depletion of the five million dollars
15 (\$5,000,000) in nonrecurring funds appropriated in this act to the Division of
16 Mental Health, Developmental Disabilities, and Substance Abuse Services,
17 for supplemental short-term assistance for group homes, for each year of the
18 2017-2019 fiscal biennium for the purpose of this section, whichever is
19 earlier.
- 20 (4) The Department shall make monthly payments authorized by this section
21 only to the extent sufficient funds are available from the five million dollars
22 (\$5,000,000) in nonrecurring funds appropriated in this act to the Division of
23 Mental Health, Developmental Disabilities, and Substance Abuse Services,
24 for supplemental short-term assistance for group homes, for each year of the
25 2017-2019 fiscal biennium for the purpose of this section.
- 26 (5) The Department shall not make monthly payments authorized by this section
27 to a group home on behalf of a resident during the pendency of an appeal by
28 or on behalf of the resident under G.S. 108A-70.9A.
- 29 (6) The Department shall terminate all monthly payments pursuant to this
30 section on June 30, 2019, or upon depletion of the five million dollars
31 (\$5,000,000) in nonrecurring funds appropriated in this act to the Division of
32 Mental Health, Developmental Disabilities, and Substance Abuse Services,
33 for supplemental short-term assistance for group homes, for each year of the
34 2017-2019 fiscal biennium for the purpose of this section, whichever is
35 earlier.
- 36 (7) Each group home that receives the monthly payments authorized by this
37 section shall submit to the Department a list of all funding sources for the
38 operational costs of the group home for the preceding two years, in
39 accordance with the schedule and format prescribed by the Department.

40 **SECTION 11F.18A.(d)** The Department shall use an existing mechanism to
41 administer these funds in the least restrictive manner that ensures compliance with this section
42 and timely and accurate payments to group homes. The Department shall not, under any
43 circumstances, use any portion of the five million dollars (\$5,000,000) in nonrecurring funds

NORTH CAROLINA GENERAL ASSEMBLY

AMENDMENT

Senate Bill 257

AMENDMENT NO. 27

(to be filled in by

Principal Clerk)

S257-AMG-12 [v.8]

Page 3 of 3

1 appropriated in this act to the Division of Mental Health, Developmental Disabilities, and
2 Substance Abuse Services, for supplemental short-term assistance for group homes, for each
3 year of the 2017-2019 fiscal biennium for any other purpose than the purpose specified in this
4 section.

5 **SECTION 11F.18A.(e)** By September 1, 2018, the Department of Health and
6 Human Services shall submit the following to the Joint Legislative Oversight Committee on
7 Health and Human Services and the Fiscal Research Division:

8 (1) A list of funding sources for each group home that receives assistance
9 authorized by this section, based on the information provided to the
10 Department pursuant to Section 11F.18A(c)(7).

11 (2) A plan for sustained funding beyond the 2017-2019 fiscal biennium for
12 group homes that provide services to individuals diagnosed with mental
13 illness or intellectual or developmental disabilities. The plan must be based
14 on an assessment of the number and size of these group homes, their
15 geographic location, current sources of funding for each group home, and
16 any other aspects determined by the Department to affect their viability.

17 **SECTION 11F.18A.(f)** Nothing in this section shall be construed as an obligation
18 by the General Assembly to appropriate funds for the purpose of this section, or as an
19 entitlement by any group home, resident of a group home, or other person to receive temporary,
20 short-term financial assistance under this section.

21 **SECTION 11F.18A.(g)** This section expires June 30, 2019."; and
22
23 by adjusting the appropriate totals accordingly.
24
25
26

SIGNED

Rep. Dan M. White

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 28
(to be filled in by
Principal Clerk)

S257-AMK-19 [v.5]

Page 1 of 2

Amends Title [NO]
PCS

Date 5-31 2017

Representative Fraley

1 moves to amend the House Appropriations Committee money report on page F-13, item 32, by
2 substituting "60039518" with "60094593"; and
3

4 moves to amend the PCS on page 25, lines 48-50, by rewriting the lines to read:
5

6 "students' dominant language is English and (ii) instruction involves both English and a target
7 foreign language, with a minimum of fifty percent (50%) of core content taught in the target
8 foreign language in order to promote dual language proficiency for all students."; and
9

10 on page 38, lines 21-33, by rewriting those lines to read:
11

12 **"SECTION 7.23G.(c)** Section 23.1(a) of S.L. 2014-100 is repealed."; and
13

14 on page 81, line 1, by rewriting the line to read:
15

16 ""(a4) Notwithstanding subsection (a2) of this section, to the extent funds are made
17 available for this purpose, the State Board of Education shall"; and
18

19 on page 102, line 20, by rewriting the line to read:
20

21 "c. Requires the participants in the program to be North Carolina high
22 school students"; and
23

24 on page 120, lines 39-40, by inserting between those lines the following new subsection to
25 read:
26

27 **"SECTION 10A.3.(i)** Notwithstanding G.S. 115C-472.16, of the funds available in
28 the North Carolina Education Endowment Fund (Fund) for the 2017-2018 fiscal year, the sum
29 of six million one hundred forty-five thousand four hundred sixty-one dollars (\$6,145,461) in
30 nonrecurring funds for the 2017-2018 fiscal year shall be transferred from the Fund to the
31 Department of Public Instruction to be used to support the supervision and administration of the
32 public school system."; and



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**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

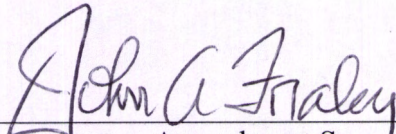
S257-AMK-19 [v.5]

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

Page 2 of 2

- 1
2 by adjusting the appropriate totals accordingly.

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

☒

FAILED

TABLED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 29
(to be filled in by
Principal Clerk)

S257-AMS-29 [v.3]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31 2017

Representative Rogers

1 moves to amend the Money Report on page I-11, Item 7, by increasing the recurring reduction
2 by \$1,000,000;

3
4 and moves to amend the Money Report on page I-27, by deleting Item 26 and substituting the
5 following:

6
7 **Increase Private Assigned Counsel (PAC) Rate**

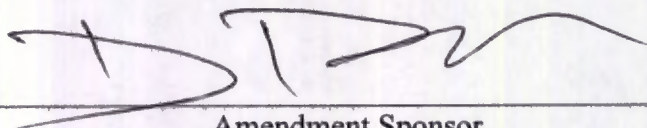
8 **Fund Code: 1310**

\$1,000,000 R \$1,000,000 R

9 Provides funding to increase the PAC rate.

10
11 and by adjusting the appropriate totals accordingly.

12
SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A M S - 2 9 - V - 3 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 30
(to be filled in by
Principal Clerk)

S257-ALU-15 [v.3]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31 2017

Representative C. Graham

1 moves to amend the House Appropriations Committee Report dated May 31, 2017, on page
2 G 32, item 29, by reducing the amount of the recurring funding by sixty thousand dollars
3 (\$60,000) in each year of the 2017-2019 fiscal biennium; and

4
5 on page G 32, by inserting between items 29 and 30 the following new item to read:

6
7 **"29A Funds for NC State-Recognized Tribes** \$60,000 R \$60,000 R
8 **Fund Code: 1331**

9
10 Provides funding for a grant program for which North Carolina
11 State-recognized tribes may apply. The grants are to assist in
12 recruiting foster parents, increasing the number of foster homes
13 for children who are members of a North Carolina State-recognized
14 tribe, and providing training for staff of county departments of
15 social services to ensure culturally appropriate services for children
16 who are members of a North Carolina State-recognized tribe."; and

17
18 by adjusting the appropriate totals accordingly.

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A L U - 1 5 - V - 3 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 31
(to be filled in by
Principal Clerk)

S257-ALH-22 [v.6]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31 2017

Representative Grange

1 Moves to amend the Money Report on page F-33, Item 65 (Finish in Four)
2 By reducing the sum for that Item for the 2017-2018 fiscal year by \$500,000; and
3
4 Further moves to amend the Money Report on page F-35 by adding a new Item to read:
5 "74A. NCSU Biomanufacturing Training and FY 17-18 FY 18-19
6 Education Center
7 Budget Code: 16030 \$500,000 NR
8 Provides funds to help train and fill the more than
9 500 engineering and similar baccalaureate and
10 post-baccalaureate positions in the biomanufacturing
11 industry's current hiring cycle.";
12
13 And by adjusting the appropriate totals accordingly.
14
15
16
17
18
19
20
21
22

SIGNED

Holly Grange

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED



* S 2 5 7 - A L H - 2 2 - V - 6 *



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 32
(to be filled in by
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S257-AMK-21 [v.3]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017

Representative Blackwell

moves to amend the PCS on page 126, lines 12-13, by inserting between those lines the following new subsection to read:

"SECTION 10A.6.(a1) G.S. 115C-562.7(c)(1) reads as rewritten:

"(1) Learning gains or losses of students receiving scholarship grants. The report shall include learning gains of participating students on a statewide basis and shall compare, to the extent possible, the learning gains or losses of eligible students by nonpublic school to the statewide learning gains or losses of public school students with similar socioeconomic backgrounds, using aggregate standardized test performance data provided to the Authority by nonpublic schools and by the Department of Public Instruction. Notwithstanding any provision of G.S. 115C-174.11(c) to the contrary, all students participating in the comparison of learning gains or losses pursuant to this subdivision shall complete the Iowa Test of Basic Skills."

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 35
(to be filled in by
Principal Clerk)

S257-ALG-17 [v.3]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017

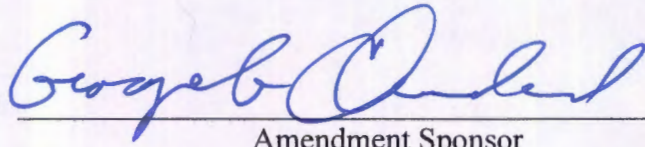
Representative Cleveland

1 moves to amend the Committee Report, dated May 31, 2017, on page J27, Item 16, by (i)
2 reducing the reduction for that Item by \$55,525 for each fiscal year, (ii) deleting "-3.00" and
3 substituting "-2.00" for each fiscal year, (iii) deleting "3" and substituting "2" in the description,
4 and (iv) deleting "60013340 Office Assistant IV";

5
6 and on page J27, Item 17, by increasing the reduction for that Item by \$55,525 for each fiscal
7 year;

8
9 and by adjusting the appropriate totals accordingly.
10
11

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



★ S 2 5 7 - A L G - 1 7 - V - 3 ★



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 37
(to be filled in by
Principal Clerk)

S257-AMM-25 [v.1]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31 2017

Representative McNeill

1 moves to amend the Committee Substitute on page 250, by rewriting lines 27-28 to read:
2

3 "SECTION 16.7.(a) Funds appropriated in S.L. 2015-241 to the Department of
4 Public Safety for body-worn camera grants shall be used to provide matching grants to local".
5
6

SIGNED

Allen McNeill

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

☒

FAILED

TABLED



* S 2 5 7 - A M M - 2 5 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 38
(to be filled in by
Principal Clerk)

S257-AMS-21 [v.4]

Page 1 of 2

Amends Title [NO]
PCS

Date 5-31, 2017

Representative McNeill

1 moves to amend the bill on page 247, line 20 by inserting the following immediately after that
2 line:

3 "SECTION 16.1(j1) G.S. 143-341(8) reads as rewritten:

4 "**§ 143-341. Powers and duties of Department.**

5 The Department of Administration has the following powers and duties:

6 ...
7 (8) General Services:

8 ...
9 i. To establish and operate a central motor fleet and such subsidiary
10 related facilities as the Secretary may deem necessary, and to that
11 end:

12 ...
13 3. To require on a schedule determined by the Department all
14 State agencies to transfer ownership, custody or control of
15 any or all passenger motor vehicles within the ownership,
16 custody or control of that agency to the Department, except
17 those motor vehicles under the ownership, custody or control
18 of the Highway Patrol, the State Bureau of
19 Investigation, Investigation, the Alcohol Law Enforcement
20 Division, the State Capitol Police, or the constituent
21 institutions of The University of North Carolina which are
22 used primarily for law-enforcement purposes."
23

24 SECTION 16.1(j2) G.S. 143B-1325(c) reads as rewritten:

25 "**§ 143B-1325. Transition to Department of Information Technology.**

26 ...
27 (c) Participating Agencies. – The State CIO shall prepare detailed plans to transition
28 each of the participating agencies. As the transition plans are completed, the following
29 participating agencies shall transfer information technology personnel, operations, projects,
30 assets, and appropriate funding to the Department of Information Technology:

31 ...
32 (13) Department of Public Safety, with the exception of the following:



* S 2 5 7 - A M S - 2 1 - V - 4 *

**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S257-AMS-21 [v.4]

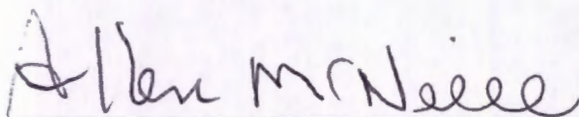
Page 2 of 2

- a. State Bureau of Investigation.
- b. State Highway Patrol.
- c. Division of Emergency Management.
- d. Alcohol Law Enforcement Division.
- e. State Capitol Police."

SECTION 16.1(j3) The following statutes are amended by deleting the language "State Bureau of Investigation" wherever it appears and substituting "Alcohol Law Enforcement Division": G.S. 14-309.7, 14-309.11, and 14-309.14.

SECTION 16.1(j4) The following statute are amended by deleting the language "Bureau" wherever it appears in upercase and substituting "Division": G.S. 14-309.7 and 14-309.14."

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 39
(to be filled in by
Principal Clerk)

S257-AMS-20 [v.2]

Page 1 of 1


Amends Title [NO]
PCS

Date 5-31 2017

Representative Boles

- 1 moves to amend the bill on page 262, line 2, by deleting the word "may" and substituting the
2 word "shall."
3
4

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A M S - 2 0 - V - 2 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 40
(to be filled in by
Principal Clerk)

S257-AMS-22 [v.5]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017


Representative Boles

1 moves to amend the PCS on page 252, lines 45 through 47 by deleting those lines and
2 substituting the following lines to read:


3 "b. Examine the services provided by VIPER and FirstNet, the
4 interoperability of the two systems, whether or not there are
5 duplications in the system functions, and any opportunities for
6 efficiencies and cost-sharing;

7 c. Evaluate the need for VIPER upgrades including the immediate
8 transition to GTR base stations and the potential establishment of
9 regularly scheduled updates to ensure the system remains current and
10 reliable in the future;"
11
12

SIGNED


Amendment Sponsor

SIGNED


Committee Chair if Senate Committee Amendment

ADOPTED

✓ FAILED

TABLED



★ S 2 5 7 - A M S - 2 2 - V - 5 ★



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 41
(to be filled in by
Principal Clerk)

S257-AMM-23 [v.2]

Page 1 of 1

Amends Title [NO]
Fifth Edition

Date 5-31, 2017

Representative Boles

1 moves to amend the Committee Report on page I-11, item 4, by reducing the amount by
2 \$1,000,000, and by adding a new item on page I-12, after Item 10, to read as follows:
3

4 **"SBI Equipment and Surveillance Tools**

\$1,000,000 NR

5 Provides funds to the SBI to purchase equipment. \$505,000 is provided to purchase an
6 electronic surveillance platform to expand cell phone surveillance capabilities. \$300,000 is
7 provided to purchase a Bearcat, a ballistically rated emergency technical response
8 vehicle. \$150,000 is provided for VIPER repeaters and antennae to link ground
9 communications to the new Pilatus aircraft funded in the 2016 budget. Finally, \$45,000 is
10 provided for six additional dial down lines for increased capacity on electronic surveillance
11 operations."
12
13
14

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED ☒

FAILED ☐

TABLED ☐



* S 2 5 7 - A M M - 2 3 - V - 2 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 42
(to be filled in by
Principal Clerk)

S257-AMQ-20 [v.1]

Page 1 of 1

Amends Title [NO]
PCS

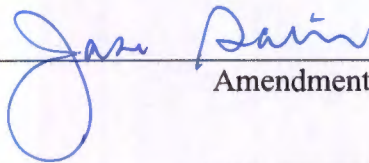
Date 5-31 2017

Representative Saine

1 moves to amend the PCS on page 343, lines 24 through 39, by rewriting those lines to read:

2
3 "SECTION 7.10A.(a) The North Carolina Community Colleges System Office, in
4 consultation with the Department of Information Technology, shall begin planning and design
5 of a modernized ERP for the State's 58 community colleges. The ERP system shall address, at a
6 minimum, student information system, core financial management, grants, human resource
7 management, and payroll. The planning and design of the ERP system may include either a
8 modernization of the current system or a replacement system. ~~A request for proposal for a~~
9 ~~replacement system implementation shall be prepared for release~~ The North Carolina
10 Community Colleges System Office shall initiate a competitive solicitation process for
11 implementation of a replacement system no later than October 1, 2017. The North Carolina
12 Community Colleges System Office may use funds from the North Carolina Community
13 College IT Systems Budget Code 26802 to support planning and request for proposal
14 development efforts; provided, that the total amount expended for the project does not exceed
15 one million dollars (\$1,000,000) efforts. To the extent that these funds have not been
16 appropriated for the 2016-2017 fiscal year elsewhere, they are hereby appropriated."

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

☒

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* S 2 5 7 - A M Q - 2 0 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 43
(to be filled in by
Principal Clerk)

S257-AMU-22 [v.1]

Page 1 of 1

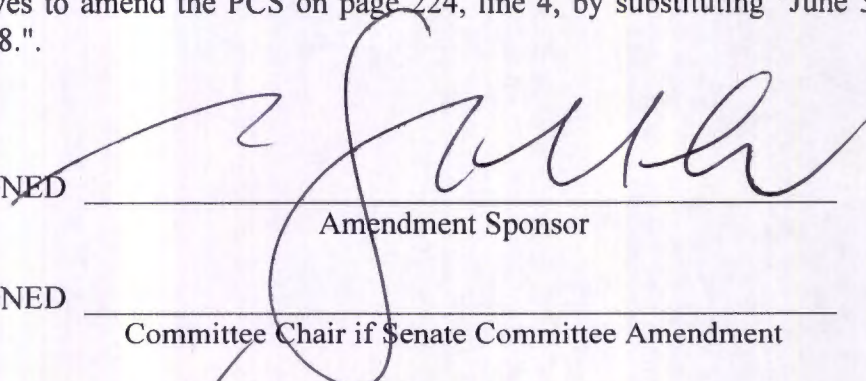
Amends Title [NO]
House PCS

Date 5-31 2017

Representative K. Hall

- 1 moves to amend the PCS on page 224, line 4, by substituting "June 30, 2019." for "June 30,
2 2018."

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED ☒

FAILED ☐

TABLED ☐



* S 2 5 7 - A M U - 2 2 - V - 1 *



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 45
(to be filled in by
Principal Clerk)

Page 1 of 1

S257-ALH-25 [v.3]

Amends Title [NO]
PCS

Date 5-31, 2017

Representative Blackwell

1 moves to amend the PCS on page 52, line 51,
2 by deleting "at least grade three." and substituting "grade twelve." .
3
4

SIGNED

1 J. A. Blaszewski
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED	✓	FAILED	TABLED
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NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 46
(to be filled in by
Principal Clerk)

S257-AMQ-25 [v.2]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017

Representative Brody

1 moves to amend the PCS on page 17, line 19, by rewriting that line to read:

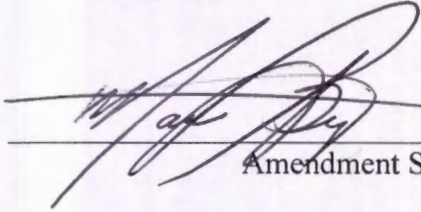
2
3 "(6) Early repayment of outstanding General Fund debt.

4 (d) Funds Available Only Upon Appropriation. – Funds reserved to the Fund shall be
5 available for expenditure only upon an act of appropriation by the General Assembly. The
6 appropriation shall include the amount available for expenditure and a description of the
7 project.";
8

9 and further moves to amend the PCS on page 17, line 13, by rewriting that line to read:

10
11 "G.S. 143C-4-3."

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A M Q - 2 5 - V - 2 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 48
(to be filled in by
Principal Clerk)

S257-AMH-24 [v.1]

Page 1 of 1

Amends Title [NO]
House PCS

Date 5-31 2017

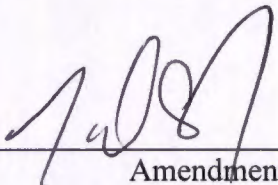
Representative Arp

1 moves to amend the PCS on page 244, lines 14-15, by inserting the following new provision
2 between those lines:

3 "UTILITIES COMMISSION/STUDY COST RECOVERY FROM QUALIFYING
4 FACILITIES

5 SECTION 15.20. The North Carolina Utilities Commission shall study the cost
6 recovery of capacity and energy costs associated with purchases of electric power production
7 from qualifying cogeneration facilities and small power production facilities. The Commission
8 shall provide its report and any recommended legislation no later than February 1, 2018 to the
9 Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources
10 and the Fiscal Research Division. For purposes of this subsection, "qualifying cogeneration
11 facility" and "small power production facility" shall have the definition provided by 16 U.S.C.
12 § 796."

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A M H - 2 4 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 49
(to be filled in by
Principal Clerk)

S257-AMG-19 [v.1]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017

Representative Insko

- 1 moves to amend the PCS on page 167, line 37,
2 by replacing "It is the intent of the General Assembly that, during" with "During"; and
3
4 by adjusting the appropriate totals accordingly.

SIGNED *Heidi Insko*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____



★ S 2 5 7 - A M G - 1 9 - V - 1 ★



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 50
(to be filled in by
Principal Clerk)

S257-ALH-21 [v.4]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017

Representative Blackwell

- 1 moves to amend the PCS on page 104, line 20,
2 by deleting "State Board of Community Colleges" and substituting "North Carolina
3 Community College System".
4

SIGNED

1-2 J. A. Blach
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

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**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 51
(to be filled in by
Principal Clerk)

S257-ALU-16 [v.2]

Page 1 of 2

Amends Title [NO]
PCS

Date 5/31 2017

Representative Elmore

1 moves to amend the House Appropriations Committee Report dated May 31, 2017, on page
2 G 25, item 26, by decreasing the amount of recurring funds by three hundred thousand dollars
3 (\$300,000) in each year of the 2017-2019 fiscal biennium; and

4
5 on page G 25, by inserting between items 26 and 27, the following new item to read:
6 **"26A Reach Out and Read Initiative** \$300,000 R \$300,000 R
7 **Fund Code: 1271**

8
9 Provides funding to Smart Start to increase access to Reach Out and Read,
10 a program that supports doctors in their efforts to "prescribe"
11 reading to young children and families during well-child visits."; and

12
13 moves to amend the bill on page 148, by inserting between lines 41 and 42, the following new
14 section to read:

15 **"SMART START/REACH OUT AND READ EARLY LITERACY INITIATIVE**

16 **SECTION 11B.9A.(a)** Funds allocated in this act to the North Carolina Partnership
17 for Children, Inc., from the Department of Health and Human Services, in each year of the
18 2017-2019 fiscal biennium shall be used to increase access to Reach Out and Read, a program
19 that supports doctors in their efforts to "prescribe" reading to young children and families
20 during well-child visits through early literacy guidance and book sharing, the provision of free
21 books for children to keep, and literacy-rich waiting rooms.

22 **SECTION 11B.9A.(b)** The North Carolina Partnership for Children, Inc., may use
23 up to two percent (2%) of the funds for program evaluation. Funds allocated under this section
24 shall not be subject to administrative costs requirements under Section 11B.8(b) of this act, nor
25 shall these funds be subject to the child care services funding requirements under
26 G.S. 143B-168.15(b), child care subsidy expansion requirements under G.S. 143B-168.15(g),
27 or the match requirements under Section 11B.8(d) of this act.

28 **SECTION 11B.9A.(c)** The North Carolina Partnership for Children, Inc., shall
29 report on the success of the Reach Out and Read literacy initiative, including any
30 recommendations, to the Joint Legislative Oversight Committee on Health and Human Services
31 by March 1, 2018. The report shall include participation rates for Reach Out and Read."; and
32



* S 2 5 7 - A L U - 1 6 - V - 2 *

**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

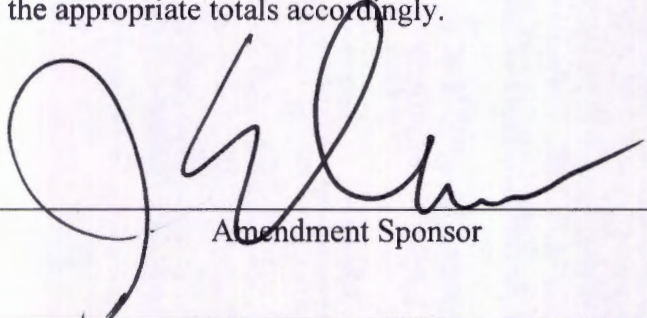
AMENDMENT NO. 51
(to be filled in by
Principal Clerk)

S257-ALU-16 [v.2]

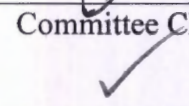
Page 2 of 2

- 1 by adjusting the appropriate totals accordingly.

SIGNED


Amendment Sponsor

SIGNED


Committee Chair if Senate Committee Amendment

ADOPTED

☒ FAILED

TABLED

12/10



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 52
(to be filled in by
Principal Clerk)

S257-AMG-20 [v.1]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017

Representative Murphy

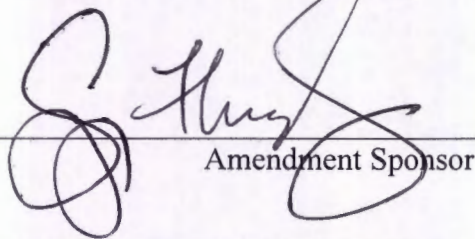
1 moves to amend the PCS on page 174, line 35,
2 by rewriting the line to read:
3 "of North Carolina or other appropriate service"; and

4
5 on lines 38-45,
6 by rewriting the lines to read:

7 "(2) The sum of two million thirteen thousand eight hundred sixty-eight dollars
8 (\$2,013,868) shall be used to (i) support residential programs across the
9 State that are specifically designed to serve individuals with TBI and (ii)
10 support requests submitted by individual consumers for assistance with
11 services such as, but not limited to, residential supports, home modifications,
12 transportation, and other requests deemed necessary by the consumer's local
13 management entity."; and

14
15 by adjusting the appropriate totals accordingly.

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A M G - 2 0 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 53
(to be filled in by
Principal Clerk)

S257-AMQ-21 [v.2]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017

Representative Hardister

1 moves to amend the PCS on page 334, line 7, by inserting the following new language to read:

2
3 "Department of Public Safety

4 Nash Correctional Institution

5 Field Ministry Program Facility

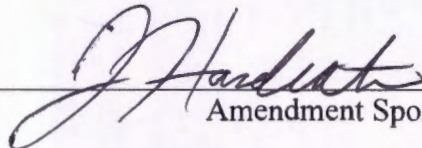
3,800,000

6 -";

7 and further moves to amend the PCS on page 334, line 10, by increasing the amount for the
8 2017-2018 fiscal year by \$3,800,000;

9
10 and by adjusting the appropriate totals accordingly.

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A M Q - 2 1 - V - 2 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 54
(to be filled in by
Principal Clerk)

S257-AMQ-22 [v.3]

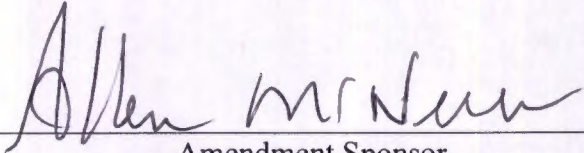
Page 1 of 1

Amends Title [NO]
PCS

Date 5-31 2017

Representative McNeill

- 1 moves to amend the PCS on page 325, line 37, by rewriting that line to read:
2
3 "value and is not eligible for cash in. If not used prior to the time of separation or retirement,
4 the bonus leave cannot be paid out and is lost."

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____



* S 2 5 7 - A M Q - 2 2 - V - 3 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 55
(to be filled in by
Principal Clerk)

S257-AMQ-19 [v.2]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31 ,2017

Representative McNeill

- 1 moves to amend the PCS on page 339, line 44, through page 340, line 10, by deleting those
2 lines.

SIGNED

Allen McNeill
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* S 2 5 7 - A M Q - 1 9 - V - 2 *



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 56
(to be filled in by
Principal Clerk)

Page 1 of 1

S257-AMQ-17 [v.2]

Amends Title [NO]
PCS

Date _____, 2017

Representative Ross

1 moves to amend the PCS on page 235, lines 33 through 39, by rewriting those lines to read:

"(4) Information contained in the report required by G.S. 105-277.15A(g).""

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 57
(to be filled in by
Principal Clerk)

S257-AMQ-24 [v.1]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017

Representative McElraft

1 moves to amend the PCS on page 229, lines 30 through 31, by inserting between those lines the
2 following new language to read:

3
4 "05. Public Services 250,000";

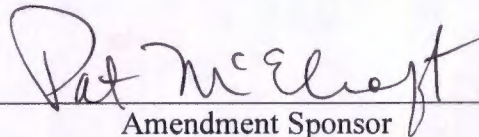
5
6 and moves to amend the PCS on page 229, line 25, by reducing that amount by \$250,000;

7
8 and moves to amend the PCS on page 229, lines 42 through 51, by rewriting those lines to read:

9
10 "SECTION 15.1.(d) Of the funds appropriated in this section for the Community
11 Development Block Grant, the following shall be allocated in each category for each program
12 year: up to one million thirty-seven thousand five hundred dollars (\$1,037,500) may be used for
13 State Administration; up to nine million seven hundred fifty thousand dollars (\$9,750,000) may
14 be used for Neighborhood Revitalization; up to ten million seven hundred thirty-seven
15 thousand five hundred dollars (\$10,737,500) may be used for Economic Development; up to
16 twenty-one million seven hundred twenty-five thousand dollars (\$21,725,000) may be used for
17 infrastructure; and up to two hundred fifty thousand dollars (\$250,000) may be used for Public
18 Services. If federal block grant funds are reduced or increased by the Congress of the United
19 States after the effective date of this act, then these reductions or increases shall be allocated in
20 accordance with subsection (b) or (c) of this section, as applicable.";

21
22 and by adjusting the appropriate totals accordingly.

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED ☒

FAILED ☐

TABLED ☐



* S 2 5 7 - A M Q - 2 4 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 58
(to be filled in by
Principal Clerk)

S257-ALM-9 [v.1]

Page 1 of 1

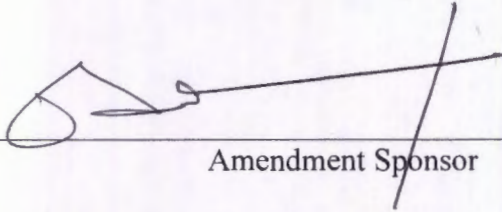
Amends Title [NO]
S257-PCS45438-LRxf-4

Date 5-31, 2017

Representative Michaux

1 moves to amend the House Appropriations Committee Money Report on page J95, Item 37, by
2 deleting that Item;
3
4 and the Money Report on page J101, Item 39, by deleting that Item;
5
6 and the bill (S257-PCS45438-LRxf-4) on page 280, lines 43-51, through page 282, lines 1-23,
7 by deleting those lines;
8
9 and by adjusting the appropriate totals accordingly.
10
11

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED



TABLED



* S 2 5 7 - A L M - 9 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 59
(to be filled in by
Principal Clerk)

S257-AMS-26 [v.5]

Page 1 of 2

Amends Title [NO]
PCS

Date 5-31, 2017

Representative McNeill

1 moves to amend the Money Report on page I-11, Item 4, by reducing that item by \$1,000,000;

2
3 and moves to amend the Money Report on page I-10 by adding a new item after Item 2 to read:

4 **"Samarcand Obstacle Course \$225,000 NR**

5 Provides funds for the construction of an obstacle course for law enforcement and Adult
6 Correction and Juvenile Justice training exercises and team building.";

7
8 and moves to amend the Money Report on page I-12 by adding a new item after Item 10 to
9 read:

10 **"State Capitol Police Equipment \$100,000 NR**

11 Provides funds to the State Capitol Police to bring information technology equipment up to
12 operating standards. Funds may be used to upgrade desktops, laptops, mobile data computers,
13 cell phones, and air cards.";

14
15 and moves to amend the Money Report on page I -13 by adding a new item after Item 13 to
16 read:

17 **"Reentry Councils \$425,000 NR**

18 Provides funds to five reentry councils currently receiving federal funding that will expire at
19 the end of the fiscal year.";

20
21 and moves to amend the Money Report on page I-13 by adding a new item after Item 14 to
22 read:

23 **"School Panic Alarm Pilot Program \$250,000 NR**

24 Provides funds to the Division of Emergency Management to support a statewide school panic
25 alarm pilot program as defined by G.S. 115C-105.49A. Following testing of the pilot program,
26 the Division shall report to the chairs of the Joint Legislative Oversight Committee on Justice
27 and Public Safety with any recommendations regarding future implementation and funding.";

28
29 and by adjusting all totals appropriately.
30
31



* S 2 5 7 - A M S - 2 6 - V - 5 *

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 59
(to be filled in by
Principal Clerk)

S257-AMS-26 [v.5]

Page 2 of 2

SIGNED

Allen McNeer

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 661
(to be filled in by
Principal Clerk)

S257-AMR-11 [v.6]

Page 1 of 2

Amends Title [NO]
PCS

Date 5-31 2017

Representative Dobson

1 moves to amend the PCS on page 176, line 32, through page 178, line 6, by rewriting those
2 lines to read:

3
4 **"LME/MCO FUND BALANCE DESIGNATION AND REINVESTMENT**

5 **SECTION 11F.19.(a)** In addition to the Medicaid risk reserve that the LME/MCOs
6 must maintain as required by their contracts with the Department of Health and Human
7 Services (Department), LME/MCOs shall maintain other fund balances in accordance with
8 State and federal laws and regulations and the requirements of the Governmental Accountings
9 Standards Board (GASB). These other fund balances shall be designated as spendable and
10 non-spendable. Spendable fund balances shall be further designated as restricted and
11 unrestricted fund balances. Restricted fund balances other than those imposed by GASB or
12 State law are subject to approval by the Department. The designation of those funds as
13 restricted fund balance and plans for the reinvestment of funds must be approved by the
14 Department and be consistent with the Medicaid State Plan and long-term goals of the
15 Department for the provision of services for people with behavioral health or intellectual and
16 development disability needs. The Department shall set a threshold for each LME/MCO's
17 unrestricted fund balances.

18 **SECTION 11F.19.(b)** By March 1 of each year, the Department shall notify each
19 LME/MCO of the approved purposes for which restricted fund balances may be used and the
20 LME/MCO's approved unrestricted fund balance threshold for the next State fiscal year. To
21 provide appropriate working capital and cash flow, the unrestricted fund balance threshold shall
22 not be less than fifteen percent (15%) of the LME/MCO annual budget.

23 **SECTION 11F.19.(c)** The Department shall review the fund balance of each
24 LME/MCO annually at the close of the fiscal year following the submission of the
25 LME/MCO's annual audit. If the LME/MCO's unrestricted fund balance exceeds the threshold
26 set by the Department, the Department may withhold the amount in excess of the threshold
27 from single-stream payments to the LME/MCO for the next State fiscal year, so long as doing
28 so does not impact the ability of the LME/MCO to meet the maintenance of effort spending
29 requirements to maintain federal block grant funding developed by the Department. The
30 LME/MCO must maintain the level of services provided to consumers regardless of the
31 withholding of single-stream payments. The funds withheld may be distributed to any
32 LME/MCOs that are in compliance with the fund balance thresholds for the provision of



* S 2 5 7 - A M R - 1 1 - V - 6 *


**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 61
(to be filled in by
Principal Clerk)

S257-AMR-11 [v.6]

Page 2 of 2

- 1 priority mental health, development disabilities, and substance abuse services (MH/DD/SAS)
2 or be used for other purposes that benefit people in need of MH/DD/SAS services.
3 **SECTION 11F.19(d)** The Department may adopt temporary and permanent rules
4 necessary to implement the provisions of this section."

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ☒ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 602
(to be filled in by
Principal Clerk)

S257-AMH-23 [v.2]

Page 1 of 1

Amends Title [NO]
House PCS

Date 5-31, 2017

Representative Millis

1 moves to amend the House Appropriations Committee Report dated May 31, 2017, on page
2 H47, item 45, by reducing the nonrecurring appropriation for the 2017-2018 fiscal year for
3 Rural Grants by \$250,000;

4
5 and on page H10, by creating a new item providing \$250,000 in nonrecurring funds for the
6 2017-2018 fiscal year to the Department for supplemental funding for litigation expenses.

7
8 and moves to amend the PCS on page 213, lines 38-39, by inserting between those lines the
9 following new provision:

10 **"SUPPLEMENTAL FUNDING FOR DEPARTMENT OF AGRICULTURE AND**
11 **CONSUMER SERVICES**

12 **SECTION 12.8.** The sum of two hundred fifty thousand dollars (\$250,000) in
13 nonrecurring funds for the 2017-2018 fiscal year appropriated in this act to the Department of
14 Agriculture and Consumer Services shall be used by the Department of Agriculture and
15 Consumer Services for costs incurred by the Department to employ private counsel to intervene
16 in federal litigation to protect the rights of landowners and citizens of the State impacted by the
17 Environmental Protection Agency's "Waters of the United States" rule. G.S. 147-17 and
18 G.S. 114-2.3 shall not apply to the Department's employment and supervision of private
19 counsel as authorized by this section. Funds not expended or encumbered by June 30, 2018
20 shall revert.";

21
22 and by adjusting the appropriate totals accordingly.

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED



* S 2 5 7 - A M H - 2 3 - V - 2 *



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 63
(to be filled in by
Principal Clerk)

S257-AMT-10 [v.5]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31, 2017

Representative Blackwell

moves to amend the PCS on page 89, lines 9 and 10, by inserting between those lines the following new section to read:

"SECTION 8.3.(b1) It is the intent of the General Assembly that any base salary schedule for principals existing in subsequent fiscal years will be calculated using a monthly rate of pay equivalent in that fiscal year to one of the following:

- (1) The then monthly rate of pay for teachers with 15 years of experience who are classified as "A" teachers, plus a minimum of twelve percent (12%).
- (2) In the event the "A" Teachers salary schedule no longer exists, the then monthly rate of pay for teachers that most closely corresponds to the monthly rate of pay for teachers with 15 years of experience who are classified as "A" teachers, plus a minimum of twelve percent (12%)."

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

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NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 65
(to be filled in by
Principal Clerk)

S257-AMK-30 [v.2]

Page 1 of 1

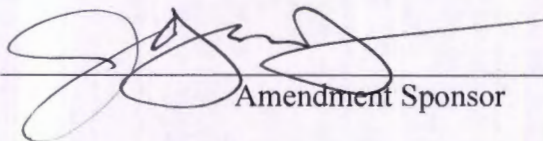
Amends Title [NO]
PCS

Date 5-31, 2017

Representative Faircloth

- 1 moves to amend the House Appropriations Committee money report on page F-25, item 52, by
2 rewriting the description of that item to read:
3
4 "Provides funds to Community Foundation of Greater
5 Greensboro, Inc., for the Triad Workforce Solutions Collaborative
6 to support development and implementation of a pilot
7 apprenticeship program in targeted industries throughout the
8 Eastern Triad region. Funds will be used for training materials,
9 apprenticeship employment costs, and curriculum development.
10 The revised net appropriation for this initiative is \$3.0 million in FY
11 2018-19 only."

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

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NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 66
(to be filled in by
Principal Clerk)

S257-AMR-16 [v.5]

Page 1 of 1

Amends Title [NO]
PCS

Date 5-31 2017

Representative Insko

1 moves to amend the bill on page 178, lines 6-7, by inserting between the lines the following
2 new section to read:

3
4 **"LME/MCO REINVESTMENT PLAN**

5 **SECTION 11F.20.** No later than September 1, 2017, Cardinal Innovations
6 Healthcare shall submit a plan to the Department of Health and Human Services for the
7 reinvestment of its cash reserves in the amount of up to eight hundred thousand dollars
8 (\$800,000) for the capital needs of an established accredited clubhouse located with its
9 catchment area. The Department of Health and Human Services shall approve the reinvestment
10 plan no later than 30 days after the submission of the plan."

SIGNED

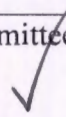
Vera Insko

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



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**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 61
(to be filled in by
Principal Clerk)

S257-AMK-23 [v.3]

Page 1 of 3

Amends Title [NO]
PCS

Date 5-31, 2017

Representative Gill

moves to amend the House Appropriations Committee money report on page F-7, by adding a new item after item 5 to read:

"5A K-3 Classroom Teachers	\$20,000,000 R	\$30,000,000 R
Fund Code: 1800		

Increases funds in the classroom teacher allotment for teachers in grades kindergarten through third grade. The State Board of Education has the authority to adjust the classroom teacher allotment ratios in these grades to reflect this funding. The revised net appropriation for classroom teachers is \$3.2 billion in FY 2017-18 and \$3.2 billion in FY 2018-19."; and

on page F-31, item 54, by rewriting the item to read:

"54 Adjustment to Recommended Base Scholarships Budget for Opportunity Budget Code: 16015	(\$20,000,000) R	(\$30,000,000) R
--	------------------	------------------

Decreases the funding for the University of North Carolina (UNC) System by \$20.0 million in FY 2017-18 and \$30.0 million in FY 2018-19 to account for changes in the statutory appropriations to the Opportunity Scholarship Grant Fund Reserve in accordance with G.S. 115C-562.8(b). The Reserve is used to fund scholarships for the subsequent fiscal year. The revised base budget amount for the Opportunity Scholarship Grant Fund Reserve is \$24.8 million in FY 2017-18 and \$34.8 million in FY 2018-19. The revised recommended base budget for the UNC System is \$2.8 billion in both fiscal years of the biennium as shown in the figures above.; and



NORTH CAROLINA GENERAL ASSEMBLY

AMENDMENT

Senate Bill 257

AMENDMENT NO. 67

(to be filled in by

Principal Clerk)

S257-AMK-23 [v.3]

Page 2 of 3

1 moves to amend the bill on page 2, line 6, by increasing the amount for the 2017-2018 fiscal
2 year by \$20,000,000 and by increasing the amount for the 2018-2019 fiscal year by
3 \$30,000,000; and

4
5 on page 2, line 36, by decreasing the amount for the 2017-2018 fiscal year by \$20,000,000 and
6 by decreasing the amount for the 2018-2019 fiscal year by \$30,000,000; and

7
8 on page 126, lines 24-25, by inserting between those lines the following new section to read:

9 **"REDUCE OPPORTUNITY SCHOLARSHIP FUNDS**

10 **SECTION 10A.7.(a)** G.S. 115C-562.8(b), as amended by Section 6.6(b) of this act,
11 reads as rewritten:

12 "(b) The General Assembly finds that, due to the critical need in this State to provide
13 opportunity for school choice for North Carolina students, it is imperative that the State provide
14 ~~an increase of funds of at least ten million dollars (\$10,000,000) each fiscal year for 10 years to~~
15 the Opportunity Scholarship Grant Fund Reserve. Therefore, there is appropriated from the
16 General Fund to the Reserve the following amounts for each fiscal year to be used for the
17 purposes set forth in this section:

Fiscal Year	Appropriation
2017-2018	\$44,840,000 \$24,840,000
2018-2019	\$54,840,000 \$34,840,000
2019-2020	\$64,840,000 \$44,840,000
2020-2021	\$74,840,000 \$54,840,000
2021-2022	\$84,840,000 \$64,840,000
2022-2023	\$94,840,000 \$74,840,000
2023-2024	\$104,840,000 \$84,840,000
2024-2025	\$114,840,000 \$94,840,000
2025-2026	\$124,840,000 \$104,840,000
2026-2027	\$134,840,000 \$114,840,000

29 For the 2027-2028 fiscal year and each fiscal year thereafter, there is appropriated from the
30 General Fund to the Reserve the sum of one hundred ~~forty-four~~twenty-four million eight
31 hundred forty thousand dollars (~~\$144,840,000~~)(\$124,840,000) to be used for the purposes set
32 forth in this section. In developing for a fiscal year the base budget, as defined in
33 G.S. 143C-1-1, the Director of the Budget shall include the appropriated amount set forth in
34 this subsection for that particular fiscal year."

35 **SECTION 10A.7.(b)** G.S. 115C-562.2(b1) is repealed."; and

36
37 by adjusting the appropriate totals accordingly.

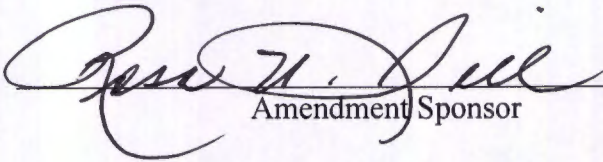
NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

S257-AMK-23 [v.3]

AMENDMENT NO. 67
(to be filled in by
Principal Clerk)

Page 3 of 3

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED



TABLED



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 68
(to be filled in by
Principal Clerk)

S257-AMT-12 [v.2]

Page 1 of 3

Amends Title [NO]
PCS

Date 5-31 2017

Representative Blackwell

1 moves to amend the PCS on page 81, lines 23 through 51, by rewriting the lines to read:

2
3 "(d) By ~~September 1~~October 1 of each year, each local board of education shall notify
4 the State Board of Education of any local standardized testing to be administered to students by
5 the local school administrative unit at the direction of the local board of education in its schools
6 and the calendar for administering those tests. The local board of education shall include
7 information on the the following information:

- 8 (1) The source of funds supporting the local testing program.
9 (2) The time allotted to administer each test.
10 (3) Whether the test is a computer-based test or a paper-based test.
11 (4) The grade level or subject area associated with the test.
12 (5) The date the test results are expected to be available to teachers and parents.
13 (6) The type of test, the purpose of the test, and the use of the test results.
14 (7) Estimates of average time for administering tests required by the local board
15 of education by grade level.

16 The local board of education shall meet the requirements of this subsection by inputting the
17 information into the uniform calendar published by the Department of Public Instruction
18 pursuant to subsection (e1) of this section.

19 (e) By ~~October 15~~November 1 of each year, the State Board of Education shall submit a
20 report to the Joint Legislative Education Oversight Committee containing information
21 regarding the statewide administration of the testing program, including the number and type of
22 tests and the testing schedule, and a summary of any local testing programs reported by local
23 boards of education to the State Board of Education in accordance with subsection (d) of this
24 section.

25 (e1) By September 1 of each year, the Superintendent of Public Instruction shall publish
26 on the Web site of the Department of Public Instruction a uniform calendar that includes
27 schedules for state-required testing and reporting results of tests for at least the next two school
28 years, including estimates of the average time for administering state-required standardized
29 tests. The uniform calendar shall be provided to local boards of education in an electronic
30 format that allows each local board of education to populate the calendar with, at a minimum,
31 the information required by subsection (d) of this section. The uniform calendar shall be



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NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 68
(to be filled in by
Principal Clerk)

S257-AMT-12 [v.2]

Page 2 of 3

1 searchable by local school administrative unit and denote whether a test on the calendar is
2 required by the State or required by a local board of education.""; and

3
4 on page 82, lines 3 through 33, by rewriting the lines to read:

5
6 **""§ 115C-174.15. Report student performance on local standardized tests.**

7 (a) A local board of education shall provide a student's results on standardized tests
8 required by the local board, as reported pursuant to G.S. 115C-174.12(d), to the following
9 persons and according to the following timelines:

10 (1) To the student's teachers no later than one week after the standardized test is
11 administered.

12 (2) To the student's parents no later than 30 days after the standardized test is
13 administered.

14 (b) If the superintendent of the local school administrative unit determines in writing
15 that extenuating circumstances exist and reports those circumstances to the local board of
16 education, the local board may extend the above timelines in the discretion of the local board of
17 education.

18 **"§ 115C-174.16. Report student performance on statewide, standardized tests.**

19 The Department of Public Instruction shall make available to local boards of education a
20 student's results on all statewide, standardized tests in a timely manner and in an easy-to-read
21 and understandable format a minimum of two weeks prior to the first day of attendance of the
22 next school year. Local boards of education shall make those results available to both the
23 student's teacher of record and parent or guardian prior to the first day of student attendance of
24 the school year. These reports shall include all of the following information:

25 (1) A clear explanation of the student's performance on the applicable statewide,
26 standardized tests.

27 (2) Information identifying the student's areas of strength and areas in need of
28 improvement.

29 (3) Intervention strategies and appropriate resources based on the student's areas
30 of strength and areas in need of improvement, when available.

31 (4) Longitudinal information on the student's progress in each subject area based
32 on previous statewide, standardized test data, when available.

33 (5) Information showing the student's score compared to other students in the
34 local school administrative unit, in the State, or, if available, in other states.

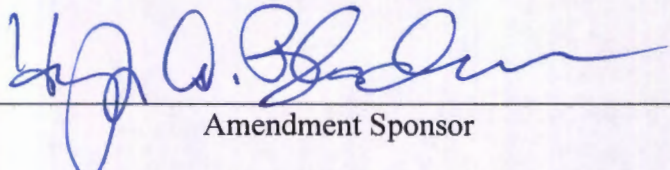
35 (6) Predictive information showing the linkage between the scores attained by
36 the student on the statewide, standardized tests and the scores he or she may
37 potentially attain on nationally recognized college entrance examinations, if
38 available. This information shall be provided in a timely manner as it
39 becomes available to the Department of Public Instruction, but may be
40 provided later than the beginning of the school year."".

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. 68
(to be filled in by
Principal Clerk)

S257-AMT-12 [v.2]

Page 3 of 3

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

AMENDMENT NO. 69
(to be filled in by
Principal Clerk)

S257-AMQ-26 [v.5]

Page 1 of 2

Amends Title [NO]
PCS

Date 5-31, 2017

Representative Dollar

1 moves to amend the PCS on page 243, line 49 by rewriting that line to read:

2
3 "SECTION 15.18.(c) Notwithstanding G.S. 1-521, G.S. 147-17, and G.S. 114-2.3,
4 of the funds appropriated to the North Carolina Industrial Commission in this act, the sum of
5 three hundred thousand dollars (\$300,000) for the 2017-2018 fiscal year may be used for
6 private legal services, litigation-related expenses, and the defense of any member in their
7 official capacity arising from S.L. 2016-125. The funds allocated in this section shall not
8 revert.";

9
10 and further moves to amend the Committee Report, dated May 31, 2017, on page H45, by
11 adding two new Items immediately following Item 39 to read:

12
13 **"Industrial Commission Litigation Expenses**
14 **Fund Code 1831**

\$300,000 NR

15
16 Provides \$300,000 in nonrecurring funds for the North
17 Carolina Industrial Commission to employ and supervise
18 private legal counsel for litigation arising from S.L.
19 2016-125.

20
21 **Industrial Commission Reduction**
22 **Fund Code 1831**

(\$300,000) NR

23
24 Reduces funding for the Industrial Commission.
25 This reduction is based on over-realized receipts.";
26
27 and by adjusting the appropriate totals accordingly.



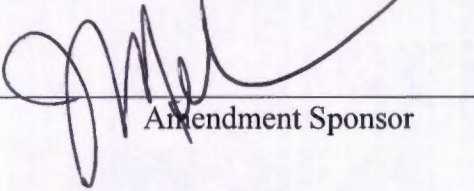
* S 2 5 7 - A M Q - 2 6 - V - 5 *

**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257**

S257-AMQ-26 [v.5]

AMENDMENT NO. 69
(to be filled in by
Principal Clerk)

Page 2 of 2

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ☒ FAILED _____ TABLED _____

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

Representative Nelson Dollar, Senior Chair

Representative Dean Arp, Co-Chair

Representative Justin P. Burr, Co-Chair

Representative John Faircloth, Co-Chair

Representative Linda P. Johnson, Co-Chair

Representative Donny Lambeth, Co-Chair

Representative Chuck McGrady, Co-Chair

FAVORABLE HOUSE COM SUB NO. 2, UNFAVORABLE HOUSE COM SUB NO. 1

SB 257 (HCS#1)

Appropriations Act of 2017.

Draft Number: S257-PCS45440-LRxf-5

Serial Referral: None

Recommended Referral: None

Long Title Amended: Yes

Floor Manager: Dollar

TOTAL REPORTED: 1



* C M R 4 7 2 - V - 1 *



Committee Sergeants at Arms

NAME OF COMMITTEE House Comm. on Appropriations

DATE: 05/31/17

Room: 643

House Sgt-At Arms:

1. Name: <u>Young Bae</u>	<u>Warren Hawkins</u>
2. Name: <u>Bill Riley</u>	<u>David Leighton</u>
3. Name: <u>Reggie Sills</u>	<u>Malachi McCullough</u>
4. Name: <u>Jim Moran</u>	<u>Bill Moore</u>
5. Name: <u>Rey Cooke</u>	<u>Jonas Cherry</u>
<u>Joe Crook</u>	<u>Dean Marshbourne</u>
<u>Barry Moore</u>	<u>Thomas Terry</u>
<u>Bill Bass</u>	XXXXXXXXXXXX

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____



**House Pages
Assignments
Wednesday, May 31, 2017
Session: 11:00 AM**

Committee	Room	Time	Staff	Comments	Member
Appropriations	643	8:45 AM	Richard Booher		Rep. John Ager
			Micah Mooring		Rep. John Bell
			Cameron Ponchot	<i>Ponchot</i>	Rep. Mike Clampitt
			Ian Tisdale		Rep. Jean Farmer- Butterfield
			Leslie Weaver		Rep. Ed Hanes



**House Pages
Assignments
Wednesday, May 31, 2017
Session: 11:00 AM**

Committee	Room	Time	Staff	Comments	Member
Appropriations	643	8:45 AM	Reese Caldwell		Rep. Scott Stone
			Westley Gaines		Rep. Holly Grange
			Jabrial Steed		Rep. Terry Garrison
			Shannon Stone		Rep. Scott Stone
			Samuel Thurman, III		Rep. Pricey Harrison



**House Pages
Assignments
Wednesday, May 31, 2017
Session: 11:00 AM**

Committee	Room	Time	Staff	Comments	Member
Appropriations	643	8:45 AM	Caroline Caldwell		Rep. Allen McNeill
			Anna Dewar		Rep. Speaker Tim Moore
			William Donohue		Rep. Gale Adcock
			Jeffrey Hobart		Rep. Sarah Stevens
			Caleb Whitted		Rep. Jimmy Dixon



House Pages
Assignments
Wednesday, May 31, 2017
Session: ~~11:00 AM~~ 1:30 PM

Committee	Room	Time	Staff	Comments	Member
Appropriations	643	8:45 AM	Lauren Brown		Rep. Justin Burr
			Mary Lilly		Rep. Speaker Tim Moore
			Lane Russell		Rep. Edward Hanes
			Joy Thompson		Rep. Pricey Harrison
			Clare Wooten		Rep. Cynthia Ball



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/31/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Lillie Rhoads	Conference of Clerks
Mike Leigis	NC
Matthew Herr	DNAL
Ben Popkin	DHHS
Suzanna Birdsong	ACU-NC
Terry Schell	NC Fisheries Assoc
Mike Tamm	DCP
TOM VITAGLIONE	NC CHILD
Daniel Radford	NCFB
Bradford Sneed	NC DOS
John Byrd	NC DOS/state Crime Lab



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/31/17

Name of Committee

Date

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NAME

FIRM OR AGENCY AND ADDRESS

Steve David	
Jason G...	
Supervisor Leasing	SEANC
Amanda Finelli	SEANC
David Collins	SEANC
R Rogers	IVLNGH
Will Morgan	MFS
John Hard-	MFS
Zane Stilwell	ISG
Ruian nuwald	Wm
Sarah Hardin	NICE



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05/31/17

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FIRM OR AGENCY AND ADDRESS

Kathy Cline	NEJ
Helen Ratchiff	CGA
Edgar Miller	CTNC
James Nye	Fetzer Photographic Services
Sara Cornell Coburn	SEANC
Matthew Balrock	PPAB
Isabel Villar-Garcia	UCR
Karin Barsness	Gateway Health
J Peters	CSS
Chris McClure	BP
Jennifer Gubala	Bullock Assoc.



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FIRM OR AGENCY AND ADDRESS

Courtney Johnson	NP
TJ Bugbee	NP
John Brown	Gov. House
McNeil Christant	Joint Relations
Danielle Orr	N/A
Reese Geyer	N/A
Sarah Koonce	NOL
Jennifer Harguard	NOL
Margaret Daly	Speaker's Office
Paul Tofer	HTGAL
Janie Lassiter	Conf of Clerks



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05/31/17

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FIRM OR AGENCY AND ADDRESS

Amna Shelby	The Policy Group.
Peter Baroff	SM
Josh Lauer	SM
Michelle Frazier	SM
Richard Bostic	NCSBA
<i>[Signature]</i>	Mise
<i>[Signature]</i>	RAC
David Power	Power's STRATEGIES LLC
<i>[Signature]</i>	MWLC
Thomas Maher	IDS
Drew Moretz	UNCGA



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FIRM OR AGENCY AND ADDRESS

Nathan Knuffman	UNC GA
Jonathan Kessler	UNC GA
Julia Adams Scheurich	Dak City GR
TRACY COLVARD	AHHC
SJA	NCSU
Matthew Dochter	Appalachian State
Marsha Overby	DPS/SHP
GLENN M. MCNEIL, JR.	SHP
J. AAN MELVIN	SHP
Bruce Mildner	NCSBA
Shelly Perkins	Perkins Han



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FIRM OR AGENCY AND ADDRESS

Tom West	NICU
Elizabeth J. J. J.	NCCCS
Maury Shuping	NCCCS
Corwin Graves	WSBU
Krad Salma	JPS
Steve Hedges	NOPA
Henry M. Lancaster	LCA
Kris Nordstrom	NCSE
Mildred Spearman	NCAOC
Mark Lanier	UNCW
David Winslow	NCCWHC



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FIRM OR AGENCY AND ADDRESS

Leah Sutton	The Hunt Institute
Peter Daniel	Connect C
Carson White	MVA
Sarah Penning	Day 1000
Sybil Williford	MC AOC
Tonya Horton	TSS
To White	Commerce
George Hansen	LANC
Jennifer Lechner	ETC JC.
Josephine	CSA
Katherine	BP



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05/31/17

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NAME

FIRM OR AGENCY AND ADDRESS

Reynold Walter Hagan	Chandler Consulting
CHRIS SANDERSON	NCDA & CS
Ken Jones	Brain Injury Association
CAROL ORVITZ	Brain Injury Ass of NC Board: mother & wife of 2 survivors
Rob Schille	NC Symphony
Ethan Holland	NCDA & CS
Ralph Belle	Rep. M. Belk
Mike Arnold	SOS
Chris Braxton	ALLC
Ann Rodriguez	NC Council of Community Programs
Kay Castillo	NASW-NC



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/31/17

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Date

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NAME

FIRM OR AGENCY AND ADDRESS

Elizabeth Biser	BOI
Jarret Burr	BCC
BRENT CULBERTSON	NC SBI
Bob Schurmeier	NCSBI
Koffney Smith	NCFB
Rhagor Jackson	Focus Carolina
Robb Jansen	DPI/SBE
Holder	DPI/SBE
LT McCrimmon	DTHS
Lara Cole	NC DPS
Marilyn Avila	Rep Stevens



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

05/31/17

Name of Committee

Date _____

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NAME _____

FIRM OR AGENCY AND ADDRESS

Tom Bowling

NO NATIONAL GUARDY

Karen Rosser

Staff
NCDOT

by Hider

NCDON

Sue Ann Forrest

NCMS

Ryan Minto

UHG



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Wednesday, June 28, 2017

TIME: 8:30 AM

LOCATION: 643 LOB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 284</u>	25-Year LEO Retirement Option.	Representative Murphy Representative McNeill Representative Rogers Representative Malone

Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 4:17 PM on Monday, June 26, 2017.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)



Corrected #1: adding HB894

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Wednesday, June 28, 2017

TIME: 8:30 AM

LOCATION: 643 LOB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 284</u>	25-Year LEO Retirement Option.	Representative Murphy Representative McNeill Representative Rogers Representative Malone
<u>HB 894</u>	Veterans/Health Care/Pilot Program.	Representative Szoka Representative Lewis Representative Dollar Representative Dobson

Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:51 PM on Tuesday, June 27, 2017.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)



Corrected #2: adding HB 651

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Wednesday, June 28, 2017

TIME: 8:30 AM

LOCATION: 643 LOB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 284</u>	25-Year LEO Retirement Option.	Representative Murphy Representative McNeill Representative Rogers Representative Malone Representative Szoka Representative Lewis Representative Dollar Representative Dobson
<u>HB 894</u>	Veterans/Health Care/Pilot Program.	Representative Dollar Representative Lambeth Representative McNeill Representative Ross
<u>HB 651</u>	State Pension/Ret. Health Ben. Fund Solvency.	



Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 6:19 PM on Tuesday, June 27, 2017.

___ Principal Clerk
___ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)



House Committee on Appropriations
Wednesday, June 28, 2017, 8:30 AM
643

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills:

BILL NO.	SHORT TITLE	SPONSOR
HB284	25-Year LEO Retirement Option	Murphy, McNeill, Rogers, Malone
HB894	Veterans/Health Care/Pilot Program	Szoka, Lewis, Dollar, Dobson
HB651	State Pension/Ret. Health Ben. Fund Solvency	Dollar, Lambeth, McNeill, Ross

Presentations

Adjournment



Appropriations Committee

[illegible]



[illegible]



[illegible]



[illegible]



MINUTES
HOUSE APPROPRIATIONS COMMITTEE
Tuesday, June 28, 2017
8:30 a.m.
Legislative Office Building, Room 643

ATTENDEES:

Chairmen: Representatives Dollar, Arp, Burr, Faircloth, Lambeth and McGrady

Members: Ager, Autry, Ball, Belk, J. Bell, L. Bell, Black, Blackwell, Boles, Boswell, Brockman, Brody, Bumgardner, Clampitt, Cleveland, Cunningham, Davis, Dixon, Dulin, Elmore, Farmer-Butterfield, Fisher, Floyd, Ford, Fraley, Garrison, Gill, G. Graham, Grange, D. Hall, Hardister, Horn, Hunter, Hurley, Iler, Insko, John, Jones, Lucas, Malone, McElraft, McNeill, Michaux, Murphy, Pierce, Pittman, Potts, Presnell, Quick, B. Richardson, W. Richardson, Riddell, Ross, Shephard, Speciale, Strickland, Terry, Torbett, B. Turner, R. Turner, Watford, White, Willingham, Wray

I. Call to Order

Senior Chair, Nelson Dollar presided and called the meeting to order at 8:40 a.m.

II. Introductions

Chairman Dollar introduced Sergeant-at-Arms Staff assisting with the meeting. Also introduced were students serving as House Pages.

III. Action Agenda Items

A. HB284: 25-Year LEO Retirement Option/Proposed Committee Substitute HB284

Representative Greg Murphy provided a review of HB284. Representative Allen McNeill presented the Proposed Committee Substitute to HB284 which changes the effective date of the transfer provisions in Section 2 of the Bill and the 25-year retirement option in Section 3 from January 1, 2018 to July 1, 2018. The remainder of the Bill would become effective when it becomes law.

Chairman Dollar opened the Floor for comments from Representatives. Comments or questions were received from: Representatives Speciale, Iler, Black, Ball, Torbett, Boswell, Richard, and Blackwell. Chairman Lambeth shared concerns from city officials and law enforcement agencies within his district. Chairman Faircloth expressed his support of the PCS.



Ed Caldwell, president of the North Carolina Sheriff's Association, Major J. Alan Melvin of the NC State Highway Patrol and Fred Baggett, legal counsel for the North Carolina Association of Chiefs of Police answered questions from committee members and concurred that the effects of the proposed legislation were manageable.

Representative McNeill moved for a favorable report of PCS284; unfavorable to the original bill. Vote on the motion was unanimous.

B. Proposed Committee Substitute SB338

Chairman Chuck McGrady provided an overview of the PCS to SB228 which allocates \$100 million to various purposes and programs related to disaster relief from Hurricane Matthew, Tropical Storms Julia and Hermine, and the wildfires in western North Carolina. Chairman McGrady discussed in detail the allocation of funds.

Questions and comments were received from Representatives: Micheux, Shepherd; Clampitt; Horn; Cleveland; McElraft; Davis; Farmer-Butterfield; White; Dixon; and, Floyd. In response to questions asked by Representative Cleveland regarding flood insurance, Charles Perusse, State Budget Director, stated that the two-year subsidy used following Hurricane Floyd in 1999 was bridge money for persons living outside the flood plain. Representative Cleveland asked Mr. Perusse to provide data for the subsidy during the two-to-five-year period following Hurricane Floyd.

Representative Horn moved for a favorable report of PCS SB338; unfavorable to the original bill. Vote on the motion was unanimous.

C. Proposed Committee Substitute HB894

Representative John Szoka reviewed PCS to HB894 which would require the Department of Health and Human Services and the Department of Military and Veterans Affairs to develop a pilot program in Cumberland County to provide health care services to veterans. The PCS would also provide for a training program on youth suicide awareness and prevention and a risk referral protocol for school personnel.



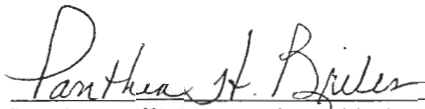
Representative Horn and Chairman Arp spoke in support of PCS HB894.

Representative Floyd moved for a favorable report of PCS HB894; unfavorable to the original bill. Vote on the motion was unanimous.

IV. Adjournment

The House Committee on Appropriations adjourned at 9:40 p.m.


Representative Nelson Dollar, Senior Chair


Panthea Briles, Committee Clerk



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 338
Second Edition Engrossed 4/25/17
PROPOSED HOUSE COMMITTEE SUBSTITUTE S338-PCS45472-MM-5

Short Title: Disaster Recovery Act of 2017.

(Public)

Sponsors:

Referred to:

March 22, 2017

A BILL TO BE ENTITLED
AN ACT TO ENACT THE DISASTER RECOVERY ACT OF 2017.
The General Assembly of North Carolina enacts:

SECTION 1. If Senate Bill 257 of the 2017 Regular Session becomes law, one hundred million dollars (\$100,000,000) reserved as Supplemental Disaster Recovery Funds in that act shall be allocated as follows:

- (1) Housing. – Twenty-five million dollars (\$25,000,000) to be allocated to the following agencies and entities for housing-related matters:
 - a. Twenty million dollars (\$20,000,000) to the Department of Public Safety, Division of Emergency Management, for the following:
 1. For repair of owner-occupied low- to moderate-income housing not covered by Community Development Block Grant Disaster Recovery Program funding.
 2. For repair of low- to moderate-income rental housing not covered by Community Development Block Grant Disaster Recovery Program funding.
 3. To be used for housing elevation, acquisition, and mitigation reconstruction for homes not covered by Hazard Mitigation Grant Program.
 4. To provide State Acquisition Relocation funds, which enable low- to moderate-income homeowners to purchase homes.
 5. To provide flood insurance subsidies.
 6. To provide temporary housing for storm victims.
 7. To hire Community Development Specialists to administer programs authorized under this act and under S.L. 2016-124.
 8. To provide repairs to public housing in Princeville and Lumberton.
 - b. Five million dollars (\$5,000,000) to the Lumber River Council of Government to be used to develop and construct low-income multifamily housing units in the Town of Fair Bluff.
- (2) Infrastructure. – Thirty million dollars (\$30,000,000) to the Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, to provide grants to local governments and to 501(c)(3) nonprofit corporations for assistance and relief from Hurricane Matthew, the western wildfires, and Tropical Storms Julia and Hermine. For purposes of



1 this subdivision, infrastructure includes nonresidential buildings that serve
2 the public, water, sewer, sidewalks, storm drainage, and other, similar
3 projects. Funds shall be used for the following:

- 4 a. To repair or replace existing infrastructure and tangible personal
5 property.
- 6 b. To replace or improve existing infrastructure to support hazard
7 mitigation.
- 8 c. To construct infrastructure to support (i) hazard mitigation and (ii)
9 the development of new residential structures in area outside the
10 100-year floodplain.

11 (3) Agricultural. – Twenty million dollars (\$20,000,000) to the Department of
12 Agriculture and Consumer Services, Division of Soil and Water
13 Conservation, for stream debris removal and nonfield farm road repairs and
14 for supplemental funding of the Agricultural Water Resources Assistance
15 Program to support disaster-related farm pond and dam repairs. The
16 Department may allocate up to one million dollars (\$1,000,000) to be used
17 for drought relief in the counties identified in subsection (b) of Section 2 of
18 this act.

19 (4) Community colleges. – Two million seven hundred thousand dollars
20 (\$2,700,000) to the Community College System Office for the 2017-2018
21 fiscal year. The Community College System Office shall transfer the entire
22 sum into a budget stabilization reserve in Budget Code 16800 to be used to
23 offset the impact of community college enrollment declines related to
24 Hurricane Matthew. When calculating the enrollment growth budget request
25 for the 2018-2019 fiscal year, the North Carolina Community College
26 System Office shall adjust the full-time equivalent (FTE) enrollment to
27 reflect the FTE lost due to Hurricane Matthew.

28 (5) Federal match. – Twenty-two million three hundred thousand dollars
29 (\$22,300,000) to the State Emergency Response and Disaster Relief Fund to
30 provide the State match for federal disaster assistance programs.

31 **SECTION 2.** Applicability. – (a) Except as provided in subsection (b) of this
32 section, this act applies in the North Carolina counties that were any of the following:

- 33 (1) Declared a major disaster by the President of the United States under the
34 Stafford Act (P.L. 93-288) as a result of Hurricane Matthew, wildfires in the
35 western part of the State, Tropical Storm Julia, or Tropical Storm Hermine.
- 36 (2) Part of the emergency area set forth in any of the following gubernatorial
37 executive orders: Executive Order No. 97 (September 1, 2016), Executive
38 Order No. 103 (September 22, 2016), Executive Order No. 107 (October 3,
39 2016), Executive Order No. 115 (November 16, 2016), or Executive Order
40 No. 116.

41 **SECTION 2.(b)** The funds allocated for drought relief under subdivision (3) of
42 Section 1 of this act apply to 20 counties in western North Carolina that have been declared a
43 federal disaster by the Secretary of the United States Department of Agriculture due to the
44 prolonged drought.

45 **SECTION 3.** Implementation. – The following actions and policy shall be taken to
46 implement this section:

- 47 (1) The Governor may establish part-time and full-time personnel positions to
48 implement this act. Positions established under this section are time limited
49 and exempt from the State Human Resources Act.

- 1 (2) The Governor shall establish advisory councils to advise relevant State
2 agencies on hurricane relief and recovery efforts and to ensure input from
3 representatives of affected communities and groups.
- 4 (3) If a person's home is relocated or purchased with funds from the Hazard
5 Mitigation Grant Program or the State Acquisition and Relocation Fund, the
6 State Emergency Response and Disaster Relief Fund is subrogated to the
7 person's rights under any insurance coverage for the damage to the home and
8 any monies received from the insurance coverage shall be paid to the State
9 Emergency Response and Disaster Relief Fund. The Division of Emergency
10 Management shall ensure that those potentially affected by this section are
11 notified of, and adhere to, its requirements.
- 12 (4) It is the intent of the General Assembly to continue to review the funds
13 appropriated by Congress and to consider actions needed to address any
14 remaining unmet needs. It is also the intent of the General Assembly to
15 review the adequacy of the measures funded in this act and S.L. 2016-124.
- 16 (5) No State funds appropriated in this act may be expended for the construction
17 of any new residence within the 100-year floodplain unless the construction
18 is in an area regulated by a unit of local government pursuant to a floodplain
19 management ordinance and the construction complies with the ordinance. As
20 used in this section, "100-year floodplain" means any area subject to
21 inundation by a 100-year flood, as indicated on the most recent Flood
22 Insurance Rate Map prepared by the federal Emergency Management
23 Agency under the National Flood Insurance Program.
- 24 (6) Homeowners in the 100-year floodplain who receive homeowner's housing
25 assistance pursuant to this act shall have in effect federal flood insurance, if
26 available, as a precondition to receipt of State homeowner's housing
27 assistance for losses resulting from future flooding.

28 **SECTION 4.** Limitation. – The Governor may not use the funds described in this
29 act to make budget adjustments under G.S. 143C-6-4 or to make reallocations under
30 G.S. 166A-19.40(c). Nothing in this act shall be construed to prohibit the Governor from
31 exercising the Governor's authority under these statutes with respect to funds other than those
32 described in this act.

33 The Governor shall also ensure that funds allocated in this act are expended in a
34 manner that does not adversely affect any person's or entity's eligibility for federal funds that
35 are made available, or that are anticipated to be made available, as a result of Hurricane
36 Matthew, the western North Carolina wildfires, or Tropical Storms Julia and Hermine. The
37 Governor shall also, to the extent practicable, avoid using State funds to cover costs that will
38 be, or likely will be, covered by federal funds.

39 **SECTION 5.** No Reversion of Funds. – Funds described in Section 1 of this act
40 shall remain available to implement the provisions of this act until the General Assembly
41 directs the reversion of any unexpended and unencumbered funds. G.S. 143C-6-23(f1)(1) shall
42 not apply to funds described in Section 1 of this act.

43 **SECTION 6.** Reporting Requirements. – The Office of State Budget and
44 Management shall report to the chairs of the House of Representatives and Senate
45 Appropriations Committees and to the Fiscal Research Division of the General Assembly on
46 the implementation of this section on a monthly basis and shall also provide any additional
47 reports or information requested by the Fiscal Research Division. Each report required by this
48 section shall include information about all funds expended or encumbered pursuant to this act
49 as of the date of the report, regardless of which State agency or non-State entity administers the
50 funds. Non-State entities that administer or receive any funds appropriated in this act shall

1 assist and fully cooperate with the Office of State Budget and Management in meeting the
2 Office's obligations under this section.

3 **SECTION 7.** This act is effective when it becomes law.



SENATE BILL 338: Disaster Recovery Act of 2017.

2017-2018 General Assembly

Committee: House Appropriations
Introduced by: Sens. Meredith, Britt, Bishop
Analysis of: PCS to Second Edition
S338-CSMM-5

Date: June 27, 2017
Prepared by: Kory Goldsmith
Staff Attorney

OVERVIEW: *The PCS to S338 allocates \$100,000,000 to various purposes and programs related to disaster relief from Hurricane Matthew, Tropical Storms Julia and Hermine, and the western wildfires.*

BILL ANALYSIS: Senate Bill 257 reserved \$100,000,000 as Supplemental Disaster Recovery Funds. Those funds are allocated in Section 1 of this bill as follows:

(1) \$25,000,000 for housing as follows:

a. \$20,000,000 is allocated to the Department of Public Safety, Division of Emergency Management. It may be used to repair owner-occupied homes and rental property for low to moderate-income individuals, for elevation and mitigation of certain homes, to enable low to moderate-income homeowners to purchase homes, to provide flood insurance subsidies, temporary housing, hire specialists to administer authorized programs, and to repair public housing in Princeville and Lumberton.

b. \$5,000,000 is allocated to the Lumber River Council of Government to develop and construct low-income multifamily housing units in the Town of Fair Bluff.

(2) Infrastructure - \$30,000,000 is allocated to Golden L.E.A.F., Inc. to provide grants to local governments and 501(c)(3) nonprofit corporations. Funds may be used to repair and replace existing infrastructure and tangible personal property, to replace or improve existing infrastructure to support hazard mitigation, and to construct new infrastructure to support hazard mitigation and the development of new structures outside the 100-year flood plain.

(3) \$20,000,000 is allocated to the Department of Agriculture and Consumer Services, Division of Soil and Water Conservation for stream debris removal and non-field farm road repairs. Up to \$1,000,000 may be used for drought relief in 20 western counties declared a federal disaster by the Secretary of the United States Department of Agriculture.

(4) \$2,700,000 is allocated to the Community College System to be used to offset the impact on community college enrollment declines related to Hurricane Matthew.

(5) \$22,300,000 is allocated to the State Emergency Responses and Disaster Relief Fund to provide the State match for federal disaster assistance programs.

Sections 2- 6 contain provisions related to implementation that are similar to those contained in the 2016 Disaster Recovery Act (2016-124).

EFFECTIVE DATE: The act is effective when it becomes law.

Kory Goldsmith
Director



Legislative Drafting
919-733-6660



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 284
Committee Substitute Favorable 3/30/17
PROPOSED COMMITTEE SUBSTITUTE H284-PCS40634-MR-1

Short Title: 25-Year LEO Retirement Option.

(Public)

Sponsors:

Referred to:

March 9, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW LAW ENFORCEMENT OFFICERS WHO ARE MEMBERS OF THE
3 TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL
4 GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM TO RETIRE AFTER
5 ACHIEVING TWENTY-FIVE YEARS OF CREDITABLE SERVICE, TO ALLOW FOR
6 SEPARATION BUYOUTS FOR LAW ENFORCEMENT OFFICERS, AND TO ALLOW
7 TRANSFERS UNDER THE SPECIAL RETIREMENT ALLOWANCE TO BE PAID IN
8 WHOLE OR IN PART WITH EMPLOYER CONTRIBUTIONS.

9 The General Assembly of North Carolina enacts:

10 SECTION 1. Article 12D of Chapter 143 of the General Statutes is amended by
11 adding a new section to read:

12 "**§ 143-166.43. Separation buyouts for law enforcement officers.**

13 Any State department, agency, or institution, or any local government employer, may, in its
14 discretion, offer a lump sum separation buyout to a law enforcement officer who leaves
15 employment prior to reaching the officer's eligibility for a separation allowance under this
16 Article. The lump sum separation buyout shall be paid from funds available and shall not
17 exceed the total that would otherwise be paid in separation allowance payments under
18 G.S. 143-166.41 or G.S. 143-166.42."

19 SECTION 2.(a) G.S. 135-5(m2) reads as rewritten:

20 "(m2) Special Retirement Allowance. – At any time coincident with or following
21 retirement, a member may make a one-time, irrevocable election to transfer any portion of the
22 member's eligible accumulated contributions, not including any Roth after-tax contributions
23 and the earnings thereon, from the Supplemental Retirement Income Plan of North Carolina or
24 the North Carolina Public Employee Deferred Compensation Plan to this Retirement System
25 and receive, in addition to the member's basic service, early or disability retirement allowance,
26 a special retirement allowance which shall be based upon the member's transferred balance.

27 A member who became a member of the Supplemental Retirement Income Plan prior to
28 retirement and who remains a member of the Supplemental Retirement Income Plan may make
29 a one-time, irrevocable election to transfer eligible balances, not including any Roth after-tax
30 contributions and the earnings thereon, from any of the following plans to the Supplemental
31 Retirement Income Plan, subject to the applicable requirements of the Supplemental Retirement
32 Income Plan, and then through the Supplemental Retirement Income Plan to this Retirement
33 System: (i) a plan participating in the North Carolina Public School Teachers' and Professional
34 Educators' Investment Plan; (ii) a plan described in section 403(b) of the Internal Revenue
35 Code; (iii) a plan described in section 457(b) of the Internal Revenue Code that is maintained



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by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; (iv) an individual retirement account or annuity described in section 408(a) or section 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income; or (v) a tax-qualified plan described in section 401(a) or section 403(a) of the Internal Revenue Code. In addition, any transfer under this subsection may be paid in whole or in part with employer contributions paid directly to this Retirement System at the time of transfer.

Notwithstanding anything to the contrary, a member may not transfer such amounts as will cause the member's retirement allowance under the System to exceed the amount allowable under G.S. 135-18.7(b). The Board of Trustees may establish a minimum amount that must be transferred if a transfer is elected. The member may elect a special retirement allowance with no postretirement increases or a special retirement allowance with annual postretirement increases equal to the annual increase in the U.S. Consumer Price Index. Postretirement increases on any other allowance will not apply to the special retirement allowance. The Board of Trustees shall provide educational materials to the members who apply for the transfer authorized by this section. Those materials shall describe the special retirement allowance and shall explain the relationship between the transferred balance and the monthly benefit and how the member's heirs may be impacted by the election to make this transfer and any costs and fees involved.

For the purpose of determining the special retirement allowance, the Board of Trustees shall adopt straight life annuity factors on the basis of yields on U.S. Treasury Bonds and mortality and such other tables as may be necessary based upon actual experience. A single set of mortality and such other tables will be used for all members, with factors differing only based on the age of the member and the election of postretirement increases. The Board of Trustees shall modify the mortality and such other tables every five years, as shall be deemed necessary, based upon the five-year experience study as required by G.S. 135-6(n). Provided, however, a member who transfers the member's eligible accumulated contributions from an eligible retirement plan pursuant to this subsection to this Retirement System shall be taxed for North Carolina State Income Tax purposes on the special retirement allowance the same as if that special retirement allowance had been paid directly by the eligible plan or the plan through which the transfer was made, whichever is most favorable to the member. The Teachers' and State Employees' Retirement System shall be responsible to determine the taxable amount, if any, and report accordingly.

The Supplemental Retirement Board of Trustees established under G.S. 135-96 may assess a one-time flat administrative fee not to exceed the actual cost of the administrative expenses relating to these transfers. An eligible plan shall not assess a fee specifically relating to a transfer of accumulated contributions authorized under this subsection. This provision shall not prohibit other fees that may be assessable under the plan. Each plan, contract, account, or annuity shall fully disclose to any member participating in a transfer under this subsection any surrender charges or other fees, and such disclosure shall be made contemporaneous with the initiation of the transfer by the member.

The special retirement allowance shall continue for the life of the member and the beneficiary designated to receive a monthly survivorship benefit under Option 2, 3 or 6 as provided in G.S. 135-5(g), if any. The Board of Trustees, however, shall establish two payment options that guarantee payments as follows:

- (1) A member may elect to receive the special retirement allowance for life but with payments guaranteed for a number of months to be specified by the Board of Trustees. Under this plan, if the member dies before the expiration of the specified number of months, the special retirement allowance will continue to be paid to the member's designated beneficiary for the life of the beneficiary, if Option 2, 3 or 6 is selected. If Option 2, 3 or 6 is not selected,

the member's designated beneficiary will receive the benefit only for the remainder of the specified number of months. If the member's designated beneficiary dies before receiving payments for the specified number of months, any remaining payments will be paid to the member's estate.

- (2) A member may elect to receive the special retirement allowance for life but is guaranteed that the sum of the special allowance payments will equal the total of the transferred amount. Under this payment option, if the member dies before receiving the total transferred amount, the special retirement allowance will continue to be paid to the member's designated beneficiary for the life of the beneficiary, if Option 2, 3 or 6 is selected. If Option 2, 3 or 6 is not selected, the member's designated beneficiary or the member's estate shall be paid any remaining balance of the transferred amount.

The Board of Trustees shall report annually to the Joint Legislative Commission on Governmental Operations on the number of persons who made an election in the previous calendar year, with any recommendations it might make on amendment or repeal based on any identified problems.

The General Assembly reserves the right to repeal or amend this subsection, but such repeal or amendment shall not affect any person who has already made the one-time election provided in this subsection."

SECTION 2.(b) G.S. 128-27(m2) reads as rewritten:

"(m2) Special Retirement Allowance. – At any time coincident with or following retirement, a member may make a one-time, irrevocable election to transfer any portion of the member's eligible accumulated contributions, not including any Roth after-tax contributions and the earnings thereon, from the Supplemental Retirement Income Plan of North Carolina or the North Carolina Public Employee Deferred Compensation Plan to this Retirement System and receive, in addition to the member's basic service, early or disability retirement allowance, a special retirement allowance which shall be based upon the member's transferred balance.

A member who became a member of the Supplemental Retirement Income Plan prior to retirement and who remains a member of the Supplemental Retirement Income Plan may make a one-time, irrevocable election to transfer eligible balances, not including any Roth after-tax contributions and the earnings thereon, from any of the following plans to the Supplemental Retirement Income Plan, subject to the applicable requirements of the Supplemental Retirement Income Plan, and then through the Supplemental Retirement Income Plan to this Retirement System (i) a plan participating in the North Carolina Public School Teachers' and Professional Educators' Investment Plan; (ii) a plan described in section 403(b) of the Internal Revenue Code; (iii) a plan described in section 457(b) of the Internal Revenue Code that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; (iv) an individual retirement account or annuity described in section 408(a) or section 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income; or (v) a tax-qualified plan described in section 401(a) or section 403(a) of the Internal Revenue Code. In addition, any transfer under this subsection may be paid in whole or in part with employer contributions paid directly to this Retirement System at the time of transfer.

Notwithstanding anything to the contrary, a member may not transfer such amounts as will cause the member's retirement allowance under the System to exceed the amount allowable under G.S. 128-38.2(b). The Board of Trustees may establish a minimum amount that must be transferred if a transfer is elected. The member may elect a special retirement allowance with no postretirement increases or a special retirement allowance with annual postretirement increases equal to the annual increase in the U.S. Consumer Price Index. Postretirement increases on any other allowance will not apply to the special retirement allowance. The Board of Trustees shall provide educational materials to the members who apply for the transfer

1 authorized by this section. Those materials shall describe the special retirement allowance and
2 shall explain the relationship between the transferred balance and the monthly benefit and how
3 the member's heirs may be impacted by the election to make this transfer and any costs and fees
4 involved.

5 For the purpose of determining the special retirement allowance, the Board of Trustees shall
6 adopt straight life annuity factors on the basis of yields on U.S. Treasury Bonds and mortality
7 and such other tables as may be necessary based upon actual experience. A single set of
8 mortality and such other tables will be used for all members, with factors differing only based
9 on the age of the member and the election of postretirement increases. The Board of Trustees
10 shall modify the mortality and such other tables every five years, as shall be deemed necessary,
11 based upon the five-year experience study as required by G.S. 128-28(o). Provided, however, a
12 member who transfers the member's eligible accumulated contributions from an eligible
13 retirement plan pursuant to this subsection to this Retirement System shall be taxed for North
14 Carolina State Income Tax purposes on the special retirement allowance the same as if that
15 special retirement allowance had been paid directly by the eligible plan or the plan through
16 which the transfer was made, whichever is most favorable to the member. The Local
17 Governmental Employees' Retirement System shall be responsible to determine the taxable
18 amount, if any, and report accordingly.

19 The special retirement allowance shall continue for the life of the member and the
20 beneficiary designated to receive a monthly survivorship benefit under Option 2, 3 or 6 as
21 provided in G.S. 128-27(g), if any. The Board of Trustees, however, shall establish two
22 payment options that guarantee payments as follows:

- 23 (1) A member may elect to receive the special retirement allowance for life but
24 with payments guaranteed for a number of months to be specified by the
25 Board of Trustees. Under this plan, if the member dies before the expiration
26 of the specified number of months, the special retirement allowance will
27 continue to be paid to the member's designated beneficiary for the life of the
28 beneficiary, if Option 2, 3 or 6 is selected. If Option 2, 3 or 6 is not selected,
29 the member's designated beneficiary will receive the benefit only for the
30 remainder of the specified number of months. If the member's designated
31 beneficiary dies before receiving payments for the specified number of
32 months, any remaining payments will be paid to the member's estate.
- 33 (2) A member may elect to receive the special retirement allowance for life but
34 is guaranteed that the sum of the special allowance payments will equal the
35 total of the transferred amount. Under this payment option, if the member
36 dies before receiving the total transferred amount, the special retirement
37 allowance will continue to be paid to the member's designated beneficiary
38 for the life of the beneficiary, if Option 2, 3 or 6 is selected. If Option 2, 3 or
39 6 is not selected, the member's designated beneficiary or the member's estate
40 shall be paid any remaining balance of the transferred amount.

41 The Supplemental Retirement Board of Trustees established under G.S. 135-96 may assess
42 a one-time flat administrative fee not to exceed the actual cost of the administrative expenses
43 relating to these transfers. An eligible plan shall not assess a fee specifically relating to a
44 transfer of accumulated contributions authorized under this subsection. This provision shall not
45 prohibit other fees that may be assessable under the plan. Each plan, contract, account, or
46 annuity shall fully disclose to any member participating in a transfer under this subsection any
47 surrender charges or other fees, and that disclosure shall be made contemporaneous with the
48 initiation of the transfer by the member.

49 The Board of Trustees shall report annually to the Joint Legislative Commission on
50 Governmental Operations on the number of persons who made an election in the previous

1 calendar year, with any recommendations it might make on amendment or repeal based on any
2 identified problems.

3 The General Assembly reserves the right to repeal or amend this subsection, but such repeal
4 or amendment shall not affect any person who has already made the one-time election provided
5 in this subsection."

6 **SECTION 3.(a)** G.S. 135-5(a)(4) reads as rewritten:

7 "(4) Any member who is a law-enforcement officer and who (i) attains age 50
8 and completes 15 or more years of creditable service in this ~~capacity or who~~
9 capacity, (ii) attains age 55 and completes five or more years of creditable
10 service in this capacity, or (iii) has completed 25 years of creditable service
11 with a minimum of 15 years of creditable service in a law enforcement
12 capacity may retire upon electronic submission or written application to the
13 Board of Trustees setting forth at what time, as of the first day of a calendar
14 month, not less than one day nor more than 120 days subsequent to the
15 execution and filing thereof, ~~he-the member~~ desires to be retired; Provided,
16 also, any member who has met the conditions herein required but does not
17 retire, and later becomes a teacher or an employee other than as a
18 law-enforcement officer shall continue to have the right to commence
19 retirement."

20 **SECTION 3.(b)** G.S. 135-5(b19) reads as rewritten:

21 "(b19) Service Retirement Allowance of Members Retiring on or After July 1, ~~2002-2002,~~
22 but Before July 1, 2018. – Upon retirement from service in accordance with subsection (a) or
23 (a1) of this section, on or after July 1, 2002, but before July 1, 2018, a member shall receive the
24 following service retirement allowance:

25 (1) A member who is a law enforcement officer or an eligible former law
26 enforcement officer shall receive a service retirement allowance computed
27 as follows:

28 a. If the member's service retirement date occurs on or after his 55th
29 birthday, and completion of five years of creditable service as a law
30 enforcement officer, or after the completion of 30 years of creditable
31 service, the allowance shall be equal to one and eighty-two
32 hundredths percent (1.82%) of his average final compensation,
33 multiplied by the number of years of his creditable service.

34 b. If the member's service retirement date occurs on or after his 50th
35 birthday and before his 55th birthday with 15 or more years of
36 creditable service as a law enforcement officer and prior to the
37 completion of 30 years of creditable service, his retirement allowance
38 shall be equal to the greater of:

39 1. The service retirement allowance payable under
40 G.S. 135-5(b19)(1)a. reduced by one-third of one percent (1/3
41 of 1%) thereof for each month by which his retirement date
42 precedes the first day of the month coincident with or next
43 following the month the member would have attained his
44 55th birthday; or

45 2. The service retirement allowance as computed under
46 G.S. 135-5(b19)(1)a. reduced by five percent (5%) times the
47 difference between 30 years and his creditable service at
48 retirement.

49 (2) A member who is not a law enforcement officer or an eligible former law
50 enforcement officer shall receive a service retirement allowance computed
51 as follows:

- 1 a. If the member's service retirement date occurs on or after his 65th
2 birthday upon the completion of five years of membership service or
3 after the completion of 30 years of creditable service or on or after
4 his 60th birthday upon the completion of 25 years of creditable
5 service, the allowance shall be equal to one and eighty-two
6 hundredths percent (1.82%) of his average final compensation,
7 multiplied by the number of years of creditable service.
- 8 b. If the member's service retirement date occurs after his 60th birthday
9 and before his 65th birthday and prior to his completion of 25 years
10 or more of creditable service, his retirement allowance shall be
11 computed as in G.S. 135-5(b19)(2)a. but shall be reduced by
12 one-quarter of one percent (1/4 of 1%) thereof for each month by
13 which his retirement date precedes the first day of the month
14 coincident with or next following his 65th birthday.
- 15 c. If the member's early service retirement date occurs on or after his
16 50th birthday and before his 60th birthday and after completion of 20
17 years of creditable service but prior to the completion of 30 years of
18 creditable service, his early service retirement allowance shall be
19 equal to the greater of:
- 20 1. The service retirement allowance as computed under
21 G.S. 135-5(b19)(2)a. but reduced by the sum of five-twelfths
22 of one percent (5/12 of 1%) thereof for each month by which
23 his retirement date precedes the first day of the month
24 coincident with or next following the month the member
25 would have attained his 60th birthday, plus one-quarter of one
26 percent (1/4 of 1%) thereof for each month by which his 60th
27 birthday precedes the first day of the month coincident with
28 or next following his 65th birthday; or
- 29 2. The service retirement allowance as computed under
30 G.S. 135-5(b19)(2)a. reduced by five percent (5%) times the
31 difference between 30 years and his creditable service at
32 retirement; or
- 33 3. If the member's creditable service commenced prior to July 1,
34 1994, the service retirement allowance equal to the actuarial
35 equivalent of the allowance payable at the age of 60 years as
36 computed in G.S. 135-5(b19)(2)b.
- 37 d. Notwithstanding the foregoing provisions, any member whose
38 creditable service commenced prior to July 1, 1963, shall not receive
39 less than the benefit provided by G.S. 135-5(b)."

40 **SECTION 3.(c)** G.S. 135-5 is amended by adding a new subsection to read:

41 "(b21) Service Retirement Allowance of Members Retiring on or After July 1, 2018. –
42 Upon retirement from service on or after July 1, 2018, in accordance with subsection (a) or (a1)
43 of this section, a member shall receive the following service retirement allowance:

44 (1) A member who is a law enforcement officer or an eligible former law
45 enforcement officer shall receive a service retirement allowance computed
46 as follows:

- 47 a. If the member's service retirement date occurs on or after the
48 member's 55th birthday and completion of five years of creditable
49 service as a law enforcement officer, or after the completion of 30
50 years of creditable service, the allowance shall be equal to one and
51 eighty-two hundredths percent (1.82%) of the member's average final

- 1 compensation, multiplied by the number of years of the member's
2 creditable service.
- 3 b. If the member's service retirement date occurs prior to the member's
4 50th birthday and after the completion of 25 years of creditable
5 service with a minimum of 15 years of creditable service in a law
6 enforcement capacity but before the completion of 30 years of
7 creditable service, the retirement allowance shall be equal to the
8 greater of the following amounts:
- 9 1. The service retirement allowance payable under
10 G.S. 135-5(b21)(1)a. reduced by one-third of one percent (1/3
11 of 1%) thereof for each month by which the member's
12 retirement date precedes the first day of the month coincident
13 with or next following the month the member would have
14 attained age 55.
- 15 2. The service retirement allowance as computed under
16 G.S. 135-5(b21)(1)a. reduced by five percent (5%) times the
17 difference between 30 years and the member's creditable
18 service at retirement plus four percent (4%) times the
19 difference between age 50 and the member's age at
20 retirement.
- 21 c. If the member's service retirement date occurs on or after the
22 member's 50th birthday and before the member's 55th birthday with
23 15 or more years of creditable service as a law enforcement officer
24 and prior to the completion of 30 years of creditable service, the
25 retirement allowance shall be equal to the greater of the following
26 amounts:
- 27 1. The service retirement allowance payable under
28 G.S. 135-5(b21)(1)a. reduced by one-third of one percent (1/3
29 of 1%) thereof for each month by which the retirement date
30 precedes the first day of the month coincident with or next
31 following the month the member would have attained age 55.
- 32 2. The service retirement allowance as computed under
33 G.S. 135-5(b21)(1)a. reduced by five percent (5%) times the
34 difference between 30 years and the amount of creditable
35 service at retirement.
- 36 (2) A member who is not a law enforcement officer or an eligible former law
37 enforcement officer shall receive a service retirement allowance computed
38 as follows:
- 39 a. If the member's service retirement date occurs on or after the
40 member's 65th birthday upon the completion of five years of
41 membership service, or after the completion of 30 years of creditable
42 service, or on or after his 60th birthday upon the completion of 25
43 years of creditable service, the allowance shall be equal to one and
44 eighty-two hundredths percent (1.82%) of the member's average final
45 compensation, multiplied by the number of years of creditable
46 service.
- 47 b. If the member's service retirement date occurs after the member's
48 60th birthday and before the member's 65th birthday and prior to the
49 completion of 25 years or more of creditable service, the retirement
50 allowance shall be computed as in G.S. 135-5(b21)(2)a. but shall be
51 reduced by one-quarter of one percent (1/4 of 1%) thereof for each

- 1 month by which the retirement date precedes the first day of the
2 month coincident with or next following the member's 65th birthday.
3 c. If the member's early service retirement date occurs on or after the
4 member's 50th birthday and before the member's 60th birthday and
5 after completion of 20 years of creditable service but prior to the
6 completion of 30 years of creditable service, the early service
7 retirement allowance shall be equal to the greater of the following
8 amounts:
9 1. The service retirement allowance as computed under
10 G.S. 135-5(b21)(2)a. but reduced by the sum of five-twelfths
11 of one percent (5/12 of 1%) thereof for each month by which
12 the member's retirement date precedes the first day of the
13 month coincident with or next following the month the
14 member would have attained his 60th birthday, plus
15 one-quarter of one percent (1/4 of 1%) thereof for each month
16 by which the member's 60th birthday precedes the first day of
17 the month coincident with or next following the member's
18 65th birthday.
19 2. The service retirement allowance as computed under
20 G.S. 135-5(b21)(2)a. reduced by five percent (5%) times the
21 difference between 30 years and the amount of creditable
22 service at retirement.
23 3. If the member's creditable service commenced prior to July 1,
24 1994, the service retirement allowance equal to the actuarial
25 equivalent of the allowance payable at the age of 60 years as
26 computed in G.S. 135-5(b21)(2)b.
27 d. Notwithstanding the foregoing provisions, any member whose
28 creditable service commenced prior to July 1, 1963, shall not receive
29 less than the benefit provided by G.S. 135-5(b)."

30 **SECTION 3.(d)** G.S. 135-5(m) reads as rewritten:

31 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
32 beneficiary designated to receive a return of accumulated contributions shall have the right to
33 elect to receive in lieu thereof the reduced retirement allowance provided by Option 2 of
34 subsection (g) above computed by assuming that the member had retired on the first day of the
35 month following the date of his the member's death, provided that all four of the following
36 conditions apply:

- 37 (1) a. The member had attained such age and/or creditable service to be
38 eligible to commence retirement with an early or service retirement
39 allowance, or
40 b. The member had obtained 20 years of creditable service in which
41 case the retirement allowance shall be computed in accordance with
42 G.S. 135-5(b19)(1)b. or G.S. 135-5(b19)(2)e., G.S. 135-5(b21)(1)c.
43 or G.S. 135-5(b21)(2)c., notwithstanding the requirement of
44 obtaining age 50, or
45 b1. The member was a law enforcement officer who had obtained 15
46 years of service as a law enforcement officer and was killed in the
47 line of duty, in which case the retirement allowance shall be
48 computed in accordance with G.S.
49 135-5(b19)(1)b., G.S. 135-5(b21)(1)c., notwithstanding the
50 requirement of obtaining age 50.
51 c. Repealed by Session Laws 2010-72, s. 2(a), effective July 1, 2010.

...."

SECTION 3.(e) G.S. 128-27(a)(5) reads as rewritten:

"(5) Any member who is a law enforcement ~~officer~~, officer and who (i) attains age 50 and completes 15 or more years of creditable service in this ~~capacity~~ or who capacity, or (ii) attains age 55 and completes five or more years of creditable service in this capacity, or (iii) who has completed 25 years of creditable service with a minimum of 15 years of creditable service in a law enforcement capacity may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing thereof, ~~he~~ the member desires to be retired; provided, also, any member who has met the conditions required by this subdivision but does not retire, and later becomes an employee other than as a law enforcement officer, continues to have the right to commence retirement."

SECTION 3.(f) G.S. 128-27(b21) reads as rewritten:

"(b21) Service Retirement Allowance of Member Retiring on or After July 1, ~~2003~~ 2003, ~~but Before July 1, 2018~~. – Upon retirement from service in accordance with subsection (a) or (a1) above, on or after July 1, 2003, but before July 1, 2018, a member shall receive the following service retirement allowance:

(1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:

a. If the member's service retirement date occurs on or after his 55th birthday and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and eighty-five hundredths percent (1.85%) of his average final compensation, multiplied by the number of years of his creditable service.

b. If the member's service retirement date occurs on or after his 50th birthday and before his 55th birthday with 15 or more years of creditable service as a law enforcement officer and prior to the completion of 30 years of creditable service, his retirement allowance shall be equal to the greater of:

1. The service retirement allowance payable under G.S. 128-27(b21)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following the month the member would have attained his 55th birthday;

2. The service retirement allowance as computed under G.S. 128-27(b21)(1)a. reduced by five percent (5%) times the difference between 30 years and his creditable service at retirement.

(2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:

a. If the member's service retirement date occurs on or after his 65th birthday upon the completion of five years of creditable service or after the completion of 30 years of creditable service or on or after his 60th birthday upon the completion of 25 years of creditable

- 1 service, the allowance shall be equal to one and eighty-five
2 hundredths percent (1.85%) of average final compensation,
3 multiplied by the number of years of creditable service.
4 b. If the member's service retirement date occurs after his 60th birthday
5 and before his 65th birthday and prior to his completion of 25 years
6 or more of creditable service, his retirement allowance shall be
7 computed as in G.S. 128-27(b21)(2) a. but shall be reduced by
8 one-quarter of one percent (1/4 of 1%) thereof for each month by
9 which his retirement date precedes the first day of the month
10 coincident with or next following his 65th birthday.
11 c. If the member's early service retirement date occurs on or after his
12 50th birthday and before his 60th birthday and after completion of 20
13 years of creditable service but prior to the completion of 30 years of
14 creditable service, his early service retirement allowance shall be
15 equal to the greater of:
16 1. The service retirement allowance as computed under
17 G.S. 128-27(b21)(2)a. but reduced by the sum of
18 five-twelfths of one percent (5/12 of 1%) thereof for each
19 month by which his retirement date precedes the first day of
20 the month coincident with or next following the month the
21 member would have attained his 60th birthday, plus
22 one-quarter of one percent (1/4 of 1%) thereof for each month
23 by which his 60th birthday precedes the first day of the month
24 coincident with or next following his 65th birthday; or
25 2. The service retirement allowance as computed under
26 G.S. 128-27(b21)(2)a. reduced by five percent (5%) times the
27 difference between 30 years and his creditable service at
28 retirement; or
29 3. If the member's creditable service commenced prior to July 1,
30 1995, the service retirement allowance equal to the actuarial
31 equivalent of the allowance payable at the age of 60 years as
32 computed in G.S. 128-27(b21)(2)b.
33 d. Notwithstanding the foregoing provisions, any member whose
34 creditable service commenced prior to July 1, 1965, shall not receive
35 less than the benefit provided by G.S. 128-27(b)."

36 **SECTION 3.(g)** G.S. 128-27 is amended by adding a new subsection to read:

37 "(b22) Service Retirement Allowance of Member Retiring on or After July 1, 2018. – Upon
38 retirement from service in accordance with subsection (a) or (a1) of this section, on or after
39 July 1, 2018, a member shall receive the following service retirement allowance:

- 40 (1) A member who is a law enforcement officer or an eligible former law
41 enforcement officer shall receive a service retirement allowance computed
42 as follows:
43 a. If the member's service retirement date occurs on or after the
44 member's 55th birthday and completion of five years of creditable
45 service as a law enforcement officer, or after the completion of 30
46 years of creditable service, the allowance shall be equal to one and
47 eighty-five hundredths percent (1.85%) of the member's average final
48 compensation, multiplied by the number of years of the member's
49 creditable service.
50 b. If the member's service retirement date occurs prior to the member's
51 50th birthday and after the completion of 25 years of creditable

service with a minimum of 15 years of creditable service in a law enforcement capacity but before the completion of 30 years of creditable service, the retirement allowance shall be equal to the greater of the following amounts:

1. The service retirement allowance payable under G.S. 128-27(b22)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which the member's retirement date precedes the first day of the month coincident with or next following the month the member would have attained age 55.

2. The service retirement allowance as computed under G.S. 128-27(b22)(1)a. reduced by five percent (5%) times the difference between 30 years and the member's creditable service at retirement plus four percent (4%) times the difference between 50 and the member's age at retirement.

c. If the member's service retirement date occurs on or after the member's 50th birthday and before the member's 55th birthday with 15 or more years of creditable service as a law enforcement officer and prior to the completion of 30 years of creditable service, the retirement allowance shall be equal to the greater of the following amounts:

1. The service retirement allowance payable under G.S. 128-27(b22)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which the retirement date precedes the first day of the month coincident with or next following the month the member would have attained age 55.

2. The service retirement allowance as computed under G.S. 128-27(b22)(1)a. reduced by five percent (5%) times the difference between 30 years and the amount of creditable service at retirement.

(2) A member who is not a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:

a. If the member's service retirement date occurs on or after the member's 65th birthday upon the completion of five years of creditable service, or after the completion of 30 years of creditable service, or on or after the member's 60th birthday upon the completion of 25 years of creditable service, the allowance shall be equal to one and eighty-five hundredths percent (1.85%) of the member's average final compensation, multiplied by the number of years of creditable service.

b. If the member's service retirement date occurs after the member's 60th birthday and before the member's 65th birthday and prior to the completion of 25 years or more of creditable service, the retirement allowance shall be computed as in G.S. 128-27(b22)(2)a. but shall be reduced by one-quarter of one percent (1/4 of 1%) thereof for each month by which the retirement date precedes the first day of the month coincident with or next following the member's 65th birthday.

c. If the member's early service retirement date occurs on or after the member's 50th birthday and before the member's 60th birthday and

after completion of 20 years of creditable service but prior to the completion of 30 years of creditable service, the early service retirement allowance shall be equal to the greater of the following amounts:

1. The service retirement allowance as computed under G.S. 128-27(b22)(2)a. but reduced by the sum of five-twelfths of one percent (5/12 of 1%) thereof for each month by which the retirement date precedes the first day of the month coincident with or next following the month the member would have attained the member's 60th birthday, plus one-quarter of one percent (1/4 of 1%) thereof for each month by which the member's 60th birthday precedes the first day of the month coincident with or next following the member's 65th birthday.
2. The service retirement allowance as computed under G.S. 128-27(b22)(2)a. reduced by five percent (5%) times the difference between 30 years and the amount of creditable service at retirement.
3. If the member's creditable service commenced prior to July 1, 1995, the service retirement allowance equal to the actuarial equivalent of the allowance payable at the age of 60 years as computed in G.S. 128-27(b22)(2)b.

- d. Notwithstanding the foregoing provisions, any member whose creditable service commenced prior to July 1, 1965, shall not receive less than the benefit provided by G.S. 128-27(b)."

SECTION 3.(h) G.S. 128-27(m) reads as rewritten:

"(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the beneficiary designated to receive a return of accumulated contributions shall have the right to elect to receive in lieu thereof the reduced retirement allowance provided by Option two of subsection (g) above computed by assuming that the member had retired on the first day of the month following the date of his the member's death, provided that all four of the following conditions apply:

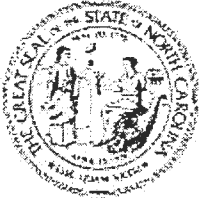
- (1) a. The member had attained such age and/or creditable service to be eligible to commence retirement with an early or service retirement allowance, or
- b. The member had obtained 20 years of creditable service in which case the retirement allowance shall be computed in accordance with ~~G.S. 128-27(b21)(1)b.~~ or ~~G.S. 128-27(b21)(2)e.,~~ G.S. 128-27(b22)(1)c. or G.S. 128-27(b22)(2)c., notwithstanding the requirement of obtaining age 50, or
- b1. The member was a law enforcement officer who had obtained 15 years of service as a law enforcement officer and was killed in the line of duty, or the member was a firefighter or a rescue squad worker who had obtained 15 years of service as a firefighter or a rescue squad worker and was killed in the line of duty, in which cases the retirement allowance shall be computed in accordance with ~~G.S. 128-27(b21)(1)b.,~~ G.S. 128-27(b22)(1)c., notwithstanding the requirement of obtaining age 50.
- c. Repealed by Session Laws 2010-72, s. 2(b), effective July 1, 2010.

...."

1 **SECTION 4.** Notwithstanding any other provision of law to the contrary, in order
2 to administer the changes to the special retirement allowance, as well as the change in
3 creditable service required for law enforcement officers to retire with a reduced benefit, as
4 provided for in Sections 2 and 3 of this act, the Retirement Systems Division of the Department
5 of State Treasurer may increase receipts from the retirement assets of the corresponding
6 retirement system or pay costs associated with the administration of these changes directly
7 from the retirement assets.

8 **SECTION 5.** Sections 2 and 3 of this act become effective July 1, 2018. The
9 remainder of this act is effective when it becomes law.





HOUSE BILL 284: 25-Year LEO Retirement Option.

2017-2018 General Assembly

Committee:	House Appropriations	Date:	June 27, 2017
Introduced by:	Reps. Murphy, McNeill, Rogers, Malone	Prepared by:	Amy Jo Johnson*
Analysis of:	PCS to Second Edition H284-CSMR-1		Staff Attorney

OVERVIEW: *House Bill 284 would allow separation buyouts for law enforcement officers; permit transfers under the special retirement allowance to be paid in whole or in part with employer contributions; and allow law enforcement officers who are members of the Teachers' and State Employees' Retirement System (TSERS) and the Local Governmental Employees Retirement System (LGERS) to retire with 25 years of creditable service, a minimum of 15 years of that creditable service must be earned in a law enforcement capacity.*

The PCS changes the effective date of the transfer provisions in Section 2, and the 25 year retirement option in Section 3, from January 1, 2018, to July 1, 2018. The remainder of the bill would become effective when it becomes law.

BILL ANALYSIS:

Separation buyouts: Section 1 of the bill would amend Chapter 143, Article 12D, pertaining to separation allowances, to add a new law allowing separation buyouts for law enforcement officers. The new statute would allow any State department, agency or institution, or any local government employer, to offer a lump sum buyout to a law enforcement officer who leaves employment prior to reaching eligibility for a separation allowance. The buyout must be paid from funds available and must not exceed the total that would otherwise be paid under existing special separation allowance laws for State (G.S. 143-166.41) and local (G.S. 143-166.42) government employers.

Special Retirement Allowance Transfer: Current law (G.S. 135-5(m2) and G.S. 128-27(m2))¹ allows a member to make a one-time irrevocable election to transfer any portion of the member's eligible accumulated contributions, not including any Roth after-tax contributions and earnings, from the Supplemental Retirement Income Plan or the Public Employee Deferred Compensation Plan to the TSERS or LGERS and to receive in addition to the member's basic service, early or disability retirement allowance, a special retirement allowance based upon the member's transferred balance.

Section 2(a) of the bill amends the Teachers' and State Employees' Retirement System (TSERS) law on special retirement allowance described above to allow any transfer to be paid in whole or in part with employer contributions paid directly to the Retirement System at the time of transfer. Section 2(b) amends the Local Governmental Employees' Retirement System (LGERS) law in the same manner as described in Section 2(a) for TSERS.

25-year Retirement: Sections 3(a), (b), (c), and (d) pertain to the TSERS, Sections 3(e), (f), (g), and (h) make the same changes to LGERS.

¹ G.S. 135-5(m1) and G.S. 128-27 (m1) also provide for a special retirement allowance for law enforcement officers.

Kory Goldsmith
Director



Legislative Drafting
919-733-6660

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Section 3(a) amends TSERS benefits to allow any member who is a law-enforcement officer and who (i) attains age 50 with 15 or more years of creditable service in this capacity, (ii) attains age 55 and completes five or more years of creditable service in this capacity, or (iii) has completed 25 years of creditable service, 15 years of the creditable service must be in a law enforcement capacity.

Section 3(b) amends G.S. 135-5(b19) to end the current service retirement allowance before July 1, 2018.

Section 3 (c) provides the statutory language to allow the 25 year retirement option on or after July 1, 2018. Because Section 3(b) provides an end date for the retirement service options under G.S. 135-5(b19), the current service retirement allowance options that remain in place are set out again in Section 3(c) which adds a new G.S. 135-5(b21).

This section sets out the **current law** providing the following service retirement allowance:

- Similar to G.S. 135-5(b19)(1)a, G.S. 135-5(b21)(1)a provides that if the service retirement date occurs on or after the member's 55th birthday and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and eighty-two hundredths percent (1.82%) of the member's average final compensation, multiplied by the number of years of the member's creditable service.
- Similar to G.S. 135-5(b19)(1)c, G.S. 135-5(b21)(1)c provides that if the service retirement date occurs on or after the member's 50th birthday and before the member's 55th birthday with 15 or more years of creditable service as a law enforcement officer and prior to the completion of 30 years of creditable service, the retirement allowance shall be equal to the greater of the following amounts:
 - The service retirement allowance payable under G.S. 135-5(b21)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which the retirement date precedes the first day of the month coincident with or next following the month the member would have attained age 55.
 - The service retirement allowance as computed under G.S. 135-5(b21)(1)a. reduced by five percent (5%) times the difference between 30 years and the amount of creditable service at retirement.

Additionally, this section provides the following **25 year retirement option**:

- G.S. 135-5(b21)(1)b provides that if the service retirement date occurs prior to the member's 50th birthday and after the completion of 25 years of creditable service with 15 years of creditable service in a law enforcement capacity but before the completion of 30 years of creditable service, the retirement allowance shall be equal to the greater of the following amounts:
 - The service retirement allowance payable under G.S. 135-5(b21)(1)a. reduced by one-third of one percent (1/3 of 1%) thereof for each month by which the member's retirement date precedes the first day of the month coincident with or next following the month the member would have attained age 55.
 - The service retirement allowance as computed under G.S. 135-5(b21)(1)a. reduced by five percent (5%) times the difference between 30 years and the member's creditable service at retirement plus four percent (4%) times the difference between age 50 and the member's age at retirement.

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The benefits in G.S. 135-5(b21)(2) for a member who is not a law enforcement officer or an eligible former law enforcement officer remain unchanged but are being set out again because of the end date on subsection (b19).

Section 3(d) makes conforming changes to the survivor's alternate benefit.

Sections 3(e), (f), (g), and (h) make the same changes to LGERS as Sections 3 (a),(b), (c), and (d) did for under the TSERS.

Section 4 allows the Retirement Systems Division, Department of State Treasurer, to increase receipts from the retirement assets of the corresponding retirement system or pay costs association with the administration of the changes directly from the retirement assets in order to provide for the administration of Sections 2 and 3.

EFFECTIVE DATE: Sections 2 and 3 would become effective July 1, 2018, the remainder becomes effective when it becomes law.

**Theresa Matula, House Pensions Committee Staff, substantially contributed to this summary.*



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Legislative Retirement Note

BILL NUMBER: House Bill 284 (First Edition)

SHORT TITLE: 25-Year LEO Retirement Option.

SPONSOR(S): Representatives Murphy, McNeill, Rogers, and Malone

FUNDS AFFECTED: State General Fund, State Highway Fund, other State employer receipts; local government funds

SYSTEM OR PROGRAM AFFECTED: Teachers' and State Employees' Retirement System (TSERS) and Local Governmental Employees' Retirement System (LGERS)

BILL SUMMARY:

Section 1: Allows State agencies and local governments to offer separation buyouts to law enforcement officers (LEOs) who leave employment prior to reaching eligibility for the special separation allowance. The special separation allowance is a benefit under current law paid by the agency or local government between unreduced retirement and age 62. The buyout cannot exceed the total that would otherwise be paid in special separation allowance payments.

Section 2: Allows the Transfer Benefit under both TSERS and LGERS to be funded with employer contributions paid directly to the Retirement System. Currently, the Transfer Benefit can only be funded with assets in an employee's qualified retirement account. The Transfer Benefit allows the member to establish a separate lifetime monthly benefit determined using the amount transferred, yields on U.S. Treasury Bonds, and mortality tables based on actual experience.

Section 3: Allows LEOs in TSERS and LGERS to retire with reduced benefits at any age with 25 years of service. If the retirement occurs prior to age 50, the benefit is reduced by the lesser of:

- a) 4% times 55 minus age at retirement
- b) 5% times 30 minus service at retirement plus 4% times 50 minus age at retirement

The bill does not change the law for retirement after age 50. The following table further summarizes the conditions for unreduced and reduced retirement:

	<u>Current Law</u>	<u>HB 284</u>
Unreduced for LEOs	Age 55 w/ 5 years of service Any age w/ 30 years	Unchanged
Reduced for LEOs	Age 50 w/ 15 years of service	Age 50 w/ 15 years of service Any age w/ 25 years
Unreduced for non-LEOs	Age 65 w/ 5 years of service Age 60 w/ 25 years Any age w/ 30 years	Unchanged
Reduced for non-LEOs	Age 50 w/ 20 years of service Age 60 w/ 5 years	Unchanged

Section 4: Authorizes the Retirement Systems Division of the Department of State Treasurer to use TSERS and LGERS assets to pay the costs of administering the changes in the bill.

EFFECTIVE DATE: Sections 2 and 3 are effective January 1, 2018. The remainder of the bill is effective when it becomes law.

ESTIMATED IMPACT ON STATE:

Both Conduent, the actuary for the Retirement Systems, and Hartman & Associates, the actuary for the General Assembly, state that the impact of Section 1 cannot be estimated because there is no way to know how many governments will offer separation buyouts and the impact that may have on retirement incidence.

Both actuaries estimate that sections 2 and 3 of the bill will have no material impact on the contribution rates or liabilities of either TSERS or LGERS.

The Retirement Systems Division reported to Conduent that implementation of this benefit enhancement may be a significant administrative burden that will require a number of changes to the ORBiT recordkeeping software. Section 4 of the bill allows the Division to use retirement assets to cover these costs.

ASSUMPTIONS AND METHODOLOGY:

The cost estimates of the System's Actuary are based on the employee data, actuarial assumptions and actuarial methods used to prepare the December 31, 2015 actuarial valuations. Significant membership and financial statistics, assumptions, and methods are shown in the following tables:

Membership Statistics (as of 12/31/2015 unless otherwise noted, M = millions)		
	<u>TSERS</u>	<u>LGERS</u>
Active Members		
Count	305,291	124,974
General Fund Compensation	\$10,185M	
Valuation Compensation (Total)	\$13,897M	\$5,869M
Average Age	45	44

Average Service	10.7	10.2
Inactive Members		
Count	143,214	59,289
Retired Members		
Count	201,522	63,110
Annual Benefits	\$4,202M	\$1,182M
Average Age	71	68
New Retirees During 2016	11,100	4,100

Financial Statistics (as of 12/31/2015 unless otherwise noted, M = millions)		
	TSERS	LGERS
Accrued Liability (AL)	\$71,522M	\$24,360M
Actuarial Value of Assets (AVA)	\$66,169M	\$23,649M
Market Value of Assets (MVA)	\$62,669M	\$22,404M
Unfunded Accrued Liability (AL - AVA)	\$5,353M	\$711M
Funded Status (AVA / AL)	93%	97%
Required Employer Contribution for FY 2017-18 (as % of pay)	10.33%	7.50% (non-LEO)
Salary Increase Assumption (includes 3.50% inflation and productivity)	3.50% - 8.10%	3.50% - 7.75%
Assumed Rate of Investment Return: 7.25%		
Cost Method: Entry Age Normal		
Amortization: 12 year, closed, flat dollar		
Demographic assumptions based on 2010-2014 experience, RP-2014 mortality, and projection of future mortality improvement with scale MP-2015		

Benefit Provisions		
	TSERS	LGERS
Formula	1.82% x Service x 4 Year Avg Pay	1.85% x Service x 4 Year Avg Pay
Unreduced retirement age/service	Any/30; 60/25; 65 (55 for LEO)/5	Any/30; 60/25; 65 (55 for LEO)/5
Employee contribution (as % of pay)	6%	6%

Further detailed information concerning these assumptions and methods is shown in the actuary's report, which is available upon request from David Vanderweide.

SOURCES OF DATA:

Conduent, "25-Year LEO Retirement Option – House Bill 284", March 24, 2017, original of which is on file in the General Assembly's Fiscal Research Division.

Hartman & Associates, LLC, "House Bill 284: An Act to Allow Law Enforcement Officers Who Are Members of the TSERS or LGERS to Retire After Achieving 25 Years of Service, to Allow for Separation Buyouts, and to Allow Transfers Under the Special Retirement Allowance to be

Paid with Employer Contributions", March 9, 2017, original of which is on file in the General Assembly's Fiscal Research Division.

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION: (919) 733-4910.

The above information is provided in accordance with North Carolina General Statute 120-114 and applicable rules of the North Carolina Senate and House of Representatives.

PREPARED BY: David Vanderweide

APPROVED BY:

Mark Trogdon, Director
Fiscal Research Division

DATE: March 27, 2017



Signed Copy Located in the NCGA Principal Clerk's Offices

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

1

HOUSE BILL 894

Short Title: Veterans/Health Care/Pilot Program. (Public)

Sponsors: Representatives Szoka, Lewis, Dollar, and Dobson (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations

April 26, 2017

A BILL TO BE ENTITLED
AN ACT TO DEVELOP A PILOT PROGRAM IN CUMBERLAND COUNTY TO
PROVIDE HEALTH CARE SERVICES TO VETERANS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Pilot Program. – The Department of Health and Human Services and the Department of Military and Veterans Affairs, in coordination with Community Care of North Carolina and Maxim Healthcare Services, shall develop and implement a two-year pilot program in Cumberland County to provide health care services to veterans. The pilot program shall consist of the following initiatives:

- (1) A health care initiative to provide to veterans increased access to health care resources through the care coordination efforts of community health workers.
- (2) A workforce initiative to recruit and train unemployed and underemployed veterans as community health workers for the health care initiative described in subdivision (1) of this section.

SECTION 1.(b) Termination. – The pilot program authorized by this section shall terminate on June 30, 2019.

SECTION 1.(c) Evaluation. – By February 1, 2020, the Department of Health and Human Services shall conduct and submit to the Joint Legislative Oversight Committee on Health and Human Services a comprehensive evaluation of the pilot program authorized by this section. The comprehensive evaluation shall include at least all of the following:

- (1) The specific ways in which the pilot program's health care initiative provided to veterans increased access to health care resources.
- (2) The total number of unemployed and underemployed veterans who were recruited and trained as community health workers under the pilot program's workforce initiative.
- (3) The specific ways in which the Department of Health and Human Services spent the funds appropriated under Section 2 of this act.

SECTION 2. There is appropriated from the General Fund to the Department of Health and Human Services the sum of four hundred thousand dollars (\$400,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of two hundred thousand dollars (\$200,000) in nonrecurring funds for the 2018-2019 fiscal year to support the development and implementation of the pilot program authorized by Section 1 of this act.

SECTION 3. This act becomes effective July 1, 2017.





GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

D

HOUSE BILL 894
PROPOSED COMMITTEE SUBSTITUTE H894-CSMU-7 [v.1]

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Short Title: Veterans/Health Care/Youth Suicide Prevention.

(Public)

Sponsors:

Referred to:

April 26, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO DEVELOP A PILOT PROGRAM IN CUMBERLAND COUNTY TO
3 PROVIDE HEALTH CARE SERVICES TO VETERANS AND TO PROVIDE FOR A
4 TRAINING PROGRAM ON YOUTH SUICIDE AWARENESS AND PREVENTION
5 AND RISK REFERRAL PROTOCOL FOR SCHOOL PERSONNEL.

6 The General Assembly of North Carolina enacts:

7 **PART I. PILOT PROGRAM TO PROVIDE HEALTH CARE SERVICES TO**
8 **VETERANS**

9 **SECTION 1.(a)** Pilot Program. – The Department of Health and Human Services
10 and the Department of Military and Veterans Affairs, in coordination with Community Care of
11 North Carolina and Maxim Healthcare Services, shall develop a two-year pilot program in
12 Cumberland County to provide health care services to veterans. The pilot program shall consist
13 of the following initiatives:

- 14 (1) A health care initiative to provide to veterans increased access to health care
15 resources through the care coordination efforts of community health
16 workers.
- 17 (2) A workforce initiative to recruit and train unemployed and underemployed
18 veterans as community health workers for the health care initiative described
19 in subdivision (1) of this section.

20 **SECTION 1.(b)** Report. - By March 1, 2018, the Department of Health and Human
21 Services and the Department of Military and Veterans Affairs shall report to the Joint
22 Legislative Oversight Committee on Health and Human Services on the departments' planning
23 activities for the pilot program authorized by this section. The report may include findings,
24 recommendations, and legislative proposals.

25 **SECTION 1.(c)** This section is effective when it becomes law.
26 **PART II. TRAINING PROGRAM ON YOUTH SUICIDE AWARENESS AND**
27 **PREVENTION AND RISK REFERRAL PROTOCOL FOR SCHOOL PERSONNEL**

28 **SECTION 2.(a)** G.S. 115C-5 is amended by adding a new subdivision to read:
29 "(11) The term "public school unit" means a local school administrative unit,
30 charter school, or regional school."

31 **SECTION 2.(b)** Article 25A of Chapter 115C of the General Statutes is amended
32 by adding a new section to read:

33 **"§ 115C-375.10. Youth suicide awareness and prevention training and risk referral**
34 **protocol for school personnel.**

35 (a) State Board Training Program and Protocol. – The State Board of Education, in
36 consultation with the Department of Health and Human Services, Division of Public Health,



shall develop a youth suicide awareness and prevention training program and a model risk referral protocol for public school units to provide to school personnel who work directly with students in grades six through 12, including teachers, teacher assistants, bus drivers, cafeteria workers, janitorial staff, media coordinators, athletic coaches, administrators, administrative assistants, school safety resource officers, school nurses, social workers, psychologists, and counselors. The training program shall consist of at least two hours of evidence-informed instruction to increase awareness of suicide, identification of risk factors and signs, and information for student referral for suicide prevention resources and support. The model risk referral protocol shall provide guidelines to public school unit on identification of at-risk students, suicide prevention procedures, and referral sources. The training program and model risk referral protocol shall be periodically reviewed and updated as necessary. Any mental health training requirements established by the State Board of Education shall be fulfilled in part by the youth suicide awareness and prevention training program.

(b) Training and Protocol Requirements. – Each public school unit shall provide the training program and model risk referral protocol developed by the State Board of Education under subsection (a) of this section, or a locally developed plan that meets the requirements of subsection (c) of this section, to school personnel who work directly with students in grades six through 12 at no cost to the employee. A school employee who works directly with students in grades six through 12 shall receive training within 12 months of employment with a board of a public school unit and every two years thereafter while employed with that board. The training may be offered in various formats, including electronically, through videoconferencing, or through an individual program of study of designated materials consisting of at least two hours of instruction.

(c) Locally Developed Training and Risk Referral Protocols. – A board of a public school unit may comply with the training and protocol requirements of this section by developing a local plan that includes, at a minimum, (i) conveying information on State and national data on suicide deaths and attempts, suicide methods, and at-risk populations, (ii) myths and attitudes about suicide, (iii) warning signs and symptoms for suicide, (iv) identification of at-risk students and steps for referring students to support services, (v) protective factors for prevention of suicide, and (vi) safe messaging to children. In addition, a local plan shall include protocols for implementation and mandatory training that include at least the following:

- (1) A plan to include specialized training for student support personnel, including administrators, school nurses, counselors, social workers, and psychologists.
- (2) A safety plan for the school in the event of (i) identification of a student as being at-risk of suicide, including a student help plan and immediate assistance, and (ii) a suicide death or suicide attempt by a student enrolled in the school, including a care plan for peers and school personnel.
- (3) Designation of a school employee as the school suicide prevention responder.
- (4) A plan for communication with a parent or legal guardian of a student identified as at-risk, including safe transfer of the student to the parent or legal guardian.
- (5) A plan for post-intervention for a student who has been identified as at-risk or has attempted suicide, including reentry into the classroom.

(d) Audits. – The Department of Public Instruction shall periodically randomly audit public school units to ensure compliance with the mandatory training requirements and prevention activities required by this section. The Department may also audit a public school unit if the Department has reason to believe the public school unit is not in compliance. The Department of Public Instruction shall report on the results of the audits by December 15

1 annually to the Joint Legislative Oversight Committee on Health and Human Services and the
2 Joint Legislative Education Oversight Committee.

3 (e) Limitations. – Notwithstanding the requirements in subsection (a) of this section,
4 nothing in this section shall be construed to impose any obligation or responsibility on public
5 school units to provide referral, treatment, follow-up, or other services related to identification
6 of students at-risk of suicide and suicide prevention procedures beyond what may be required
7 by other State law or federal law.

8 (f) Liability. – No board of a public school unit, nor its members, employees,
9 designees, agents, or volunteers, shall be liable in civil damages to any party for any loss or
10 damage caused by any act or omission relating to the provision of, participation in, or
11 implementation of any component of the plan, referral protocol, or training program required
12 by this section, unless that act or omission amounts to gross negligence, wanton conduct, or
13 intentional wrongdoing. Nothing in this section shall be construed to impose any specific duty
14 of care or standard of care."

15 **SECTION 2.(c)** G.S. 115C-218.75 is amended by adding a new subsection to read:

16 "(g) Youth Suicide Awareness and Prevention Training and Risk Referral Protocol. – A
17 charter school is subject to and shall comply with all requirements of G.S. 115C-375.10."

18 **SECTION 2.(d)** G.S. 115C-238.66 is amended by adding a new subdivision to
19 read:

20 "(14) Youth Suicide Awareness and Prevention Training and Risk Referral
21 Protocol. – A regional school is subject to and shall comply with all
22 requirements of G.S. 115C-375.10."

23 **SECTION 2.(e)** G.S. 116-239.8 is amended by adding a new subdivision to read:

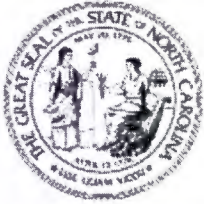
24 "(17) Youth Suicide Awareness and Prevention Training and Risk Referral
25 Protocol. – A lab school is subject to and shall comply with all requirements
26 of G.S. 115C-375.10. For purposes of G.S. 115C-375.10, a lab school shall
27 be a public school unit."

28 **SECTION 2.(f)** This section is effective when it becomes law and applies
29 beginning with the 2018-2019 school year.

30 **PART III. EFFECTIVE DATE**

31 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
32 law.





HOUSE BILL 894: Veterans/Health Care/Youth Suicide Prevention.

2017-2018 General Assembly

Committee: House Appropriations
Introduced by: Reps. Szoka, Lewis, Dollar, Dobson
Analysis of: PCS to First Edition
H894-CSMU-7

Date: June 27, 2017
Prepared by: Committee Staff

OVERVIEW: *Part I of the Proposed Committee Substitute (PCS) would require the Department of Health and Human Services (DHHS) and the Department of Military and Veterans Affairs (DMVA) to develop a pilot program in Cumberland County to provide health care services to veterans. Part II of the PCS would provide for a training program on youth suicide awareness and prevention and a risk referral protocol for school personnel.*

BILL ANALYSIS: Part I of this bill would require DHHS and DMVA, in coordination with Community Care of North Carolina and Maxim Healthcare Services, to develop a two-year pilot program in Cumberland County to provide health care services to veterans.

The pilot program would consist of two initiatives:

- A health care initiative to provide to veterans increased health care resources through the care coordination efforts of community health workers.
- A workforce initiative to recruit and train unemployed and underemployed veterans as community health workers for the pilot program's health care initiative.

The PCS would additionally require that by March 1, 2018, DHHS and DMVA submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the departments' planning activities for the pilot program. The PCS also removes a termination date of the pilot program, a comprehensive evaluation requirement, and language appropriating funds for the pilot program.

The PCS also adds Part II, which is based on the Fourth Edition of House Bill 285. Part II would require that a training program on youth suicide awareness and prevention and risk referral for school personnel be established as follows:

- **SBOE Training Program and Protocol:** The SBOE, in consultation with the Division of Public Health in the Department of Health and Human Services, would develop, review, and update periodically, a youth suicide awareness and training program (training program) and a model risk referral protocol (model protocol) for public school units.
- **Training and Protocol Requirements:** Public school units could comply by using the SBOE Program or a local plan meeting specific requirements (see below) to provide training for all school personnel working directly with students in grades six through 12. The training program would be provided at no cost to the school employee initially within 12 months of employment and every 2 years thereafter, and include least 2 hours of evidence-informed instruction to increase awareness of suicide, risk factors and signs, and information for referral to resources and support.

Kory Goldsmith
Director



Legislative Drafting
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House PCS 894

Page 2

- **Local Developed Training and Risk Referral Protocols:** Public school units could comply with the training program and model protocol requirements by developing a local plan that includes, at a minimum, the criteria identified in G.S. 115C-375.10(c)(1) and (c)(2), respectively.
- **Audits:** The Department of Public Instruction would periodically randomly audit public school units to ensure compliance with the training program and model protocols. The Department could also audit a public school unit if the Department has reason to believe the public school unit is not in compliance. The Department would report on the result of the audits by December 15 annually to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee.
- **Limitations and Liability:** The training and risk referral protocols would not create an obligation on public school units related to suicide prevention beyond what is required by other State or federal law. No board of a public school unit, nor their members, employees, designees, agents, or volunteers, would be liable in civil damages to any party for any act or omission of an act relating to the training program or protocol, unless that act or omission amounted to gross negligence, wanton conduct, or intentional wrongdoing.
- **Application:** The requirements of the act would apply to local school administrative units, charter schools, regional schools, and laboratory schools.

EFFECTIVE DATE: The PCS would become effective when it becomes law. Part II of the PCS would apply beginning with the 2018-2019 school year.

**David Unwin, Staff Attorney in the Bill Drafting Division, and Kara McCraw, Staff Attorney in the Legislative Analysis Division, substantially contributed to this summary.*

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

Representative Nelson Dollar, Senior Chair

Representative Dean Arp, Co-Chair

Representative Justin P. Burr, Co-Chair

Representative John Faircloth, Co-Chair

Representative Linda P. Johnson, Co-Chair

Representative Donny Lambeth, Co-Chair

Representative Chuck McGrady, Co-Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE ORIGINAL BILL

SB 338

Violation of Tax Law/Venue.

Draft Number: S338-PCS45472-MM-5

Serial Referral: None

Recommended Referral: None

Long Title Amended: Yes

Floor Manager: McGrady

TOTAL REPORTED: 1



★ C M R 6 1 8 - V - 1 ★



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

Representative Nelson Dollar, Senior Chair

Representative Dean Arp, Co-Chair

Representative Justin P. Burr, Co-Chair

Representative John Faircloth, Co-Chair

Representative Linda P. Johnson, Co-Chair

Representative Donny Lambeth, Co-Chair

Representative Chuck McGrady, Co-Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB 894

Veterans/Health Care/Pilot Program.

Draft Number: H894-PCS40639-MU-7

Serial Referral: None

Recommended Referral: None

Long Title Amended: Yes

Floor Manager: Szoka

FAVORABLE COM SUB NO. 2, UNFAVORABLE COM SUB NO. 1

HB 284 (CS#1)

25-Year LEO Retirement Option.

Draft Number: H284-PCS40634-MR-1

Serial Referral: None

Recommended Referral: None

Long Title Amended: No

Floor Manager: McNeill

TOTAL REPORTED: 2



★ C M R 6 2 1 ~ V - 1 ★



**House Pages
Assignments
Wednesday, June 28, 2017
Session: 10:00 AM**

Committee	Room	Time	Staff	Comments	Member
Appropriations	643	8:30 AM	Lucas Boyd		Rep. John Szoka
			Andrew Lavine		Rep. Greg Murphy
			Amelia Todd		Rep. Deb Butler
			Matthew Tripp		Rep. Jay Adams
			Nathaniel Ward		Rep. John Szoka
Finance	544	8:30 AM	Taylor Frye		Rep. Donny Lambeth
			Timothy Harris, III		Rep. Speaker Tim Moore
			Addison Leinwand		Rep. Donna White
			Mackenzie Murtha		Rep. Greg Murphy
			Cameron Simmons		Rep. Donny Lambeth



Committee Sergeants at Arms

NAME OF COMMITTEE House Comm. on Appropriations

DATE: 06/28/17

Room: 643

House Sgt-At Arms:

1. Name: <u>Young Bae</u>	<u>David Linthicum</u>
2. Name: <u>Jim Moran</u>	<u>David Leighton</u>
3. Name: <u>Rey Cooke</u>	<u>Warren Hawkins</u>
4. Name: <u>Bill Moore</u>	<u>Barry Moore</u>
5. Name: <u>Jonas Cherry</u>	<u>Mark Cone</u>

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

06/28/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Julia Adams Scheurich	Oak City GR
Starnes	OST
Paula Beal	PRB Law
M. Danson	RARE
J. Rogers	NC DEWR
Lara Cole	NC DPS
Andy Brandon	NC DPS
Will Polk	NC DPS
Henry M Lancaster ^B	LCA
Marsha Overby	DPS/SHP
Alan M. Melvin	SHP



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

06/28/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

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Lee Councilman	NC SHP
James Clark	UNC
Brent Culbertson	NC SBI
Ann Hamlin	NC STATE CRIME LAB
John M. Lark	FDIP
Randy Byrd	PBA
John Midgette	PBA
Christina Stone	INTERN
Sarah Collins	NCLM
Jon Curry	Greenville P.D.
Earl Phillips	Pinchvast PD



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House Comm. on Appropriations

Name of Committee

06/28/17

Date _____

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FIRM OR AGENCY AND ADDRESS

Bill Wilson

Len Alf & RVZ



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

06/28/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Rachel Dixon	Burth Anderson
Eddie Caldwell	NC Sheriffs' Assn.
Caroline Perry	WalkWest
Courtney Johnson	NP
Will Burdette	NCHFA
Josh Laine	SML
Lan Pay	MWC
David Forcell	WB
Fred Baggett	Police Chiefs Assn.
Byron D. Hollaway	Hollaway Group Inc.
Ernest R. Benson	NCRMA
FLINT BENSON	SCAR



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

06/28/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

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FIRM OR AGENCY AND ADDRESS

Michael Houser	T+LCG
Scott Palmer	NCR
Rob Lamm	RLA
Adam Prodenore	NC ASA
Hugh Johnson	NC ASA
Richard Bostic	NC SBA
Daniel Radford	NCFB
Jeffrey Phillips	AHJ
JDH	GLF
Byrd	NCOT
CWRS SANDERS	NCDA & CS



VISITOR REGISTRATION SHEET

House Comm. on Appropriations

06/28/17

Name of Committee

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Kristin Walker

OSBM

Bill Zane

NC Justice Center

Bruce Alderson

NCS 6A

Samuel Gunter

next

APPROPRIATIONS COMMITTEE

2017-2018 Session



CHAIRS

Representative Nelson Dollar
Representative Linda Johnson
Representative Donny Lambeth
Representative Chuck McGrady
Representative Dean Arp
Representative John Faircloth
Representative Justin Burr

COMMITTEE ASSISTANTS

Candace Slate
Rhonda Todd
Pan Briles
Kimberly Neptune
Wendy Miller
Rocky Davenport
Dana Long

HOUSE COMMITTEE ON APPROPRIATIONS
2017-18 SESSION

Committee Clerks: Candace Slate, Becky Bauerband, Pan Briles,
Wendy Miller, Rhonda Todd, Dina Long,
Kimberly Neptune



Rep Dollar,
Senior Chairman



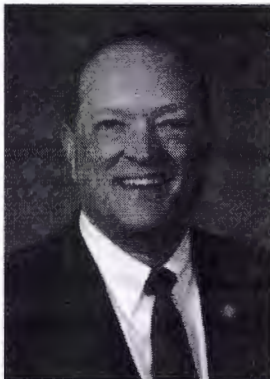
Rep. Johnson
Chairman



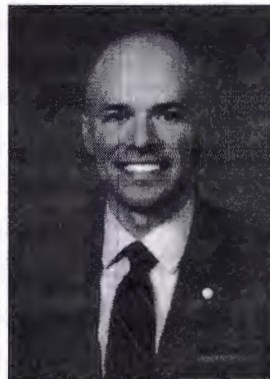
Rep. Lambeth
Chairman



Rep. McGrady
Chairman



Rep. Arp,
Chairman

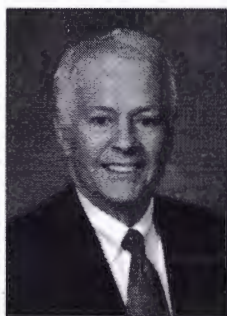


Rep. Burr
Chairman



Rep. Faircloth,
Chairman





Rep. Blackwell,
Vice Chairman



Rep. Blackwell,
Vice Chairman



Rep. Brawley,
Vice Chairman



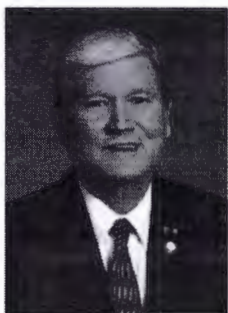
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Vice Chairman



Rep. Cleveland,
Vice Chairman



Rep. Davis,
Vice Chairman



Rep. Dixon,
Vice Chairman



Rep. Dobson,
Vice Chairman



Rep. Elmore,
Vice Chairman



Rep. Fraley,
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Rep. K. Hall,
Vice Chairman



Rep. Hardister,
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Rep. Horn,
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Rep. Iler,
Vice Chairman



Rep. Jackson,
Vice Chairman



Rep. Malone,
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Rep. McElraft,
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Rep. Riddell,
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Rep. Ross,
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Rep. Shepard,
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Rep. Torbett,
Vice Chair



Rep. R. Turner,
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Rules Chair



Rep. Adcock,
Member



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Member



Rep. Autry,
Member



Rep. Ball,
Member



Rep. Belk,
Member



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Member



Rep. L. Bell,
Member



Rep. Black,
Member



Rep. Boswell,
Member



Rep. Brockman,
Member



Rep. Brody,
Member



Rep. Bumgardner,
Member



Rep. Clampitt,
Member



Rep. Conrad,
Member



Rep. Corbin,
Member



Rep. Cunningham,
Member



Rep. Dulin,
Member



Rep. Earle,
Member



Rep. Farmer-Butterfield,
Member





Rep. Fisher,
Member



Rep. Floyd,
Member



Rep. Ford,
Member



Rep. Garrison,
Member



Rep. Gill,
Member



Rep. C. Graham,
Member



Rep. G. Graham,
Member



Rep. Grange,
Member



Rep. Duane Hall
Member



Rep. Harrison
Member



Rep. Hunter
Member



Rep. Insko,
Member



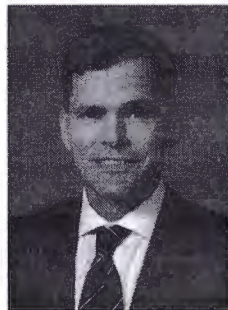
Rep. John,
Member



Rep. Brenden Jones,
Member



Rep. Lucas,
Member



Rep. G. Martin,
Member



Rep. Michaux,
Member



Rep. Muller
Member



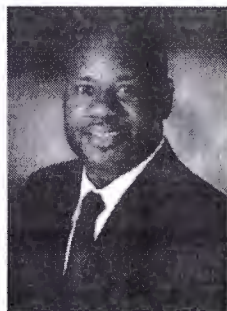
Rep. Pierce,
Member



Rep. Pittman,
Member



Rep. Potts,
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Rep. Quick,
Member



Rep. B. Richardson,
Member



Rep. W. Richardson,
Member



Rep. Rogers,
Member





Rep. Sauls,
Member



Rep. Setzer,
Member



Rep. Speciale,
Member



Rep. Stevens,
Member



Rep. Strickland,
Member



Rep. Terry,
Member



Rep. B. Turner,
Member



Rep. Watford,
Member



Rep. White,
Member



Rep. Willingham
Member



Rep. Wray,
Member



Rep. Yarborough,
Member



Rep. Zachary,
Member



HOUSE COMMITTEE ON APPROPRIATIONS

MEMBERSHIP 2017-2018

<u>MEMBER</u>		<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
Rep. Nelson Dollar	Senior Chair	Candace Slate	715-0795	307B	4
Rep. Dean Arp	Chair	Wendy Miller	715-3007	529	66
Rep. Justin Burr	Chair	Dina Long	733-5908	307A	16
Rep. John Faircloth	Chair	Becky Bauerband	733-5877	613	28
Rep. Linda Johnson	Chair	Rhonda Todd	733-5861	301D	3
Rep. Donny Lambeth	Chair	Pan Briles	733-5747	303	65
Rep. Chuck McGrady	Chair	Kimberly Neptune	733-5956	304	15
Rep. Hugh Blackwell	Vice Chair	Dixie Riehm	733-5805	541	102
Rep. Jamie Boles	Vice Chair	Kerry Guice	733-5903	528	25
Rep. Bill Brawley	Vice Chair	Lynn Taylor	733-5800	534	19
Rep. William Brisson	Vice Chair	Caroline Stirling	733-5772	405	23
Rep. George Cleveland	Vice Chair	Pamela Ahlin	715-6707	417A	8
Rep. Ted Davis	Vice Chair	Judy Lowe	733-5786	417B	27
Rep. Jimmy Dixon	Vice Chair	Michael Wiggins	715-3021	2226	18
Rep. Josh Dobson	Vice Chair	Julie Ryan	733-5862	301N	114
Rep. Jeffrey Elmore	Vice Chair	Linda Stevenson	733-5935	306A3	63
Rep. John Fraley	Vice Chair	Carol Wakely	733-5741	637	68
Rep. Kyle Hall	Vice Chair	Cameron Dawson	733-5609	536	78
Rep. Jon Hardister	Vice Chair	Jayne Nelson	733-5191	638	71
Rep. Craig Horn	Vice Chair	Pattie Fleming	733-2406	305	13
Rep. Pat Hurley	Vice Chair	Deborah Holder	733-5865	532	10
Rep. Frank Iler	Vice Chair	Carla Farmer	301-1450	639	14
Rep. Darren Jackson	Vice Chair	Angela McMillan	733-5974	506	57
Rep. David Lewis	Vice Chair	Grace Rogers	715-3015	2301	6
Rep. Chris Malone	Vice Chair	Skye David	715-3010	1229	38
Rep. Pat McElraft	Vice Chair	Nancy Fox	733-6275	634	9
Rep. Allen McNeill	Vice Chair	Laura Sullivan	715-4946	418B	55
Rep. Greg Murphy, MD	Vice Chair	Theresa Lopez	733-5757	632	85
Rep. Michele Presnell	Vice Chair	John Wall	733-5732	418A	51
Rep. Dennis Riddell	Vice Chair	Polly Riddell	733-5905	533	99
Rep. Stephen Ross	Vice Chair	Kirk O'Steen	733-5820	635	20
Rep. Jason Saine	Vice Chair	Stephen Wiley	733-5782	1326	26
Rep. Phillip Shepard	Vice Chair	Pamela Pate	715-9644	530	53
Rep. John Torbett	Vice Chair	Viddia Torbett	733-5868	538	41
Rep. Rena Turner	Vice Chair	Barbara Gaiser	733-5661	606	52
Rep. Gale Adcock		Suzanne Smith	733-5602	1211	119
Rep. John Ager		Meredith Graf	733-5746	1315	103
Rep. John Autry		Tina Riley-Humphrey	715-0706	1019	115
Rep. Cynthia Ball		James Whalan	733-5860	638	118
Rep. Mary Belk		Ralph Belk	733-5607	1424	116
Rep. John Bell		Susan Horne	715-3017	301F	5
Rep. Larry Bell		Carolyn Edwards	733-5863	510	21
Rep. MaryAnn Black		Chandler Spaulding	733-5872	501	107
Rep. Beverly Boswell		Beth Strandberg	715-5906	531	91
Rep. Cecil Brockman		Grady O'Brien	733-5825	1311	106
Rep. Mark Brody		Neva Helms	715-3029	2219	62
Rep. Dana Bumgardner		Margie Penven	733-5809	2119	40



HOUSE COMMITTEE ON APPROPRIATIONS

2017-2018

<u>MEMBER</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
Rep. Mike Clampitt	Ed Stiles	715-3005	1420	113
Rep. Debra Conrad	Danielle Brinton	733-5787	416B	44
Rep. Kevin Corbin	Cindy Hobbs	733-5859	2215	98
Rep. Carla Cunningham	Sherrie Burnette	733-5807	1109	59
Rep. Andy Dulin	Wanda Benson	715-3009	609	100
Rep. Beverly Earle	Ann Raeford	715-2530	514	48
Rep. Jean Farmer-Butterfield	Portia Bright	733-5898	1220	33
Rep. Susan Fisher	Cindy Garrison	715-2013	504	69
Rep. Elmer Floyd	Dorothy McLean	733-5959	1325	83
Rep. Carl Ford	Olivia Clapp	733-5881	608	64
Rep. Terry Garrison	Anita Bennett	733-5824	1017	95
Rep. Rosa Gill	Lisa Ray	733-5880	1303	45
Rep. Charles Graham	Linda Laton	715-0875	1309	84
Rep. George Graham	Beverlee Baker	733-5995	1321	79
Rep. Holly Grange	Laura Holt Kabel	733-5830	604	89
Rep. Duane Hall	Brad Kennedy	733-5755	1004	58
Rep. Pricey Harrison	Sue Osborne	733-5771	1218	70
Rep. Howard Hunter	Brenda Bennett	733-5780	1307	46
Rep. Verla Insko	Gina Insko	733-7208	502	72
Rep. Joe John	Katie Stanley	733-5530	1013	117
Rep. Brenden Jones	Andrew Bailey	733-5827	2217	88
Rep. Marvin Lucas	Thelma Utley	733-5775	509	22
Rep. Grier Martin	Sylvia Hammons	733-5773	1023	94
Rep. Mickey Michaux	Anita Wilder	715-2528	1227	11
Rep. Bob Muller	Gloria Whitehead	715-9664	633	32
Rep. Garland Pierce	Janice Fenner	733-5803	1204	34
Rep. Larry Pittman	Tammy Pittman	715-2009	1010	61
Rep. Larry Potts	Caroline Craig	715-0873	607	110
Rep. Amos Quick	Mildred Alston	733-5902	1317	91
Rep. Bobbie Richardson	Anna Meadows	715-3032	1217	93
Rep. William Richardson	Leigh Lawrence	733-5601	1021	71
Rep. David Rogers	Baxter Knight	733-5749	418C	86
Rep. John Sauls	Karen Rosser	733-5782	1326	37
Rep. Mitchell Setzer	Margaret Herring	733-4948	2204	2
Rep. Michael Speciale	Hazel Speciale	733-5853	1008	50
Rep. Sarah Stevens	Lisa Brown	715-1883	419	7
Rep. Larry Strickland	KJ Stancil	733-5849	602	112
Rep. Evelyn Terry	Franklin Terry	733-5777	1015	80
Rep. Brian Turner	Anna Stearns	715-3012	1209	120
Rep. Sam Watford	Regina Irwin	715-2526	2121	76
Rep. Donna White	Susan Mullins	733-5605	306A	111
Rep. Shelly Willingham	Johnna Smith	715-3024	513	96
Rep. Michael Wray	Susan Burleson	733-5662	503	24
Rep. Larry Yarborough	Leslie Murray	715-0850	1301	67
Rep. Lee Zachary	Haley Kitts	715-8361	1002	74
STAFF: Karen Hammonds-Blanks, Brian Matteson		733-4910		
Phyllis Pickett, Joyce Jones		733-6660		



Appropriations Committee

[illegible]



[illegible]



[illegible]



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Appropriations Committee

[illegible]



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**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Wednesday, January 10, 2018

TIME: 3:15 PM

LOCATION: 643 LOB

COMMENTS: In anticipation in receipt of the PCS for HB189.

Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 3:01 PM on Tuesday, January 09, 2018.

___ Principal Clerk
___ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)



Appropriations Committee JT Meeting

JT Meeting

[illegible]

[illegible]

[illegible]

[illegible]

MINUTES
HOUSE APPROPRIATIONS COMMITTEE

Wednesday, January 10, 2018

3:15 p.m.

Legislative Office Building, Room 643

ATTENDEES:

Chairmen: Representatives Dollar, Arp, Burr, Faircloth, L. Johnson, Lambeth and McGrady

Members: Adcock, Ager, Autry, Ball, Belk, L. Bell, Black, Boles, Boswell, Brawley, Brisson, Brockman, Brody, Bumgardner, Clampitt, Cleveland, Conrad, Corbin, Cunningham, Davis, Dixon, Dobson, Dublin, Earle, Elmore, Farmer-Butterfield, Floyd, Ford, Fraley, C. Graham, G. Graham, Grange, D. Hall, K. Hall, Hardister, Harrison, Horn, Hunter, Hurley, Iler, Insko, Jackson, John, Jones, Lewis, Lucas, Malone, Martin, McElraft, McNeill, Michaux, McElraft, McNeill, Murphy, Pierce, Pittman, Potts, Presnell, Quick, B. Richardson, W. Richardson, Riddell, Rogers, Ross, Sauls, Shephard, Speciale, Stevens, Strickland, Terry, Torbett, B. Turner, R. Turner, Watford, White, Willingham, Wray, Yarborough

I. Call to Order

Senior Chair, Nelson Dollar presided and called the meeting to order at 3:40 p.m.

II. Introductions

Chairman Dollar introduced Sergeant-at-Arms Staff assisting with the meeting.

III. Action Agenda Items

A. Proposed Committee Substitute HB189-PCS40667-SB-32

Representative Ted Davis introduced the amended bill that was passed favorably by the House River Quality Committee. The bill will act to implement short-term measures to respond to emerging contaminants in the environment. Section 1 through Section 5 are legislative proposals from the House River Quality Committee and Section 6 relates to the funding that will be allocated for the 2017-18 year as non-recurring funds.

Chairman Dollar recognized Secretary of Department of Environmental Quality, Micheal Regan, and asked him to comment on the legislation.

Secretary Regan stated that this legislation is a much needed first step in protecting the environment and economy of North Carolina. DEQ supports this legislation and believes it will aid in helping the department keep pace with the emerging

contaminants in North Carolina, allowing for a competitive economy while protecting its citizens.

The following members spoke to the bill: Iler and Grange.

Chairman Dollar opened the floor for comments and questions from the following representatives: Dixon, Floyd, Insko, McGrady, and Harrison.

B. Amendments

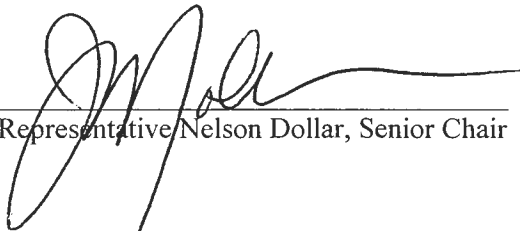
<u>Representative</u>	<u>Amendment</u>	<u>Adopted/Failed</u>
Davis	H189-AMH-56 [v.6]	Adopted
Insko	H189-AMH-57 [v.2]	Failed

Representative Chuck McGrady moved that Proposed Committee Substitute for HB189, as amended, be rolled into a House Committee Substitute; with a favorable report as to the Committee Substitute, unfavorable as to the original bill, first edition; and further move that staff be authorized to make technical corrections and conforming changes related to reconciling the amendments adopted, and that the appropriate totals may be adjusted accordingly.

Chairman Dollar called for the question. Vote on the motion was unanimous

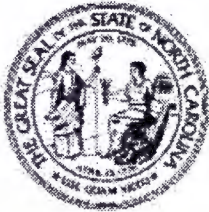
V. Adjournment

The House Committee on Appropriations adjourned at 4:38 p.m.


Representative Nelson Dollar, Senior Chair


Kimberly Neptune, Committee Clerk





HOUSE BILL 189: Short Term Response to Emerging Contaminants.

2017-2018 General Assembly

Committee: House Appropriations
Introduced by: Reps. Davis, Hardister, Clampitt, Grange
Analysis of: PCS to First Edition
H189-PCS40667-SB-32

Date: January 10, 2018
Prepared by: Jeff Hudson
Jennifer McGinnis
Chris Saunders
Jeff Cherry
Staff Attorneys

OVERVIEW:

The Proposed Committee Substitute (PCS) for House Bill 189 would provide for the following measures related to emerging contaminants:

- Direct the Department of Health and Human Services to consult with the Secretaries' Science Advisory Board in the development of health goals for contaminants*
- Direct the Department of Environmental Quality to study the State's National Pollutant Discharge Elimination System (NPDES) permitting program to ensure that it is sufficient to protect public health, safety, welfare, and the environment*
- Direct the Department of Environmental Quality to coordinate and share water quality data with neighboring states*
- Direct the Department of Environmental Quality to study reporting and notice requirements for discharges of pollutants*
- Direct the School of Government at the University of North Carolina at Chapel Hill to study the civil liability of water utilities that distribute contaminated drinking water*
- Reallocate \$1,325,000 appropriated to the Departments of Environmental Quality and Commerce to the Department of Environmental Quality to be used for various purposes related to emerging contaminants*

BACKGROUND:

Sections 1 through 5 of the PCS for House Bill 189 are recommendations of the House Select Committee on North Carolina River Quality. The House Select Committee met four times on issues related to emerging chemicals: September 28, 2017, October 26, 2017, November 30, 2017, and January 4, 2018. Information on the work of the House Select Committee can be found at:

<http://www.ncleg.net/gascripts/DocumentSites/browseDocSite.asp?nID=362&sFolderName=\Meetings>

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

BILL ANALYSIS:

DIRECT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO CONSULT WITH THE SECRETARIES' SCIENCE ADVISORY BOARD IN THE DEVELOPMENT OF HEALTH GOALS FOR CONTAMINANTS

The Secretaries' Science Advisory Board was established by the Secretary of Environmental Quality and the Secretary of Health and Human Services on July 28, 2017, for the purpose of achieving and maintaining clean air, water, and land, with particular attention to be paid to emerging contaminants.

Section 1 would direct the Department of Health and Human Services (DHHS) to consult with the Secretaries' Science Advisory Board (Board) on DHHS's process for establishing health goals for contaminants. The Board would review the process by which DHHS establishes health goals for contaminants and make recommendations on how to improve the process. Section 1 would also require DHHS, to the extent practicable, to notify the Chair of the Board prior to issuing a provisional health goal for a contaminant and would require DHHS to submit all newly issued provisional health goals to the Board at the Board's next scheduled meeting.

STUDY NPDES PERMIT PROGRAM

Section 2 would direct the Department of Environmental Quality (DEQ) to study the State's National Pollutant Discharge Elimination System (NPDES) permitting program to ensure that it is sufficient to protect public health, safety, welfare, and the environment. DEQ is specifically directed to examine issues related to:

- Full disclosure of information by permit applicants
- Monitoring, sampling, and laboratory analytical requirements applicable to permit holders and new permit applicants
- Processes for developing standards and limitations for emerging contaminants
- The NPDES permit review process

DEQ would submit an interim report on this study to the House Select Committee on North Carolina River Quality, the Senate Select Committee on North Carolina River Water Quality, and the Environmental Review Commission no later than April 1, 2018, and a final report on this study to the same committees no later than December 1, 2018.

DIRECT THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO COORDINATE AND SHARE WATER QUALITY DATA WITH STATES IN THE REGION

Section 3 would direct DEQ to coordinate and share water quality information with its following sister agencies:

- The Georgia Department of Natural Resources
- The South Carolina Department of Health and Environmental Control

House PCS 189

Page 3

- The Tennessee Department of Environment and Conservation
- The Virginia Department of Environmental Quality
- The West Virginia Department of Environmental Protection

DEPARTMENT OF ENVIRONMENTAL QUALITY REPORTING AND NOTICE STUDY

Section 4 would direct DEQ to study the requirements for dischargers of untreated wastewater, untreated waste, and other substances to notify DEQ and the public of discharges. DEQ would also study the process for notifying the General Assembly and the Environmental Management Commission of the presence in the environment of emerging contaminants. DEQ would submit a report on this study to the House Select Committee on North Carolina River Quality, the Senate Select Committee on North Carolina River Water Quality, and the Environmental Review Commission no later than April 1, 2018.

WATER UTILITY CIVIL LIABILITY STUDY

Section 5 would direct the School of Government at the University of North Carolina at Chapel Hill to study the civil liability of water utilities for distribution of contaminated drinking water. The School of Government would submit a report on this study to the House Select Committee on North Carolina River Quality, the Senate Select Committee on North Carolina River Water Quality, and the Environmental Review Commission no later than April 1, 2018.

GENX FUNDING

Section 6 would reallocate \$1,325,000 of nonrecurring funds previously appropriated in the 2016 and 2017 Appropriations Acts for in situ nutrient management by DEQ and for an unused grant from the Department of Commerce's Rural Economic Development Division. The reallocated funds would be distributed among the Divisions of Water Resources, Air Quality, and Waste Management in DEQ to address permitting backlogs and to provide for increased sampling and analysis of GenX and other emerging contaminants in surface water, groundwater, and soils.

EFFECTIVE DATE: This act would become effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

D

HOUSE BILL 189
PROPOSED COMMITTEE SUBSTITUTE H189-PCS40667-SB-32

Short Title: Short-Term Response to Emerging Contaminants.

(Public)

Sponsors:

Referred to:

February 27, 2017

A BILL TO BE ENTITLED
AN ACT TO IMPLEMENT SHORT-TERM MEASURES TO RESPOND TO EMERGING
CONTAMINANTS IN THE ENVIRONMENT.

The General Assembly of North Carolina enacts:

**DIRECT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO CONSULT
WITH THE SECRETARIES' SCIENCE ADVISORY BOARD IN THE
DEVELOPMENT OF HEALTH GOALS FOR CONTAMINANTS**

SECTION 1.(a) For purposes of this section, the Secretaries' Science Advisory Board shall mean the Science Advisory Board established by the Secretary of Environmental Quality and the Secretary of Health and Human Services on July 28, 2017.

SECTION 1.(b) The Department of Health and Human Services shall consult with the Secretaries' Science Advisory Board on the Department's process for the establishment of health goals for contaminants. The Secretaries' Science Advisory Board shall review the process by which the Department establishes health goals for contaminants and make recommendations on how to improve the process, including how to promote greater public understanding of and confidence in the health goals.

SECTION 1.(c) To the extent practicable, the Department of Health and Human Services shall notify the Chair of the Secretaries' Science Advisory Board prior to issuing a provisional health goal for a contaminant. The Department of Health and Human Services shall submit all newly issued provisional health goals to the Secretaries' Science Advisory Board at their next scheduled meeting.

STUDY NPDES PERMIT PROGRAM

SECTION 2. The Department of Environmental Quality shall study the State's National Pollutant Discharge Elimination System (NPDES) permitting program to ensure that associated requirements are sufficient to protect public health, safety, welfare, and the environment. In conducting the study, the Department shall examine the adequacy of:

- (1) Requirements for persons applying for individual NPDES permits to fully disclose in applications for new permits, permit renewals, or permit modifications, all pollutants, including emerging chemicals for which an applicable discharge standard has not been established under State or federal law, included in their discharge.
- (2) Monitoring, sampling, and laboratory analytical requirements applicable to persons holding current NPDES permits and to persons applying for new NPDES permits. In assessing the adequacy of analytical requirements, the



* H 1 8 9 - P C S 4 0 6 6 7 - S B - 3 2 *

Department shall evaluate the consistency of analytical methods used by private labs to detect and quantify pollutants, including emerging chemicals for which an applicable discharge standard has not been established under State or federal law. And, based on information gathered in that regard, whether, to ensure the accuracy of discharge sampling results, it would be feasible and advisable for the Department to develop a certified list of laboratories through which dischargers must obtain laboratory analyses of their discharge or whether the Department should require submission of discharge samples to the Department for laboratory analyses by the Department.

(3) Existing processes for developing standards or limitations for emerging chemicals for which an applicable discharge standard has not previously been established under State or federal law, included in a permittee's discharge.

(4) Internal permit review processes to ensure thorough and timely review of permit applications.

The Department shall submit an interim report with findings, including any recommendations for legislative action, to the House Select Committee on North Carolina River Quality, the Senate Select Committee on North Carolina River Water Quality, and the Environmental Review Commission no later than April 1, 2018, and a final report with findings, including any recommendations for legislative action, to the House Select Committee on North Carolina River Quality, the Senate Select Committee on North Carolina River Water Quality, and the Environmental Review Commission no later than December 1, 2018.

DIRECT THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO COORDINATE AND SHARE WATER QUALITY DATA WITH STATES IN THE REGION

SECTION 3. Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-215.1D. Coordination with neighboring states.

The Department of Environmental Quality shall coordinate with the Georgia Department of Natural Resources, the South Carolina Department of Health and Environmental Control, the Tennessee Department of Environment and Conservation, the Virginia Department of Environmental Quality, and the West Virginia Department of Environmental Protection to improve processes for sharing information about contaminants identified in surface water or groundwater shared by or passing or flowing across the border of those states and this State. As needed, the Department shall share with those agencies water quality data for, and information about any contaminant identified in, surface water or groundwater shared by or passing or flowing across the border of those states and this State."

DEPARTMENT OF ENVIRONMENTAL QUALITY REPORTING AND NOTICE STUDY

SECTION 4. The Department of Environmental Quality shall study the statutory requirements for dischargers of untreated wastewater, untreated waste, and other substances to notify the Department and the public of discharges, including the volumetric thresholds that trigger the reporting requirements, to ensure that the requirements are sufficient to protect public health and provide adequate notice to the Department and the public. The Department shall consider whether there are any conflicts or redundancies in the statutory notice and reporting requirements. The Department shall also study its processes for notifying the General Assembly and the Environmental Management Commission of the presence in the environment of emerging chemicals for which an applicable discharge standard has not been established under State or federal law. The Department shall report its findings, including any legislative

recommendations, to the House Select Committee on North Carolina River Quality, the Senate Select Committee on North Carolina River Water Quality, and the Environmental Review Commission no later than April 1, 2018.

WATER UTILITY CIVIL LIABILITY STUDY

SECTION 5. The School of Government at the University of North Carolina at Chapel Hill shall study the extent to which public and private water utilities may be held civilly liable for distribution of drinking water contaminated by a pollutant without applicable discharge standards established under State or federal law and the extent to which public water utilities and private water utilities are treated differently for purposes of civil liability. The School of Government shall submit the results of the study to the House Select Committee on North Carolina River Quality, the Senate Select Committee on North Carolina River Water Quality, and the Environmental Review Commission no later than April 1, 2018.

GENX FUNDING

SECTION 6.(a) The General Assembly finds that the discharges of the poly-fluoroalkyl chemical known as "GenX" (CAS registry number 62037-80-3 or 13252-13-6) demonstrate the need for supplemental funding to support the identification, characterization, and monitoring by scientists, engineers, and other professionals of GenX and other emerging contaminants in the land, air, and waters of the State. The purpose of this section is to repurpose existing funds to address these critical needs.

SECTION 6.(b) One million three hundred thousand dollars (\$1,300,000) in nonrecurring funds appropriated to the Department of Environmental Quality for the 2016-2017 fiscal year and allocated for in situ nutrient management by Section 14.13(e) of S.L. 2016-94, as amended by Section 13.24 of S.L. 2017-57, is reallocated for the purposes described in subsection (d) of this section.

SECTION 6.(c) Twenty-five thousand dollars (\$25,000) in nonrecurring funds appropriated to the Rural Economic Development Division of the Department of Commerce for the 2017-2018 fiscal year and provided as a grant-in-aid to the Town of Stedman by subdivision (15) of Section 15.8(b) of S.L. 2017-57 is transferred to the Department of Environmental Quality and allocated for the purposes described in subsection (d) of this section.

SECTION 6.(d) The funds provided to the Department of Environmental Quality by subsections (b) and (c) of this section shall be allocated for the 2017-2018 fiscal year as follows:

- (1) Eight hundred thirteen thousand dollars (\$813,000) to the Division of Water Resources for time-limited positions and operations support of water quality sampling related to GenX and other emerging contaminants and to address permitting backlogs.
- (2) Two hundred thirty-two thousand nine hundred fifty dollars (\$232,950) to the Division of Air Quality for sampling and analysis of atmospheric deposition of GenX and other emerging contaminants.
- (3) Two hundred seventy-nine thousand fifty dollars (\$279,050) to the Division of Waste Management for sampling and analysis of GenX and other emerging contaminants in groundwater wells, soil, and sediment.

SECTION 6.(e) Funds reallocated by this section shall not revert but shall remain available for nonrecurring expenses, including the establishment of time-limited positions, through June 30, 2019.

EFFECTIVE DATE

1 **SECTION 7.** Except as otherwise provided, this act is effective when it becomes
2 law.

Proposed Water Health Safety Unit
within Occupational and Environmental Epidemiology (OEE) Branch, Division of Public Health (DPH)
Department of Health and Human Services (DHHS)

Purpose – To staff a proposed new unit that will protect the health of North Carolinians by identifying and preventing adverse health effects due to toxic substances using science-based principles and best practices.

Need	Estimated Cost*	Reason/Purpose
1 FTE Medical Consultant (serves as Medical Risk Assessor) MG 69	\$175,000 Salary + \$49,234 Fringe = \$224,234	Physician level medical professional with experience in poisoning and environmental toxicity; determines health impacts of toxic substances to humans.
1 FTE PhD Environmental Toxicologist SG 81	\$85,000 Salary + \$26,932 Fringe = \$111,932	Doctorate level professional; reviews and researches available science and peer-reviewed studies to formulate strategies to mitigate harmful health effects of toxic substances to humans.
1 FTE Public Health Educator III SG 71	\$55,000 Salary + \$19,498 Fringe = \$74,498	Master's level professional; determines proper messaging of education of the public about adverse health effects; develops educational materials about health effects that are understood by citizens and formulates presentations to the public.
1 FTE Public Health Epidemiologist II (serves as Informatics Epidemiologist) SG 75	\$70,000 Salary + \$23,215 Fringe = \$93,215	Master's level professional; manages and organizes available toxicity data; performs high level analysis to arrive at decisions about causation of harm. PH Epidemiologist with a focus on informatics with special analytical skills is required.
TOTAL SALARIES AND FRINGES (Recurring)	\$503,879	
Operating Funds for Water Health Safety Unit (Recurring)	\$17,000	<u>\$10,500</u> - office supplies; phones/cell phones; educational & scientific supplies; printing; postage; data processing, GIS annual software cost of \$1,500/year, SAS statistical software license cost of \$1,000/year, etc. <u>\$6,500</u> - Travel funds (off-site work, community meetings, etc.)
Equipment Funds for Water Health Safety Unit (Non-Recurring)	\$9,960	Laptop with docking station (\$990 each x 4 FTEs; includes desktop monitor, initial purchase software, mouse, carrying case); Office furniture (e.g., desk, chair, etc., @ \$1,500 per FTE)
TOTAL COST (Salaries, Fringes, Ops)	\$530,839 (\$520,879 recurring; \$9,960 nonrecurring)	

* Fringe calculated at: Social Security 7.65%; Retirement 17.13%; Medical \$5,869 per year, per FTE.





**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 189**

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

H189-AMH-56 [v.6]

Page 1 of 2

Amends Title [NO]
H189-PCS40667-SB-32

Date _____, 2018

Representative Davis

moves to amend the bill on page 3, lines 48-49, by inserting between those lines the following:

"**SECTION 7.(a)** The sum of four hundred seventy-nine thousand seven hundred thirty-six dollars (\$479,736) in recurring funds for the 2017-2018 fiscal year is appropriated from the unappropriated balance remaining in the General Fund to the Department of Environmental Quality to support sampling and analysis activities associated with discharges of GenX and other emerging contaminants.

SECTION 7.(b) Notwithstanding Section 6.1(a) of S.L. 2017-57, five hundred thirty-seven thousand dollars (\$537,000) in nonrecurring funds for the 2017-2018 fiscal year is allocated from the Contingency and Emergency Fund to the Department of Environmental Quality to support the acquisition by the Department of analytic equipment to evaluate in a more timely and cost-effective manner the threat to public health and safety resulting from discharges of GenX and other emerging contaminants.

SECTION 8.(a) Section 2.1 of S.L. 2017-57, as amended by Section 1.1 of S.L. 2017-197, reads as rewritten:

"**SECTION 2.1.** Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

Current Operations – General Fund	FY 2017-2018	FY 2018-2019
...		
NATURAL AND ECONOMIC RESOURCES		
...		
Department of Environmental Quality	78,170,32778,650,063	77,012,71477,492,450
...		
TOTAL CURRENT OPERATIONS –		
GENERAL FUND	\$ 22,980,769,89322,981,249,629\$ 23,650,253,95823,650,733,694"	

SECTION 8.(b) Section 2.2(a) of S.L. 2017-57 reads as rewritten:

"**SECTION 2.2.(a)** The General Fund availability used in developing the 2017-2019 fiscal biennial budget is shown below:

	FY 2017-2018	FY 2018-2019
Unappropriated Balance	\$ 208,607,416	\$ 499,303,328498,823,592



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 189

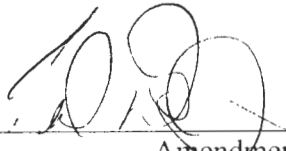
AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

H189-AMH-56 [v.6]

Page 2 of 2

1 ...
2 **Revised Unappropriated Balance** 108,607,416 **499,303,328498,823,592**
3 ...
4 **Beginning Unreserved Fund Balance** 471,279,046 **499,303,328498,823,592**
5 ...
6 **Total General Fund Availability** 23,623,979,046 **24,634,803,32824,634,323,592**
7 ...
8 **Revised General Fund Availability** \$ 23,529,781,221 **\$ 24,022,005,28324,021,525,547**
9
10 Less General Fund Net
11 Appropriations ~~(23,030,477,893)~~(23,030,957,629) ~~(23,652,171,951)~~(23,652,651,687)
12
13 **Unappropriated Balance**
14 **Remaining** **\$ 499,303,328498,823,592** **\$ 369,833,332368,873,860"**
15 **SECTION 9.** Nonrecurring funds appropriated by this act for the 2017-2018 fiscal
16 year shall not revert but shall remain available for nonrecurring expenses through June 30,
17 2019.";
18
19 and on page 4, line 1, by renumbering section 7 of the bill as section 10.

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 189

AMENDMENT NO. 2
(to be filled in by
Principal Clerk)

H189-AMH-57 [v.2]

Page 1 of 2

Amends Title [NO]
PCS

Date 1/10/18, 2018

Representative Insko

moves to amend the bill on page 3, line 50 through page 4, line 2,
by rewriting the lines to read

"ADDITIONAL FUNDS FOR DEPARTMENT OF HEALTH AND HUMAN SERVICES

SECTION 7.(a) The sum of five hundred twenty thousand eight hundred seventy-nine dollars (\$520,879) in recurring funds for the 2017-2018 fiscal year is appropriated from the unappropriated balance remaining in the General Fund to the Department of Health and Human Services for a new unit within the Department to identify and prevent adverse health effects due to emerging contaminants and other toxic substances.

SECTION 7.(b) Notwithstanding Section 6.1(a) of S.L. 2017-57, nine thousand nine hundred and sixty dollars (\$9,960) in nonrecurring funds for the 2017-2018 fiscal year is allocated from the Contingency and Emergency Fund to the Department of Health and Human Services for support of the new unit established by subsection (a) of this section.

SECTION 8.(a) Section 2.1 of S.L. 2017-57, as amended by Section 1.1 of S.L. 2017-197, reads as rewritten:

"SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

Current Operations – General Fund	FY 2017-2018	FY 2018-2019
...		
HEALTH AND HUMAN SERVICES		
Department of Health and Human Services		
...		
Division of Public Health	<u>157,394,523</u>	<u>157,915,402</u> <u>154,985,218</u> <u>155,506,097</u>
...		
Total Health and Human Services	<u>5,253,299,542</u>	<u>5,253,820,421</u> <u>5,390,287,477</u> <u>5,390,808,356</u>
...		
TOTAL CURRENT OPERATIONS –		
GENERAL FUND	\$ <u>22,975,769,893</u>	\$ <u>22,976,290,772</u> <u>23,650,253,958</u> <u>23,650,774,837</u>



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NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 189

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

H189-AMH-57 [v.2]

Page 2 of 2

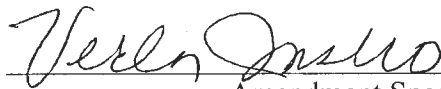
1 **SECTION 8.(b).** Section 2.2(a) of S.L. 2017-57 reads as rewritten:
2 **"SECTION 2.2.(a)** The General Fund availability used in developing the 2017-2019 fiscal
3 biennial budget is shown below:
4

	FY 2017-2018	FY 2018-2019
5 Unappropriated Balance	\$ 208,607,416	\$ 499,303,328 <u>498,782,449</u>
6 ...		
7 Revised Unappropriated Balance	108,607,416	499,303,328 <u>498,782,449</u>
8 ...		
9 Beginning Unreserved Fund Balance	471,279,046	499,303,328 <u>498,782,449</u>
10 ...		
11 Total General Fund Availability	23,623,979,046	24,634,803,328 <u>24,634,282,449</u>
12 ...		
13 Revised General Fund Availability	\$ 23,529,781,221	\$ 24,022,005,283 <u>24,021,484,404</u>
14 Less General Fund Net		
15 Appropriations	(23,030,477,893)	23,030,998,772 23,652,171,951 <u>23,652,692,830</u>
16 Unappropriated Balance Remaining	\$ 499,303,328 <u>498,782,449</u>	\$ 369,833,332 <u>368,791,574</u> "

17 **EFFECTIVE DATE**

18 **SECTION 9.** Except as otherwise provided, this act is effective when it becomes
19 law."
20
21
22
23

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED



TABLED

AMENDMENT LOG HB 189
APPROPRIATIONS COMMITTEE

1/10/18 (Date)

[illegible]

VV – Voice Vote

RC – Roll Call

D - Division

Page _____



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

**Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair**

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB 189

Search & Rescue Name/Funds.

Draft Number:	H189-PCS40668-TQ-1
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Davis

TOTAL REPORTED: 1



* C M R 6 5 9 - V - 1 *



VISITOR REGISTRATION SHEET

HOUSE APPROPRIATIONS COMMITTEE

1-10-2018

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sheila Holman	NC DEQ
Penney Bueff	SoG
Meghan Cook	NC DOI
George Robinson	NC DOI
Erin Wynia	NCLM
Jay Heller	NZDOT
Starnos	OST
Dick Carlton	Law Office of R.H. Carlton, PLLC
BRAD FIDMANK	GOVERNOR
Justin Clayton	Governor
Ford Esbrey	Speaker
Dodie Renfer	CCR
Bradford Sneider	NC DOS
Nathan Strosser	NC DOS



VISITOR REGISTRATION SHEET

HOUSE APPROPRIATIONS COMMITTEE

Name of Committee

1-10-2018

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Nathan Balrock

PPA-B

Maggie Powell

Student



VISITOR REGISTRATION SHEET

HOUSE APPROPRIATIONS COMMITTEE

1-10-2018

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Aura Kilian	NCDPS
Sue Ann Forest	NCRMS
Stephen Kocher	KMA
Robb Jansen	DPI/SBE
David Collins	Walk West
Lindsey Dowling	FSP
Tim Kent	NCRWWA
Michelle Frazier	SML
Amanda Donnan	KTS
Michael Regan	DEQ
Andy Miller	DEQ



VISITOR REGISTRATION SHEET

HOUSE APPROPRIATIONS COMMITTEE

1-10-2018

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Will Robinson	Nature Conservancy
RC Deegan	CS
Sam Bridges	Town of Gannett
LT McCrimmon	DHHS
Rachel Beaulieu	RBLA
Shirley D	DPS
Phyllis Hamilton	MHC
Lincoln McCard	WM
Katye Jobe	SML
Jon Carr	Jordan Price
Preston Howard	NCA



VISITOR REGISTRATION SHEET

HOUSE APPROPRIATIONS COMMITTEE

1-10-2016

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Al McSorley	NC NAACP
Brooks Rainey Lewis	SELC
Emily Donovan	Clean Cape Fear
Jazmyne Childs	NC NAACP
ANA Blackburn	NC NAACP
Kayla Cox	NC NAACP
Renee Fleming	NC NAACP
Leo John	NC secy of state
YJ MILLER	NC NAACP
Gemate Black	NC NAACP
Gerald Givens	NC NAACP



VISITOR REGISTRATION SHEET

HOUSE APPROPRIATIONS COMMITTEE

Name of Committee

1-10-2018

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Rev Dr Portia
Rochelle

IVC NAACP - Raleigh Apex Branch

Mt Smith

NC NAACP Moore Co.



VISITOR REGISTRATION SHEET

HOUSE APPROPRIATIONS COMMITTEE

1-10-18

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Adam (Mark) Pidemore	NCAAC
Amber Harris	NCAAC
Drew Ball	Environment NC
Rochelle Edwards	NCCN
Mary Maule Asbell	SEC
Tom DEAN	EDF, NCWF
Cassie Gavin	Sierra Club
Vicki Boyer	Self
Katie Stanley	POA
M. Spelman	NCAACCP
Henry M Lancaster	LCA



VISITOR REGISTRATION SHEET

HOUSE APPROPRIATIONS COMMITTEE

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tom West	NCICU
Richard Postle	NC SBA
Anna Mldwurt	NC SBA
JACKSON JAMES	JJC
Andy Brandon	NC DPS
J. Bankert	MWC
Charles Arns	OSBM
Melissa Price Krosman	NCVCF
Lib. Hatcher	Triangle WILPF, Frack Free NC
MARION FATELL	NC NAACP
T. Anthony Spearman	NC NAACP



Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Appropriations

DATE: January 10th, 2018 Room: 643 LOB

House Sgt-At Arms:

1. Name: Marvin Lee, Jonas Cherry, Rey Cooke, Joe Crook
2. Name: Warren Hawkins, Dean Marshbourne, Malachi McCulloch
3. Name: Barry Moore, William Moore, Jim Moran, Bill Riley, Reggie Sills
4. Name: Bill Bass
5. Name: _____

Senate Sgt-At Arms:

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



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Wednesday, June 6, 2018

TIME: 8:30 AM

LOCATION: 643 LOB

COMMENTS: Committee also plans to take up HB1010 (PCS) Build NC Bond Act

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 519</u>	Tri-County CC/Neighbor State In-State Tuition.	Representative Corbin

Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:51 PM on Tuesday, June 05, 2018.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)



Updated #1: added HB273

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Wednesday, June 6, 2018

TIME: 8:30 AM

LOCATION: 643 LOB

COMMENTS: Committee also plans to take up HB1010 (PCS) Build NC Bond Act

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 519</u>	Tri-County CC/Neighbor State In-State Tuition.	Representative Corbin
<u>HB 273</u>	Charter Schools in State Health Plan.	Representative Williams Representative Grange Representative Saine Representative Stone

Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 4:07 PM on Tuesday, June 05, 2018.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)



Updated #2: added HB965

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
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<u>HB 965</u>	National and State Mottos in Schools Act.	Representative Bert Jones Representative Johnson Representative Arp Representative Shepard



**House Committee on Appropriations
Wednesday, June 6, 2018, 8:30 AM
643 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 519	Tri-County CC/Neighbor State In-State Tuition.	Representative Corbin
HB 273	Charter Schools in State Health Plan.	Representative Williams Representative Grange Representative Saine Representative Stone
HB 965	National and State Mottos in Schools Act.	Representative Bert Jones Representative Johnson Representative Arp
HB 1010	Build NC Bond Act.	Representative Shepard Representative Torbett Representative Iler Representative Presnell Representative Shepard

Presentations

Other Business

Adjournment



MINUTES
HOUSE APPROPRIATIONS COMMITTEE
Tuesday, June 06, 2018
8:30 a.m.
Legislative Office Building, Room 643

ATTENDEES:

Chairmen: Representatives Dollar, Arp, Burr, Faircloth, Lambeth and McGrady

Members: Ager, Autry, Ball, Belk, J. Bell, L. Bell, Boles, Boswell, Brockman, Brody, Bumgardner, Clampitt, Conrad, Corbin, Cunningham, Davis, Dixon, Dulin, Earle, Elmore, Farmer-Butterfield, Fisher, Floyd, Ford, Fraley, Garrison, Gill, C. Graham, G. Graham, D. Hall, Hardister, Harrison, Horn, Hunter, Hurley, Iler, Insko, Jackson, John, Jones, Lucas, Malone, Martin, McElraft, McNeill, Michaux, Muller, Murphy, Pierce, Pittman, Potts, Presnell, Quick, B. Richardson, W. Richardson, Riddell, Ross, Sauls, Shephard, Speciale, Stevens, Strickland, Torbett, B. Turner, R. Turner, White, Willingham, Yarborough

I. Call to Order

Senior Chair, Nelson Dollar presided and called the meeting to order at 8:40 a.m.

II. Introductions

Chairman Dollar introduced Sergeant-at-Arms Staff assisting with the meeting. Also introduced were students serving as House Pages.

III. Action Agenda Items

A. HB519: Tri-County CC/Neighbor State In-State Tuition

Representative Kevin Corbin reviewed HB519 that would provide in-state tuition to residents of states that border North Carolina who live in counties that are contiguous to Cherokee County, Clay County and Graham County. Tri-County Community College would ensure that no out-of-state student who meets the criteria eligibility for in-state tuition would displace an in-state resident wishing to enroll in Tri-County Community College.

Following review, Representative Corbin presented a technical amendment that would change the effective date from 2017-18 school year to "the 2018-2019 school year.

Representative Craig Horn moved approval of the Technical Amendment. Vote on the motion was unanimous. The Technical Amendment was adopted.

Chairman Dollar opened the floor for questions.



Representative Mike Clampitt voiced strong support of HB519.

Representative Mark Brody asked that the committee “step back a bit” and reconsider or at least have discussion about allowing this on a statewide basis.

- Financial implications: In-state tuition \$ 76.00 a credit hour vs \$268.00 out-of-state
- Policy: Before this is done on an individual basis; a need for statewide discussion, if this is done across the board
- Issue has been controversial in the past.
- Priorities on spending – As chair of Community College, I do a lot of lobbying to get money for community colleges. Community College’s biggest expense is to fund those certificate programs. We all know that the biggest need is in the trades. If we are going to divert money to educate out of state kids, I think we should prioritize and say we need to divert that money to the community college to educate North Carolina citizens on the trades which are desperately needed. Lots of things community colleges need to do but they simply don’t have the funds to do them.

Representative Brody stated that he wished to have HB519 withdrawn for this session and brought up next session as a statewide proposal.

Chairman Dollar informed the committee that \$14.7 million was appropriated in short-term, workforce funding for Community College funding.

Representative Corbin responded that the request did receive unanimous support from the Education Committee.

Representative Terry Garrison stated that a study conducted by the Community College System regarding the impact this decision would have on the community colleges that border other states found it to be advantageous.

Representative Pat McElraft pointed out that reciprocity makes this situation unique. She inquired how many of our students go to their schools versus how many of their students are enrolled in ours?

Representative Corbin was unsure as to the number of North Carolina students that attend Georgia schools but stated that approximately 50 Georgia students are attending Tri-County.



Representative McElraft stated that she could envision this growing. Currently, we have military children who are in high school here for four years and if their parents get orders, they have to pay out of state tuition. To me, after you have served four years, and your children have gone to no other schools but North Carolina, we need to look at this first before we begin this effort.

Representative Jon Hardister encouraged members to support this bill.

Representative Darren Jackson inquired if the Committee would be allowed to see the fiscal note before the bill is presented on the floor.

Representative Garrison asked if the Community College System endorsed this proposal?

Chairman Dollar called upon Mary Shuping, Director of Government Relations for the Community College System. "The State Board has not taken a position on this bill; however, the system office does not oppose it," she stated.

Representative Clampitt was recognized for a motion. He moved to "Wrap the amendment into a new PCS for H519; unfavorable to the original."

The motion passed; the amendment was adopted.

B. HB965 National and State Mottos in Schools Act

Chairman Dollar stated that this bill was heard in a substantive committee the previous day and the main action needed by the House Committee on Appropriations is as it relates to the appropriation.

Representative Bert Jones introduced HB965 that requires the display of the national motto and state motto in the public schools of North Carolina. He reminded the committee that State law already requires the display of the American and State flags. "This would simply add the mottos," he concluded.

Representative Susan Fisher requested of Representative Jones that she be allowed to offer an amendment on the State motto that we would include the Latin phrase: *E pluribus unum* as well as the English translation.

Representative Fisher stated that the amendment had been requested of staff and that she had spoken with Representative Jones about it. It is currently being prepared.



Chairman Dollar asked that the amendment be presented on the floor in the interest of time and because the amendment must be in hand.

Representative Jones stated that the bill is before the Appropriations Committee because there is a \$25 thousand appropriation that accompanies the bill. The sponsors did not want it to be portrayed as an unfunded mandate even though the cost would be *negligible*.

Representative Verla Insko was called upon for comment: As a very proud Southern Baptist in the tradition of John Smith and Roger Williams and in recognition of the *E pluribus unum* motto that was recognized for 242 years in this nation as our national motto and stands for “Out of many, one”, which binds us together as a nation, I oppose this bill because. . . This motto divides us: “In God We Trust” We are a nation of many religions and the Creator created each of us and has the ability to communicate with each one of us in many languages.

A suggestion was made from the floor that the committee focus on the fiscal aspect and not debate the bill.

Representative Carla Cunningham asked if the latin language could also be added to the fiscal note. “It is concerning that we have moved to the issue that we have to put God in everything,” she said. “In the future, I hope that we would not just focus on what they present to us as diversity but inclusion for all the children of North Carolina.”

Representative Corbin offered that his district (#120) recently dealt with this issue and he suggested that the issue not be looked at as religious issue, but focus on our national motto. He informed the committee of a group called “National Motto, Inc.” that will provide assistance with funding.

Representative Jones completed his presentation by informing the committee that this issue has been passed in several states around the country and it has not been a partisan effort. He expressed his wish that it be a bi-partisan effort in North Carolina and reported that the vote in Education Committee was close to being unanimous. “It is a reasonable expectation of the education process that as a person attends a public school, which is funded by the US and State Governments, that perhaps it would be good that they know what our state and national mottos are. So, members of both parties, I ask for your support.”



Chairman Johnson moved for a favorable report for House Bill 965. The motion passed.

C. HB1010: Build NC Bond Act

Chairman Dollar recognized Representative Frank Iler who moved that the second edition to HB1010: Build NC Bond Act be properly before the committee without objection. No objections were heard.

Representative John Torbett chair of the House Transportation Committee, informed the committee that HB1010: Build NC Bond Act passed Transportation Committee the previous day. He reviewed the provisions of Build NC Bonds as well as the process to access the issuance of funds. Representative Torbett stated that, based on the first provision of HB1010, the only source of revenue for repayment of special indebtedness resulting from the sale of Build NC Bonds would be the Highway Trust Fund, i.e., license plates, registration, road tax, etc. He reported that the Transportation Committee believes that the revenue coming from this source is simply not enough to address North Carolina's needs.

Representative Torbett stated that the Transportation Committee believes that Provision #2 of the bill provides a window of opportunity for the elected representatives to define the next revenue model for Transportation without raising taxes. He further stated that the selection of projects would not be altered from the Strategic Transportation Investments law. Additionally, since the indebtedness would not be secured by the full faith and taxing power of the State, no voter approval would be required.

The total amount of special indebtedness from the sale of Build NC Bonds would not exceed three billion dollars. Each individual issuance of Build NC Bonds would be limited to \$300 million in each fiscal year. The maturity date for a Build NC Bond would not exceed 15 years. Projects not owned by the State would not qualify for Build NC Bonds, i.e., rail, railroad, and aviation.

Representative Dennis Riddell asked what effect Build NC Bond would have on the State's borrowing/debt capacity.

Amna Cameron, Fiscal Research, responded that the Department of State Treasurer issued a debt affordability study each February. The 2018 study identified that Transportation has considerable debt capacity. On an annual basis, Transportation is authorized to issue \$284.6 million. "If it were to be a lump sum, that is \$1.5 billion immediately followed by an additional \$868 million by 2020," she said.



Chairman Dean Arp, Representatives Larry Pittman and Michael Speciale expressed concern regarding Build NC without voter approval. Representative Darren Jackson offered his support of HB1010: Build NC Bond Act.

Representative Frank Iler moved for a favorable report of the second edition to HB1010: Build NC Bond Act and referral to the Committee on Finance.

Chairman Dollar called the question. The motion passed.

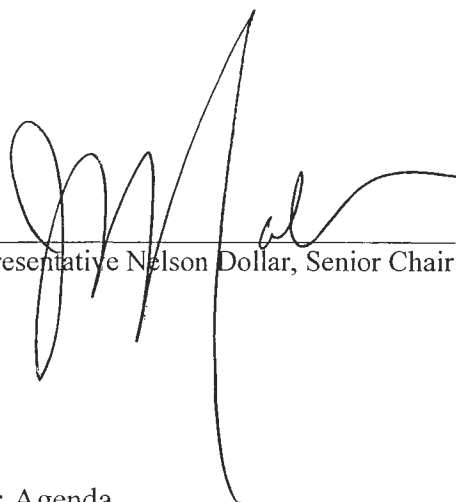
D. HB273: Charter Schools in State Health Plan

Representative Allen McNeill moved for a favorable report of HB273: Charter Schools in State Health Plan.

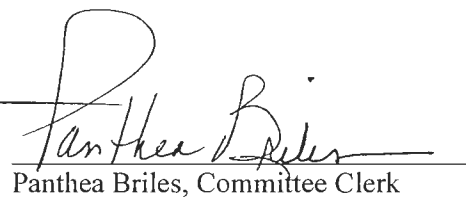
Chairman Dollar called the question. The motion for a favorable report of HB273: Charter Schools in State Health Plan passed.

IV. Adjournment

The House Committee on Appropriations adjourned at 9:35 a.m.



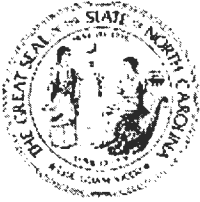
Representative Nelson Dollar, Senior Chair



Panthea Briles, Committee Clerk

Attachment: Agenda
Handouts





HOUSE BILL 519: Tri-County CC/Neighbor State In-State Tuition.

2017-2018 General Assembly

Committee: House Education - Community Colleges
Introduced by: Rep. Corbin
Analysis of: First Edition

Date: April 19, 2017
Prepared by: Kara McCraw
Committee Counsel,
John Ferris,
Legal Extern

OVERVIEW: *HB 519 would provide in-state tuition to residents of other states who reside in counties bordering the service area of Tri-County Community College.*

CURRENT LAW: G.S. 115D-39(a) and G.S. 116-143.1-3 determine who receives in-state tuition.

G.S. 116-143.1: To qualify as a resident for tuition purposes, a person must have established legal residence (domicile) in North Carolina and maintained that legal residence for at least 12 months immediately prior to his or her classification as a resident for tuition purposes.

G.S. 115D-39(a): Applies the legal residence requirement for in-state tuition to students attending community colleges.

Chapter 116 and 115D provide various exceptions to the residency requirements for in-state tuition rates. Exceptions that apply to students at community colleges who do not live in the State include:

- Employers who provide community college tuition assistance to employees who work in the State are billed in-state tuition. G.S. 115C-39(a).
- Members of the North Carolina National Guard who are not residents of the State. G.S. 116-143.1(h1).

BILL ANALYSIS: HB 519 would add an exception to the current tuition residency laws to allow out-of-state students who legally reside in counties that share a border with Cherokee County, Clay County, or Graham County to pay in-state tuition when attending Tri-County Community College. The bill would also ensure that out-of-state students would not take the place of in-state students seeking to enroll at that college.

EFFECTIVE DATE: HB 519 would become effective when it becomes law and apply beginning with the 2017-2018 school year.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

1

HOUSE BILL 519

Short Title: Tri-County CC/Neighbor State In-State Tuition.

(Public)

Sponsors: Representative Corbin.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Education - Community Colleges

March 30, 2017

A BILL TO BE ENTITLED
AN ACT TO AUTHORIZE TRI-COUNTY COMMUNITY COLLEGE TO CHARGE
IN-STATE TUITION TO RESIDENTS OF STATES BORDERING NORTH CAROLINA
WHO LIVE IN COUNTIES THAT ARE CONTIGUOUS TO CHEROKEE COUNTY,
CLAY COUNTY, AND GRAHAM COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115D-39(a) reads as rewritten:

"(a) The State Board of Community Colleges shall fix and regulate all tuition and fees charged to students for applying to or attending any institution pursuant to this Chapter.

The receipts from all student tuition and fees, other than student activity fees, shall be State funds and shall be deposited as provided by regulations of the State Board of Community Colleges.

The legal resident limitation with respect to tuition, set forth in G.S. 116-143.1 and G.S. 116-143.3, shall apply to students attending institutions operating pursuant to this Chapter; provided, however, that when an employer other than the Armed Forces, as that term is defined in G.S. 116-143.3, pays tuition for an employee to attend an institution operating pursuant to this Chapter and when the employee works at a North Carolina business location, the employer shall be charged the in-State tuition rate; provided further, however, a community college may charge in-State tuition to up to one percent (1%) of its out-of-state students, rounded up to the next whole number, to accommodate the families transferred by business, the families transferred by industry, or the civilian families transferred by the Armed Forces, consistent with the provisions of G.S. 116-143.3, into the State.

In addition, a resident of a state bordering North Carolina who lives in a county that is contiguous to Cherokee County, Clay County, or Graham County in North Carolina may be charged the in-State tuition rate to attend Tri-County Community College. Tri-County Community College shall ensure that no out-of-state student eligible for in-State tuition due to residence in a contiguous county shall displace an in-State student seeking to enroll in a program offered by the community college.

Notwithstanding these requirements, the requirements of this subsection, a refugee who lawfully entered the United States and who is living in this State shall be deemed to qualify as a domiciliary of this State under G.S. 116-143.1(a)(1) and as a State resident for community college tuition purposes as defined in G.S. 116-143.1(a)(2). Also, a nonresident of the United States who has resided in North Carolina for a 12-month qualifying period and has filed an immigrant petition with the United States Immigration and Naturalization Service shall be considered a State resident for community college tuition purposes."



1 **SECTION 2.** This act is effective when it becomes law and applies beginning with
2 the 2017-2018 academic year.



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 519**

H519-AMK-73 [v.2]

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

Page 1 of 1

Amends Title [NO]
First Edition

Date _____, 2018

Representative Corbin

- 1 moves to amend the bill on page 2, line 2, by rewriting the line to read:
2
3 "the 2018-2019 academic year."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____



* H 5 1 9 - A M K - 7 3 - V - 2 *



AMENDMENT LOG HB 519
APPROPRIATIONS COMMITTEE

June 6, 2018 (Date)

[illegible]

VV – Voice Vote

RC – Roll Call

D - Division

Page _____



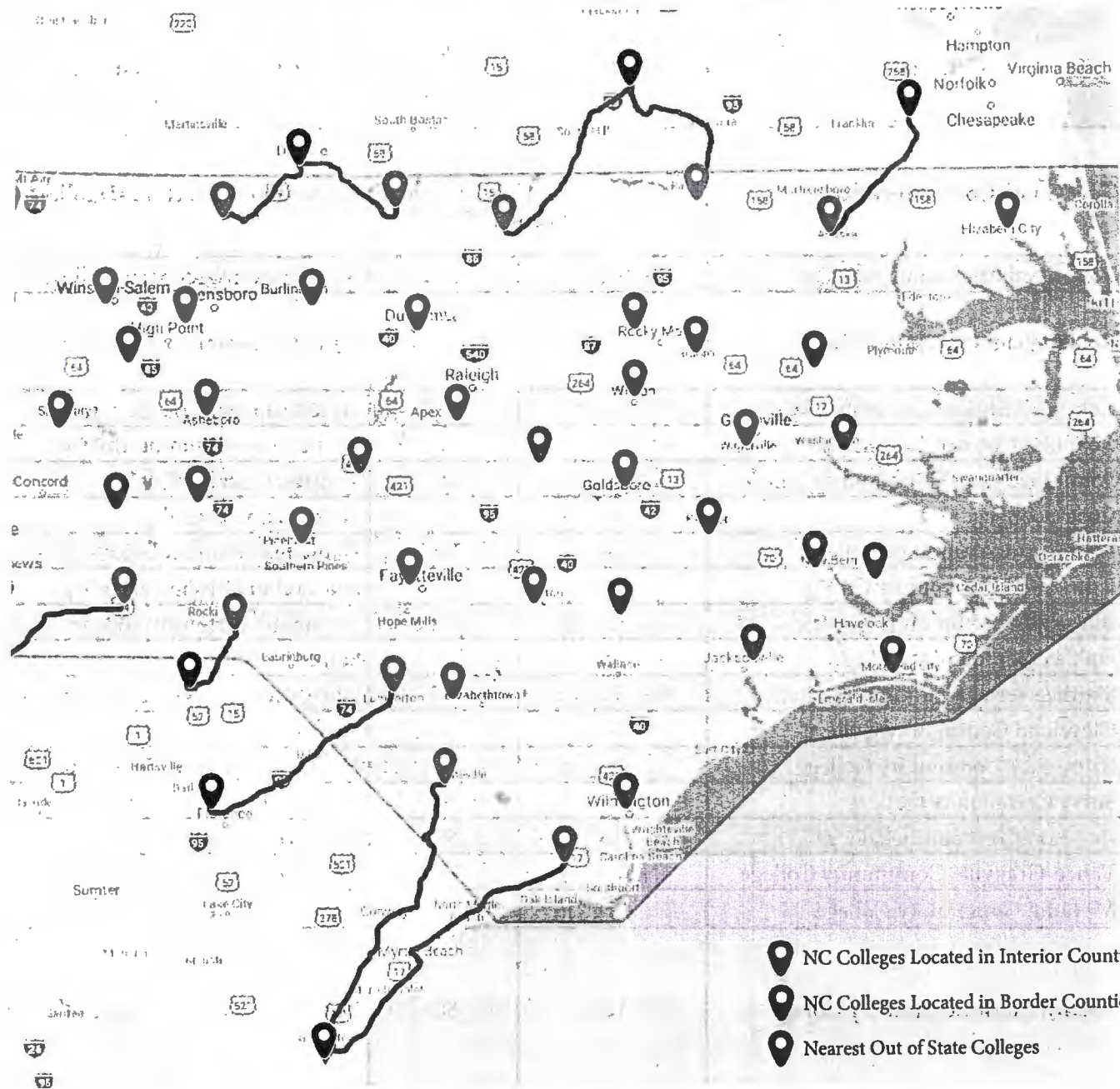
es and Out of State College Neighbors

Notes:

is bordered by two states, has the out-of-state neighbor, and is the C community college affected by city.

. Henry Community College is t closest out-of-state community , located 30.0 miles away.

s main campus is not located on y bordering GA, so residents are le for out-of-state tuition waivers est SC college is Tri-County Tech 76.9 miles away.



Rep. Kevin Carbin

NC College	Main Campus on a Border County?	Bordering State(s)	Closest Out of State College	Distance	NC Residents are Eligible for In-State Tuition at Closest Out of State College?	
Tri-County Community College	Yes	TN, GA	North Georgia Technical College	20.1 miles	Yes	TCCC closes only N recipr
Richmond Community College	Yes	SC	Northeastern Technical College	22.6 miles	No	
Rockingham Community College	Yes	VA	Danville Community College	28.6 miles	No	Patric the ne colleg
Central Piedmont Community College	Yes	SC	York Technical College	28.7 miles	No	
Roanoke-Chowan Community College	Yes	VA	Paul D Camp Community College	32.2 miles	No	
South Piedmont Community College	Yes	SC	York Technical College	34.4 miles	No	
Gaston College	Yes	SC	York Technical College	35.0 miles	No	
Piedmont Community College	Yes	VA	Danville Community College	35.3 miles	No	
Isothermal Community College	Yes	SC	Spartanburg Technical College	39.8 miles	No	
Blue Ridge Community College	Yes	SC	Greenville Technical College	40.4 miles	No	
Halifax Community College	Yes	VA	Southside Virginia Community College	41.6 miles	No	
Southeastern Community College	Yes	SC	Horry Georgetown Technical College	46.4 miles	No	
Cleveland Community College	Yes	SC	York Technical College	47.2 miles	No	
Brunswick Community College	Yes	SC	Horry Georgetown Technical College	51.1 miles	No	
Surry Community College	Yes	VA	Wytheville Community College	56.6 miles	No	
Robeson Community College	Yes	SC	Florence-Darlington Technical College	58.2 miles	No	
Vance-Granville Community College	Yes	VA	Southside Virginia Community College	59.9 miles	No	
Mayland Community College	Yes	TN	Northeast State Community College	65.2 miles	No	
Southwestern Community College	Yes	SC	North Georgia Technical College	69.8 miles	No	SWC a cou inelig The cl locate



HOUSE BILL 273: Charter Schools in State Health Plan.

2017-2018 General Assembly

Committee:	House Appropriations	Date:	June 5, 2018
Introduced by:	Reps. Williams, Grange, Saine, Stone	Prepared by:	Tawanda N. Foster
Analysis of:	Second Edition		Staff Attorney

OVERVIEW: *House Bill 273 authorizes four charter schools to elect to participate in the State Health Plan for Teachers and State Employees.*

CURRENT LAW: Under G.S. 135-48.54 charter schools may elect to become a participating employer in the State Health Plan no later than 30 days after the signing of the written charter. The election must be in writing and filed with the State Health Plan and State Board of Education. The election is effective for all eligible charter school employees and is irrevocable.

BILL ANALYSIS: Notwithstanding the time limitation of G.S. 135-48.54, the bill authorizes four additional charter schools to elect to participate in the State Health Plan as follows:

Section 1 adds Coastal Preparatory Academy located in Wilmington, N.C.

Section 2 adds Girls Leadership Academy of Wilmington located in Wilmington, N.C.

Section 3 adds Pine Springs Preparatory Academy in Holly Springs, N.C.

Section 4 adds Unity Classical Charter School located in Charlotte, N.C.

EFFECTIVE DATE: This bill becomes effective when it becomes law.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

2

HOUSE BILL 273
Committee Substitute Favorable 3/22/17

Short Title: Charter Schools in State Health Plan.

(Public)

Sponsors:

Referred to:

March 8, 2017

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE COASTAL PREPARATORY ACADEMY, GIRLS LEADERSHIP ACADEMY OF WILMINGTON, PINE SPRINGS PREPARATORY ACADEMY, AND UNITY CLASSICAL CHARTER SCHOOL TO ELECT TO PARTICIPATE IN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding the time limitation contained in G.S. 135-48.54, the Board of Directors of Coastal Preparatory Academy, a charter school located in Wilmington, may elect to become a participating employing unit in the State Health Plan for Teachers and State Employees in accordance with Article 3B of Chapter 135 of the General Statutes. The election authorized by this act shall be made no later than 30 days after the effective date of this act and shall be made in accordance with all other requirements of G.S. 135-48.54.

SECTION 2. Notwithstanding the time limitation contained in G.S. 135-48.54, the Board of Directors of Girls Leadership Academy of Wilmington, a charter school located in Wilmington, may elect to become a participating employing unit in the State Health Plan for Teachers and State Employees in accordance with Article 3B of Chapter 135 of the General Statutes. The election authorized by this act shall be made no later than 30 days after the effective date of this act and shall be made in accordance with all other requirements of G.S. 135-48.54.

SECTION 3. Notwithstanding the time limitation contained in G.S. 135-48.54, the Board of Directors of Pine Springs Preparatory Academy, a charter school located in Holly Springs, may elect to become a participating employing unit in the State Health Plan for Teachers and State Employees in accordance with Article 3B of Chapter 135 of the General Statutes. The election authorized by this act shall be made no later than 30 days after the effective date of this act and shall be made in accordance with all other requirements of G.S. 135-48.54.

SECTION 4. Notwithstanding the time limitation contained in G.S. 135-48.54, the Board of Directors of Unity Classical Charter School, a charter school located in Charlotte, may elect to become a participating employing unit in the State Health Plan for Teachers and State Employees in accordance with Article 3B of Chapter 135 of the General Statutes. The election authorized by this act shall be made no later than 30 days after the effective date of this act and shall be made in accordance with all other requirements of G.S. 135-48.54.

SECTION 5. This act is effective when it becomes law.



* H 2 7 3 - V - 2 *



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Legislative Actuarial Note Health Benefits

BILL NUMBER: House Bill 273 (First Edition)

SHORT TITLE: Charter Schools in State Health Plan.

SPONSOR(S): Representatives Williams, Grange, Saine, and Stone

SYSTEM OR PROGRAM AFFECTED: State Health Plan for Teachers and State Employees (Plan).

FUNDS AFFECTED: State General Fund, State Highway Fund, other State employer receipts; premium payments for dependents of active employees and retired employees of State agencies and universities, local public schools and local community colleges; premium payments for coverages selected by eligible former employees; premium payments for coverages selected by firefighters, rescue squad workers, members of the National Guard, and certain authorized local governments.

BILL SUMMARY: House Bill 273 (First Edition) permits the Boards of Directors of Coastal Preparatory Academy, Pine Springs Preparatory Academy, and Unity Classical Charter School, all public charter schools, to become participating employers under the Plan within 30 days after the act becomes law. Under G.S. 135-48.54, an election to join the Plan by the board of a charter school is irrevocable and shall require all eligible employees of the charter school to participate.

EFFECTIVE DATE: When it becomes law.

ESTIMATED IMPACT ON STATE:

The Segal Company, the consulting actuary for the Plan, estimates a financial loss to the Plan of \$145,000 for FY 2017-2018 if either Coastal Preparatory Academy or Pine Springs Preparatory Academy elects to participate in the Plan, and \$59,000 if Unity Classical Charter School elects to participate in the Plan. Segal assumed a 150% adverse selection factor.

Hartman & Associates, the consulting actuary for the General Assembly, states that the cost of the bill cannot be determined because the demographics and health status of the members are not available.

The additional cost impact of the bill, projected by either consulting actuary, would be expected to impact total claims growth by approximately one hundredth of one percent (0.01%) for the 2017-2018 fiscal year based on the highest estimate of additional cost (i.e., \$349,000).

ASSUMPTIONS AND METHODOLOGY: The actuarial analyses used by each respective consulting actuary are on file with the Fiscal Research Division. Copies of each respective consulting actuary's analysis, including assumptions, are also attached to the original copy of this Legislative Actuarial note.

Authorized Charter Schools: As of January, 2017, there were 88 charter schools with 6,799 enrolled active employees and dependents participating in the Plan.

Data submitted by the schools: The Segal Company and Hartman & Associates based their respective analyses in part on the following count of expected employees provided by the schools:

- Coastal Preparatory Academy: 37
- Pine Springs Preparatory Academy: 37
- Unity Classical Charter School: 15

Because the schools are not yet operating, they do not have current employees or health plan coverage and were thus unable to provide demographics of current participants or details on their current coverage.

Summary Information and Data about the Plan

The Plan administers health benefit coverage for active employees from employing units of State agencies and departments, universities, local public schools, and local community colleges. Eligible retired employees of authorized employing units may also access health benefit coverage under the Plan. Eligible dependents of active and retired employees are authorized to participate in the Plan provided they meet certain requirements. Employees and retired employees of selected local governments and charter schools may also participate in the Plan under certain conditions. Members of fire, rescue squads, and the National Guard may also obtain coverage under the Plan provided they meet certain eligibility criteria.

The State finances the Plan on a self-funded basis and administers benefit coverage under a Preferred Provider Option (PPO) arrangement, with the exception of many Medicare-eligible retirees who are in fully-insured Medicare Advantage plans. The Plan's receipts are derived through premium contributions, investment earnings and other receipts. Premiums for health benefit coverage are paid by (1) employing agencies for active employees, (2) the Retiree Health Benefit Fund for retired employees, and (3) employees and retirees who participate in a plan with a non-zero premium or who elect dependent coverage. Benefit and premium changes are typically effective at January 1. The Plan's PPO benefit design includes three alternative benefit levels listed below:

- 1) The "Traditional" 70/30 plan that offers higher out-of-pocket requirements in return for lower employee and retiree premiums and only one wellness activity,
- 2) The "Enhanced" 80/20 plan that offers lower out-of-pocket requirements with higher employee and retiree premiums, which can be lowered by completing three wellness activities, and
- 3) The Consumer-Directed Health Plan (CDHP) that applies deductibles and co-insurance to all services and offers lower employee and retiree premiums if one completes wellness activities

Medicare-eligible retirees are offered three alternative plans:

- 1) The "Traditional" 70/30 plan as coverage secondary to Medicare for medical services plus a pharmacy benefit plan,
- 2) "Base" Medicare Advantage Prescription Drug Plan (MA-PDP) from United Healthcare, that is actuarially equivalent to the "Enhanced" 80/20 Plan and applies in-network out-of-pocket requirements at out-of-network providers
- 3) "Enhanced" MA-PDP, identical to the "Base" MA-PDP, except with lower co-pays and higher retiree premiums

The following tables provide a summary of the most common monthly premium rates for the Plan in 2017:

Active Employees and Non-Medicare Retirees (if Fully Subsidized)

	Employer Share	Employee/Retiree Share	
		Complete All Wellness Activities *	Complete No Wellness Activities
Traditional 70/30 Plan	\$479.48	\$0.00	\$40.00
Enhanced 80/20 Plan	\$479.48	\$15.04	\$105.04
Consumer-Directed Health Plan (85/15)	\$479.48	\$0.00	\$80.00

* Members receive credits for each activity. We have shown all or none for simplicity.

Medicare Retirees (if Fully Subsidized)

Medicare Advantage Plans

	Employer Share	Employee/Retiree Share
MA-PDP Base Plan	\$372.56	\$0.00
MA-PDP Enhanced Plan	\$372.56	\$64.00

Alternate Plan

	Employer Share	Employee/Retiree Share
Traditional 70/30 Plan	\$372.56	\$0.00

Dependents (paid by employee/retiree in addition to premiums above)

	All Dependents are Non-Medicare			One or More Medicare Dependents		
	Traditional 70/30	Enhanced 80/20	CDHP 85/15	MA-PDP Base	MA-PDP Enhanced	Traditional 70/30
Employee/Retiree + Children	\$218.14	\$290.14	\$196.32	\$124.80	\$188.80	\$155.20
Employee/Retiree + Spouse	\$562.10	\$668.48	\$505.90	\$124.80	\$188.80	\$408.08
Employee/Retiree + Family	\$598.70	\$708.72	\$538.82	\$249.60	\$377.60	\$444.66

The employer share of premiums for retirees is paid from the Retiree Health Benefit Fund. During FY 2016-17, employers contribute 5.81% of active employee payroll into the Fund. Total contributions for the year are projected to be approximately \$950 million.

Financial Condition

Projected Results for CY 2017 and CY 2018 – The following summarizes projected financial results for 2017 and 2018, based on financial experience through September 2016. The projection assumes a 7.0% annual claims growth trend for medical claims, an 8.5% trend for pharmacy claims, benefit provisions and member-paid premiums as currently adopted by the Board, and 3.5% premium increases in 2018.

	(\$ millions)	
	Projected CY 2017	Projected CY 2018
Beginning Cash Balance	\$945.7	\$834.1
Receipts:		
Net Premium Collections	\$3,264.8	\$3,369.6
Medicare Subsidies	\$16.5	\$16.6
Investment Earnings	\$7.2	\$6.2
Total	\$3,288.5	\$3,392.4
Disbursements:		
Net Medical Claim Payment Expenses	\$2,271.9	\$2,374.3
Net Pharmacy Claim Payment Expenses	\$706.9	\$787.2
Medicare Advantage Premiums	\$192.6	\$255.4
Administration and Claims-Processing Expenses	\$228.7	\$219.6
Total	\$3,400.1	\$3,636.5
Net Operating Income (Loss)	(\$111.6)	(\$244.1)

Of the premiums paid in CY 2017, an estimated \$2.1 billion is derived from General Fund sources and an estimated \$0.1 billion is derived from Highway Fund sources.

Other Information

Additional assumptions include Medicare benefit "carve-outs," cost containment strategies including prior approval for certain medical services, utilization of the "Blue Options" provider network, case and disease management for selected medical conditions, mental health case management, coordination of benefits with other payers, a prescription drug benefit manager with manufacturer rebates from formularies, fraud detection, and other authorized actions by the State Treasurer, Executive Administrator, and Board of Trustees to manage the Plan to maintain and improve the Plan's operation and financial condition where possible. Medical claim costs are expected to increase at a rate of 7.0% annually and pharmacy claim costs are expected to increase at a rate of 8.5% annually according to assumptions adopted by the Board of Trustees. The active population is projected to decline by 1% per year and the retired population is projected to increase by 1% per year.

Enrollment as of January 1, 2017

I. No. of Participants	Traditional 70/30	Enhanced 80/20	Consumer Directed	Medicare Advantage	Total	Percent of Total
<u>Actives</u>						
Employees	125,378	163,187	21,119	-	309,684	43.3%
Dependents	75,032	73,137	21,903	-	170,072	23.8%
Sub-total	200,410	236,324	43,022	-	479,756	67.1%
<u>Retired</u>						
Employees	59,349	25,367	1,671	111,890	198,277	27.7%
Dependents	8,029	4,182	903	9,447	22,561	3.2%
Sub-total	67,378	29,549	2,574	121,337	220,838	30.9%
<u>Other</u>						
Employees	2,618	5,921	980	-	9,519	1.3%
Dependents	1,522	2,368	767	-	4,657	0.7%
Sub-total	4,140	8,289	1,747	-	14,176	2.0%
<u>Total</u>						
Employees	187,345	194,475	23,770	111,890	517,480	72.4%
Dependents	84,583	79,687	23,573	9,447	197,290	27.6%
Grand Total	271,928	274,162	47,343	121,337	714,770	100%
Percent of Total	38.0%	38.4%	6.6%	17.0%	100.0%	
II. Enrollment by Contract	Traditional	Enhanced	CDHP	MA	Total	
Employee Only	144,962	154,308	12,663	102,443	414,376	
Employee Child(ren)	25,805	26,363	5,739	179	58,086	
Employee Spouse	6,105	5,106	1,533	9,268	22,012	
Employee Family	10,473	8,698	3,835		23,006	
Total	187,345	194,475	23,770	111,890	517,480	
Percent Enrollment by Contract	Traditional	Enhanced	CDHP	MA	Total	
Employee Only	77.4%	79.3%	53.3%	91.6%	80.1%	
Employee Child(ren)	13.8%	13.6%	24.1%	0.2%	11.2%	
Employee Spouse	3.3%	2.6%	6.4%	8.3%	4.3%	
Employee Family	5.6%	4.5%	16.1%	0.0%	4.4%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	
III. Enrollment by Sex	Traditional	Enhanced	CDHP	MA	Total	
Female	159,441	178,330	26,685	80,445	444,901	
Male	112,487	95,832	20,658	40,892	269,869	
Total	271,928	274,162	47,343	121,337	714,770	
Percent Enrollment by Sex	Traditional	Enhanced	CDHP	MA	Total	
Female	58.6%	65.0%	56.4%	66.3%	62.2%	
Male	41.4%	35.0%	43.6%	33.7%	37.8%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	

IV. Enrollment by Age					
	Traditional	Enhanced	CDHP	MA	Total
25 & Under	73,899	70,290	18,777	3	162,969
26 to 45	68,332	76,095	13,837	228	158,492
46 to 55	46,137	56,424	8,217	873	111,651
56 to 65	47,542	66,377	6,204	11,420	131,543
66 & Over	36,018	4,976	308	108,813	150,115
Total	271,928	274,162	47,343	121,337	714,770
Percent Enrollment by Age	Traditional	Enhanced	CDHP	MA	Total
25 & Under	27.2%	25.6%	39.7%	0.0%	22.8%
26 to 45	25.1%	27.8%	29.2%	0.2%	22.2%
46 to 55	17.0%	20.6%	17.4%	0.7%	15.6%
56 to 65	17.5%	24.2%	13.1%	9.4%	18.4%
66 & Over	13.2%	1.8%	0.7%	89.7%	21.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
V. Retiree Enrollment by Category			Employee	Dependents	Total
Non-Medicare Eligible			48,342	11,835	60,177
Medicare Eligible in Traditional 70/30			38,045	1,279	39,324
Medicare Eligible in Base Medicare Advantage Plans			93,707	6,871	100,578
Medicare Eligible in Enhanced Medicare Advantage Plans			18,183	2,576	20,759
Total			198,277	22,561	220,838
Percent Enrollment by Category (Retiree)			Employee	Dependents	Total
Non-Medicare Eligible			24.4%	52.5%	27.2%
Medicare Eligible in Traditional 70/30			19.2%	5.7%	17.8%
Medicare Eligible in Base Medicare Advantage Plans			47.3%	30.5%	45.5%
Medicare Eligible in Enhanced Medicare Advantage Plans			9.2%	11.4%	9.4%
Total			100.0%	100.0%	100.0%
VI. Enrollment By Major Employer Groups			Employees	Dependents	Total
State Agencies			68,024	32,792	100,816
UNC System			52,910	34,217	87,127
Local Public Schools			168,892	91,264	260,156
Charter Schools (88 entities)			4,111	2,688	6,799
Local Community Colleges			15,747	9,111	24,858
Other					
Local Governments (91 entities)			8,882	4,128	13,010
COBRA			637	529	1,166
Sub-total			319,203	174,729	493,932
Retirement System *			198,277	22,561	220,838
Total			517,480	197,290	714,770
Percent Enrollment by Major Employer Groups			Employees	Dependents	Total
State Agencies			13.1%	16.6%	14.1%
UNC System			10.2%	17.3%	12.2%
Local Public Schools			32.6%	46.3%	36.4%
Charter Schools			0.8%	1.4%	1.0%
Local Community Colleges			3.0%	4.6%	3.5%
Other					
Local Governments			1.7%	2.1%	1.8%
COBRA			0.1%	0.3%	0.2%
Sub-total			61.7%	88.6%	69.1%
Retirement System			38.3%	11.4%	30.9%
Total			100.0%	100.0%	100.0%
* Includes 6 employees and 6 dependents covered as firefighters, rescue squad workers, or National Guard members					

SOURCES OF DATA:

The Segal Company; baseline financial projections updated through Q3 CY2016 with 3.52% employer and employee premium increase in 2018, no further increases in wellness premiums/credits; dated January 24, 2017. Filename "CY16 Q3 - New Baseline - S1 - No Credit Increase in 2018+.pdf"

-Actuarial Note, Hartman & Associates, "Draft Bill 2017-MR-32A [v.1]: An Act to Authorize Coastal Preparatory Academy, Pine Springs Preparatory Academy, and Unity Classical Charter School to Elect to Participate in the State Health Plan for Teachers and State Employees", March 13, 2017, original of which is on file in the General Assembly's Fiscal Research Division.

-Actuarial Note, The Segal Company, Bill Draft 2017-MR-32A [V.1] (02/03), "Charter Schools In State Health Plan", March 6, 2017, original of which is on file with the State Health Plan for Teachers and State Employees and the General Assembly's Fiscal Research Division.

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: David Vanderweide

APPROVED BY:

Mark Trogon, Director
Fiscal Research Division

DATE: March 17, 2017



Signed Copy Located in the NCGA Principal Clerk's Offices



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Legislative Actuarial Note Health Benefits

BILL NUMBER: House Bill 49 (First Edition)

SHORT TITLE: GLOW Charter School in State Health Plan.

SPONSOR(S): Representatives Iler, Grange, and Butler

SYSTEM OR PROGRAM AFFECTED: State Health Plan for Teachers and State Employees (Plan).

FUNDS AFFECTED: State General Fund, State Highway Fund, other State employer receipts; premium payments for dependents of active employees and retired employees of State agencies and universities, local public schools and local community colleges; premium payments for coverages selected by eligible former employees; premium payments for coverages selected by firefighters, rescue squad workers, members of the National Guard, and certain authorized local governments.

BILL SUMMARY: House Bill 49 (First Edition) permits the Board of Directors of Girls Leadership Academy of Wilmington, a public charter school, to become a participating employer under the Plan within 30 days after the act becomes law. Under G.S. 135-48.54, an election to join the Plan by the board of a charter school is irrevocable and shall require all eligible employees of the charter school to participate.

EFFECTIVE DATE: When it becomes law.

ESTIMATED IMPACT ON STATE:

The Segal Company, the consulting actuary for the Plan, estimates a financial loss to the Plan of \$17,000 for FY 2017-2018 if GLOW Charter School elects to participate in the Plan. Segal used the average of two different methods to estimate claims for the School, taking into account the School's current benefit design, the favorable demographics of the School's current participants, and a 150% assumed adverse selection factor.

Hartman & Associates, the consulting actuary for the General Assembly, estimates that the financial impact on the Plan would not be material upon GLOW Charter School electing to participate in the Plan. Hartman & Associates noted that the employee demographics of the School's group would be expected to produce 16% lower average claim costs than the Plan's membership, and that given the minimal number of prospective employees and dependents to be enrolled, there is not expected to be a significant financial impact as a percent of total claims.

The additional cost impact of the bill, projected by either consulting actuary, would be expected to impact total claims growth by approximately one thousandth of one percent (0.001%) for the 2017-2018 fiscal year based on the highest estimate of additional cost (i.e., \$17,000).

ASSUMPTIONS AND METHODOLOGY: The actuarial analyses used by each respective consulting actuary are on file with the Fiscal Research Division. Copies of each respective consulting actuary's analysis, including assumptions, are also attached to the original copy of this Legislative Actuarial note.

Authorized Charter Schools: As of January, 2017, there were 88 charter schools with 6,799 enrolled active employees and dependents participating in the Plan.

Data submitted by the School: The Segal Company and Hartman & Associates based their respective analyses in part on a Distribution of Participants schedule submitted by the School. The schedule below reflects the age and sex demographic data for employees and dependents of the School. Complete claims experience data is usually unavailable on a group this size. However, the School did provide information on medical premiums and details on the benefits in its current program, which include:

- In-network office visit and therapy co-pay: \$25 Primary Care; \$50 Specialist
- Preventive care: \$0
- Deductible: \$1,500 (individual, in-network)
- Out-of-pocket maximum: \$4,000 (individual, in-network)
- Inpatient and outpatient hospital: 20% coinsurance after deductible (in-network)
- Prescription drug co-pays: \$4 generic; \$15 preferred brand

Distribution of Participants - GLOW Academy

<u>Ages</u>	<u>Active Employees</u>			<u>Dependents of Active Employees</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
0-4			0			0
5-9			0	3	1	4
10-14			0	1		1
15-19			0			0
20-24		1	1			0
25-29		4	4			0
30-34		1	1			0
35-39			0			0
40-44		2	2			0
45-49	2	2	4			0
50-54			0			0
55-59			0			0
60-64			0			0
65-69			0			0
70-74			0			0
75-79			0			0
>79			0			0
Unknown			0			0
TOTAL	2	10	12	4	1	5

Summary Information and Data about the Plan

The Plan administers health benefit coverage for active employees from employing units of State agencies and departments, universities, local public schools, and local community colleges. Eligible retired employees of authorized employing units may also access health benefit coverage under the Plan. Eligible dependents of active and retired employees are authorized to participate in the Plan provided they meet certain requirements. Employees and retired employees of selected local governments and charter schools may also participate in the Plan under certain conditions. Members of fire, rescue squads, and the National Guard may also obtain coverage under the Plan provided they meet certain eligibility criteria.

The State finances the Plan on a self-funded basis and administers benefit coverage under a Preferred Provider Option (PPO) arrangement, with the exception of many Medicare-eligible retirees who are in fully-insured Medicare Advantage plans. The Plan's receipts are derived through premium contributions, investment earnings and other receipts. Premiums for health benefit coverage are paid by (1) employing agencies for active employees, (2) the Retiree Health Benefit Fund for retired employees, and (3) employees and retirees who participate in a plan with a non-zero premium or who elect dependent coverage. Benefit and premium changes are typically effective at January 1. The Plan's PPO benefit design includes three alternative benefit levels listed below:

- 1) The "Traditional" 70/30 plan that offers higher out-of-pocket requirements in return for lower employee and retiree premiums and only one wellness activity,
- 2) The "Enhanced" 80/20 plan that offers lower out-of-pocket requirements with higher employee and retiree premiums, which can be lowered by completing three wellness activities, and
- 3) The Consumer-Directed Health Plan (CDHP) that applies deductibles and co-insurance to all services and offers lower employee and retiree premiums if one completes wellness activities

Medicare-eligible retirees are offered three alternative plans:

- 1) The "Traditional" 70/30 plan as coverage secondary to Medicare for medical services plus a pharmacy benefit plan,
- 2) "Base" Medicare Advantage Prescription Drug Plan (MA-PDP) from United Healthcare, that is actuarially equivalent to the "Enhanced" 80/20 Plan and applies in-network out-of-pocket requirements at out-of-network providers
- 3) "Enhanced" MA-PDP, identical to the "Base" MA-PDP, except with lower co-pays and higher retiree premiums

The following tables provide a summary of the most common monthly premium rates for the Plan in 2017:

Active Employees and Non-Medicare Retirees (if Fully Subsidized)

	Employer Share	Employee/Retiree Share Complete All Wellness Activities *	Complete No Wellness Activities
Traditional 70/30 Plan	\$479.48	\$0.00	\$40.00
Enhanced 80/20 Plan	\$479.48	\$15.04	\$105.04
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* Members receive credits for each activity. We have shown all or none for simplicity.

Medicare Retirees (if Fully Subsidized)

Medicare Advantage Plans

	Employer Share	Employee/Retiree Share
MA-PDP Base Plan	\$372.56	\$0.00
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Alternate Plan

	Employer Share	Employee/Retiree Share
Traditional 70/30 Plan	\$372.56	\$0.00

Dependents (paid by employee/retiree in addition to premiums above)

	All Dependents are Non-Medicare			One or More Medicare Dependents		
	Traditional 70/30	Enhanced 80/20	CDHP 85/15	MA-PDP Base	MA-PDP Enhanced	Traditional 70/30
Employee/Retiree + Children	\$218.14	\$290.14	\$196.32	\$124.80	\$188.80	\$155.20
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The employer share of premiums for retirees is paid from the Retiree Health Benefit Fund. During FY 2016-17, employers contribute 5.81% of active employee payroll into the Fund. Total contributions for the year are projected to be approximately \$950 million.

Financial Condition

Projected Results for CY 2017 and CY 2018 – The following summarizes projected financial results for 2017 and 2018, based on financial experience through September 2016. The projection assumes a 7.0% annual claims growth trend for medical claims, an 8.5% trend for pharmacy claims, benefit provisions and member-paid premiums as currently adopted by the Board, and 3.5% premium increases in 2018.

	(\$ millions)	
	Projected CY 2017	Projected CY 2018
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Medicare Subsidies	\$16.5	\$16.6
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Total	\$3,400.1	\$3,636.5
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Additional assumptions include Medicare benefit “carve-outs,” cost containment strategies including prior approval for certain medical services, utilization of the "Blue Options" provider network, case and disease management for selected medical conditions, mental health case management, coordination of benefits with other payers, a prescription drug benefit manager with manufacturer rebates from formularies, fraud detection, and other authorized actions by the State Treasurer, Executive Administrator, and Board of Trustees to manage the Plan to maintain and improve the Plan's operation and financial condition where possible. Medical claim costs are expected to increase at a rate of 7.0% annually and pharmacy claim costs are expected to increase at a rate of 8.5% annually according to assumptions adopted by the Board of Trustees. The active population is projected to decline by 1% per year and the retired population is projected to increase by 1% per year.

Enrollment as of January 1, 2017

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Employees	125,378	163,187	21,119	-	309,684	43.3%
Dependents	75,032	73,137	21,903	-	170,072	23.8%
Sub-total	200,410	236,324	43,022	-	479,756	67.1%
<u>Retired</u>						
Employees	59,349	25,367	1,671	111,890	198,277	27.7%
Dependents	8,029	4,182	903	9,447	22,561	3.2%
Sub-total	67,378	29,549	2,574	121,337	220,838	30.9%
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Employees	2,618	5,921	980	-	9,519	1.3%
Dependents	1,522	2,368	767	-	4,657	0.7%
Sub-total	4,140	8,289	1,747	-	14,176	2.0%
<u>Total</u>						
Employees	187,345	194,475	23,770	111,890	517,480	72.4%
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Percent of Total	38.0%	38.4%	6.6%	17.0%	100.0%	
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Employee Family	10,473	8,698	3,835		23,006	
Total	187,345	194,475	23,770	111,890	517,480	
Percent Enrollment by Contract	Traditional	Enhanced	CDHP	MA	Total	
Employee Only	77.4%	79.3%	53.3%	91.6%	80.1%	
Employee Child(ren)	13.8%	13.6%	24.1%	0.2%	11.2%	
Employee Spouse	3.3%	2.6%	6.4%	8.3%	4.3%	
Employee Family	5.6%	4.5%	16.1%	0.0%	4.4%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	
III. Enrollment by Sex	Traditional	Enhanced	CDHP	MA	Total	
Female	159,441	178,330	26,685	80,445	444,901	
Male	112,487	95,832	20,658	40,892	269,869	
Total	271,928	274,162	47,343	121,337	714,770	
Percent Enrollment by Sex	Traditional	Enhanced	CDHP	MA	Total	
Female	58.6%	65.0%	56.4%	66.3%	62.2%	
Male	41.4%	35.0%	43.6%	33.7%	37.8%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	

IV. Enrollment by Age	Traditional	Enhanced	CDHP	MA	Total
25 & Under	73,899	70,290	18,777	3	162,969
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66 & Over	36,018	4,976	308	108,813	150,115
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46 to 55	17.0%	20.6%	17.4%	0.7%	15.6%
56 to 65	17.5%	24.2%	13.1%	9.4%	18.4%
66 & Over	13.2%	1.8%	0.7%	89.7%	21.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

V. Retiree Enrollment by Category	Employee	Dependents	Total
Non-Medicare Eligible	48,342	11,835	60,177
Medicare Eligible in Traditional 70/30	38,045	1,279	39,324
Medicare Eligible in Base Medicare Advantage Plans	93,707	6,871	100,578
Medicare Eligible in Enhanced Medicare Advantage Plans	18,183	2,576	20,759
Total	198,277	22,561	220,838

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Medicare Eligible in Traditional 70/30	19.2%	5.7%	17.8%
Medicare Eligible in Base Medicare Advantage Plans	47.3%	30.5%	45.5%
Medicare Eligible in Enhanced Medicare Advantage Plans	9.2%	11.4%	9.4%
Total	100.0%	100.0%	100.0%

VI. Enrollment By Major Employer Groups	Employees	Dependents	Total
State Agencies	68,024	32,792	100,816
UNC System	52,910	34,217	87,127
Local Public Schools	168,892	91,264	260,156
Charter Schools (88 entities)	4,111	2,688	6,799
Local Community Colleges	15,747	9,111	24,858
Other			
Local Governments (91 entities)	8,882	4,128	13,010
COBRA	637	529	1,166
Sub-total	319,203	174,729	493,932
Retirement System *	198,277	22,561	220,838
Total	517,480	197,290	714,770

Percent Enrollment by Major Employer Groups	Employees	Dependents	Total
State Agencies	13.1%	16.6%	14.1%
UNC System	10.2%	17.3%	12.2%
Local Public Schools	32.6%	46.3%	36.4%
Charter Schools	0.8%	1.4%	1.0%
Local Community Colleges	3.0%	4.6%	3.5%
Other			
Local Governments	1.7%	2.1%	1.8%
COBRA	0.1%	0.3%	0.2%
Sub-total	61.7%	88.6%	69.1%
Retirement System	38.3%	11.4%	30.9%
Total	100.0%	100.0%	100.0%

* Includes 6 employees and 6 dependents covered as firefighters, rescue squad workers, or National Guard members

SOURCES OF DATA:

The Segal Company; baseline financial projections updated through Q3 CY2016 with 3.52% employer and employee premium increase in 2018, no further increases in wellness premiums/credits; dated January 24, 2017. Filename "CY16 Q3 - New Baseline - S1 - No Credit Increase in 2018+.pdf"

-Actuarial Note, Hartman & Associates, "House Bill 49: An Act to Authorize Girls Leadership Academy of Wilmington to Elect to Participate in the State Health Plan for Teachers and State Employees", March 13, 2017, original of which is on file in the General Assembly's Fiscal Research Division.

-Actuarial Note, The Segal Company, House Bill 49, "Glow Charter School In State Health Plan", March 13, 2017, original of which is on file with the State Health Plan for Teachers and State Employees and the General Assembly's Fiscal Research Division.

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: David Vanderweide

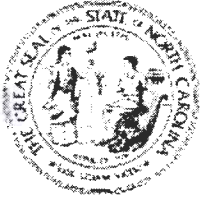
APPROVED BY:

Mark Trogdon, Director
Fiscal Research Division

DATE: March 17, 2017



Signed Copy Located in the NCGA Principal Clerk's Offices



HOUSE BILL 965: National and State Mottos in Schools Act.

2017-2018 General Assembly

Committee:	House Appropriations	Date:	June 6, 2018
Introduced by:	Reps. Bert Jones, Johnson, Arp, Shepard	Prepared by:	Kara McCraw
Analysis of:	Second Edition		Staff Attorney

OVERVIEW: *HB 965 would require the display of the national and State mottos in a prominent location in all public schools that currently are also required to display the United States and North Carolina flags and recite the Pledge of Allegiance, and appropriate \$25,000 for implementation of the act.*

CURRENT LAW: Under current law, local boards of education, charter schools, innovative schools, and the two high schools operated by The University of North Carolina (the School of the Arts high school and the North Carolina School of Science and Mathematics) are required to do the following:

- Display the United States and North Carolina flags in each classroom, when available.
- Require daily recitation of the Pledge of Allegiance.
- Provide age-appropriate instruction on the meaning and historical origins of the flags and Pledge.

No person can be compelled to stand, salute the flag, or recite the Pledge.

BILL ANALYSIS: HB 965 would require local boards of education, charter schools, innovative schools, and the School of the Arts high school and the North Carolina School of Science and Mathematics to display the national motto, "In God We Trust," and the English translation of the State motto, "To Be Rather Than to Seem," in at least one prominent location in the school, and under each motto, designate whether it is the national or State motto. Age appropriate instruction on the mottos would also be required.

The bill would also require \$25,000 in nonrecurring funding be appropriated to the Department of Public Instruction to implement the requirements of the act, including funding purchases of supplies to create displays or mounted plaques.

EFFECTIVE DATE: HB 965 would become effective July 1, 2018, and would apply beginning December 1, 2018.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

2

HOUSE BILL 965
Committee Substitute Favorable 6/5/18

Short Title: National and State Mottos in Schools Act.

(Public)

Sponsors:

Referred to:

May 21, 2018

A BILL TO BE ENTITLED
AN ACT TO REQUIRE DISPLAY OF THE NATIONAL MOTTO AND THE STATE MOTTO
IN PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known as the "National and State Mottos in Schools Act."

SECTION 2. G.S. 115C-47(29a) reads as rewritten:

"(29a) To Require the Display of the United States and North Carolina Flags, the Display of the National and State Mottos, and to Require the Recitation of the Pledge of Allegiance. – Local boards of education shall adopt policies to (i) require do the following:

- a. Require the display of the United States and North Carolina flags in each classroom, when available, (ii) require available.
- b. Require the display of the national motto, "In God We Trust," and the English translation of the State motto, "To Be Rather Than to Seem," in at least one prominent location of each school, such as an entry way, cafeteria, or other common area. The display shall state each motto and, underneath that motto, designate whether it is the national or State motto.
- c. Require that recitation of the Pledge of Allegiance be scheduled on a daily basis, and (iii) provide basis.
- d. Provide age-appropriate instruction on the meaning and historical origins of the flag-flags, mottos, and the Pledge of Allegiance.

These policies shall not compel any person to stand, salute the flag, or recite the Pledge of Allegiance. If flags are donated or are otherwise available, flags shall be displayed in each classroom."

SECTION 3. G.S. 115C-218.80 reads as rewritten:

"§ 115C-218.80. Display of the United States and North Carolina flags-flags, display of the national and State mottos, and the recitation of the Pledge of Allegiance.

(a) A charter school shall (i) display do the following:

- (1) Display the United States and North Carolina flags in each classroom classroom, when available, (ii) require available.
- (2) Display the national motto, "In God We Trust," and the English translation of the State motto, "To Be Rather Than to Seem," in at least one prominent location of each school, such as an entry way, cafeteria, or other common area.



1 The display shall state each motto and, underneath that motto, designate
2 whether it is the national or State motto.
3 (3) Require that the recitation of the Pledge of Allegiance be scheduled on a daily
4 basis, and (iii) provide basis.
5 (4) Provide age-appropriate instruction on the meaning and historical origins of
6 the flag-flags, mottos, and the Pledge of Allegiance.
7 (b) A charter school shall not compel any person to stand, salute the flag, or recite the
8 Pledge of Allegiance.
9 (c) If flags are donated or are otherwise available, flags shall be displayed in each
10 classroom."

11 **SECTION 4.** G.S. 116-69.1 reads as rewritten:

12 **"§ 116-69.1. Display of the United States and North Carolina ~~flags-flags~~, display of the**
13 **national and State mottos, and the recitation of the Pledge of Allegiance.**

14 (a) The school shall ~~(i) display do the following:~~
15 (1) Display the United States and North Carolina flags in each classroom
16 classroom, when available, (ii) require available.
17 (2) Display the national motto, "In God We Trust," and the English translation of
18 the State motto, "To Be Rather Than to Seem," in at least one prominent
19 location of the school, such as an entry way, cafeteria, or other common area.
20 The display shall state each motto and, underneath that motto, designate
21 whether it is the national or State motto.
22 (3) Require the recitation of the Pledge of Allegiance on a daily basis, and (iii)
23 provide basis.
24 (4) Provide instruction on the meaning and historical origins of the flag-flags,
25 mottos, and the Pledge of Allegiance.
26 (b) The school shall not compel any person to stand, salute the flag, or recite the Pledge
27 of Allegiance.
28 (c) If flags are donated or are otherwise available, flags shall be displayed in each
29 classroom."

30 **SECTION 5.** G.S. 116-235(i) reads as rewritten:

31 "(i) The Display of the United States and North Carolina ~~Flags-Flags~~, Display of the
32 National and State Mottos, and the Recitation of the Pledge of Allegiance. – The Board of
33 Trustees shall adopt policies to require ~~(i) the display the following:~~

34 (1) Display of the United States and North Carolina flags in each classroom
35 classroom, when available, (ii) the recitation available.
36 (2) Display of the national motto, "In God We Trust," and the English translation
37 of the State motto, "To Be Rather Than to Seem," in at least one prominent
38 location of the school, such as an entry way, cafeteria, or other common area.
39 The display shall state each motto and, underneath that motto, designate
40 whether it is the national or State motto.
41 (3) Recitation of the Pledge of Allegiance on a daily basis.
42 (4) and (iii) the instruction Instruction on the meaning and historical origins of
43 the flag-flags, mottos, and the Pledge of Allegiance.

44 These policies shall not compel any person to stand, salute the flag, or recite the Pledge of
45 Allegiance. If flags are donated or are otherwise available, flags shall be displayed in each
46 classroom."

47 **SECTION 6.** Notwithstanding G.S. 143C-5-2, there is appropriated from the
48 General Fund to the Department of Public Instruction the sum of twenty-five thousand dollars
49 (\$25,000) in nonrecurring funds for the 2018-2019 fiscal year to implement the requirements of
50 this act, including to fund the purchase of supplies for students to create displays or to fund the
51 purchase of mounted plaques.

1 **SECTION 7.** This act becomes effective July 1, 2018, and applies beginning
2 December 1, 2018.

1





HOUSE BILL 1010: Build NC Bond Act.

This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.

2017-2018 General Assembly

Committee:	House Transportation. If favorable, re-refer to Appropriations	Date:	June 5, 2018
Introduced by:	Reps. Torbett, Iler, Presnell, Shepard	Prepared by:	Howard Marsilio
Analysis of:	PCS to First Edition H1010-CSBG-31		Committee Counsel

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 1010 would authorize the issuance of Build NC Bonds, a type of special indebtedness in which the proceeds shall be used only for Division Need Projects and Regional Impact Projects in accordance with the Strategic Transportation Investments ("STI") law set forth in Article 14B of Chapter 136 of the General Statutes.*

CURRENT LAW: The State Capital Facilities Finance Act, which is set forth in Article 9 of Chapter 142 of the General Statutes, authorizes the State to incur or issue special indebtedness, subject to the various terms and conditions in the Article. Special indebtedness issued under this Article may be used to finance the cost of "capital facilities," which is defined as any one or more of the following:

- Any one or more buildings, utilities, structures, or other facilities or property developments, including streets and landscaping, and the acquisition of equipment, machinery, and furnishings in connection with these items.
- Additions, extensions, enlargements, renovations, and improvements to existing buildings, utilities, structures, or other facilities or property developments, including streets and landscaping.
- Land or an interest in land.
- Other infrastructure.
- Furniture, fixtures, equipment, vehicles, machinery, and similar items.

Special indebtedness is not secured by the full faith and credit (taxing power) of the State, so voter approval is not required.

BILL ANALYSIS: The PCS would do the following:

Section 1: Provide that the act shall be known as the "Build NC Bond Act of 2018."

Section 2: Describe the legislative intent.

Section 3: Amend the State Capital Facilities Finance Act by defining the terms "Build NC Project", "Build NC Bonds" and Build NC Net Proceeds" and setting forth two requirements for Build NC Bonds, as:

- (i) within two percent (2%) of fifty percent (50%) of the net proceeds from an issuance of Build NC Bonds must be used for Division Need Projects in accordance with the requirements of the STI law; and

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- (ii) the remainder of the proceeds must be used for Regional Impact Projects in accordance with the requirements of the STI law.

Section 4: Further amend the State Capital Facilities Finance Act to include the following requirements and limitations regarding the issuance and sale of Build NC Bonds:

- The source of repayment for Build NC Bonds is the Highway Trust Fund.
- The State Treasurer shall not issue any Build NC Bonds unless (i) the State Treasurer recommends the issuance and (ii) the State Treasurer has made a determination that all of the following requirements have been or shall be met:
 - The Department of Transportation's average month end cash balance required under G.S. 143C-6-11(f) for the first three months in the calendar year prior to the date of determination is equal to or less than one billion dollars (\$1,000,000,000).
 - The total amount of Build NC Bonds outstanding will not cause the recommended transportation debt target established by the Debt Affordability Advisory Committee to be exceeded.
 - At least 6 months prior to the expected date of a Build NC Bond issuance, the Department of Transportation has consulted with the State Treasurer, the Joint Legislative Transportation Oversight Committee, and the Joint Legislative Commission on Governmental Operations, about the total issuance, debt servicing, and post issuance debt capacity.
- The total amount of special indebtedness resulting from the sale of Build NC Bonds shall not exceed \$3,000,000,000.
- Except as otherwise provided, each individual issuance of Build NC Bonds is limited to no more than three hundred million dollars (\$300,000,000) in each fiscal year.
- The Department of Transportation may not use the Build NC Proceeds for (i) non-highway projects or (ii) tolling projects.
- Passage of this act would satisfy the requirement of G.S. 142-15.17 that the General Assembly expressly authorize this type of financing arrangement through legislation.
- Certain restrictions under Section 4 of the PCS regarding the Department's cash balance prior to determination, total amount of special indebtedness, and amount cap per fiscal year, would not apply to Build NC Bonds used as a refunding bond under G.S. 142-29.5.
- The limitation set forth in G.S. 142-83(b) regarding bond indebtedness supported by the General Fund would not apply.
- Since the projects to be financed with Build NC Bonds are selected through the STI process, the requirement set forth in G.S. 142-84(e) that the Department of Administration make decisions about the type of capital facility and amount financed would not apply.

Section 5: Provide that the maturity date for a Build NC Bond may not exceed 15 years.

Section 6: Direct the State Treasurer to develop a debt management plan for Build NC Bonds.

EFFECTIVE DATE: This act would become effective January 1, 2019, and expire December 31, 2028.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

2

HOUSE BILL 1010
Committee Substitute Favorable 6/5/18

Short Title: Build NC Bond Act.

(Public)

Sponsors:

Referred to:

May 28, 2018

A BILL TO BE ENTITLED
AN ACT TO ENACT THE BUILD NC BOND ACT OF 2018.

The General Assembly of North Carolina enacts:

SECTION 1. Short Title. – This act shall be known as the "Build NC Bond Act of 2018."

SECTION 2. Legislative Intent. – The intent of the Build NC Bond Act of 2018 is to maintain the integrity of the Strategic Transportation Investments Act (STI). Toward this end and consistent with STI:

- (1) The bond proceeds shall not be treated as revenue.
- (2) Debt service is subject to the distribution formula in G.S. 136-189.11.
- (3) Funds distributed under the Build NC Bond Act of 2018 to be used for the Regional Impact Projects tier shall be allocated within two percent (2%) by population of Distribution Regions based on the most recent estimates certified by the Office of State Budget and Management and used for Regional Impact Projects pursuant to the criteria in G.S. 136-189.11(d)(2)a.
- (4) Funds distributed under the Build NC Bond Act of 2018 to be used for the Division Need Projects tier shall be allocated within two percent (2%) of an equal share to each of the Department divisions, as defined in G.S. 136-14.1, and used for Division Need Projects pursuant to the criteria in G.S. 136-189.11(d)(3)a.
- (5) The formula variance in G.S. 136-189.11(e) shall only apply to the debt service.
- (6) Nothing in the Build NC Bond Act of 2018 prevents the issuance of other bonds or special indebtedness for highway or transportation purposes under Article 9 of Chapter 142 of the General Statutes.

SECTION 3. G.S. 142-82 reads as rewritten:

"§ 142-82. Definitions.

The following definitions apply in this Article:

...

(2a) Build NC Bonds. – Special indebtedness issued to finance Build NC Projects, with the Build NC Net Proceeds of such special indebtedness used in accordance with both of the following requirements, measured in the aggregate for all issues:

a. Within two percent (2%) of fifty percent (50%) of the Build NC Net Proceeds during such period used for Division Need Projects in



1 accordance with the requirements of Article 14B of Chapter 136 of the
2 General Statutes.

3 b. The remainder of the Build NC Net Proceeds during such period used
4 for Regional Impact Projects in accordance with the requirements of
5 Article 14B of Chapter 136 of the General Statutes.

6 (2b) Build NC Net Proceeds. – The proceeds of an issue of Build NC Bonds net of
7 deposits for the costs described in sub-subdivisions d., e., and f. of subdivision
8 (6) of this section.

9 (2c) Build NC Project. – A capital facility identified and selected for financing
10 with Build NC Bonds under this Article by the process set forth in Article 14B
11 of Chapter 136 of the General Statutes.

12"

13 **SECTION 4.** Article 9 of Chapter 142 of the General Statutes is amended by adding
14 a new section to read:

15 **"§ 142-97. Additional provisions with respect to Build NC Bonds.**

16 The following requirements and limitations apply to the issuance and sale of Build NC Bonds:

17 (1) Subject to appropriation by the General Assembly, funds from the Highway
18 Trust Fund shall be the source for repayment of special indebtedness resulting
19 from the sale of Build NC Bonds.

20 (2) The State Treasurer shall not issue any Build NC Bonds unless (i) the State
21 Treasurer recommends the issuance of the Build NC Bonds and (ii) the State
22 Treasurer has made a determination that all of the following requirements
23 have been or shall be met:

24 a. The Department of Transportation's average month-end cash balance
25 for the first three months in the calendar year prior to the date of
26 determination is equal to or less than one billion dollars
27 (\$1,000,000,000).

28 b. The total amount of Build NC Bonds outstanding after such issuance
29 will not cause the recommended transportation debt target established
30 by the Debt Affordability Advisory Committee in accordance with
31 G.S. 142-101 to be exceeded.

32 c. At least six months prior to the expected date of the Build NC Bond
33 issuance, the Department of Transportation:

34 1. Consulted with the State Treasurer about the proposed Build
35 NC Bond issuance.

36 2. Consulted with the Joint Legislative Transportation Oversight
37 Committee and the Joint Legislative Commission on
38 Governmental Operations to provide details of the proposed
39 issuance, including (i) the total amount of the Build NC Bonds
40 that will be issued, (ii) the estimated amount of the debt service
41 payments, and (iii) the estimated amount of debt capacity that
42 would be remaining after the issuance.

43 (3) Except as otherwise provided in subdivision (7) of this section, the total
44 amount of special indebtedness from the issuance of Build NC Bonds shall
45 not exceed three billion dollars (\$3,000,000,000).

46 (4) Except as otherwise provided in subdivision (7) of this section, each
47 individual issuance of Build NC Bonds is limited to no more than three
48 hundred million dollars (\$300,000,000) in each fiscal year.

49 (5) The Department of Transportation may not use the proceeds realized from the
50 sale of Build NC Bonds for a nonhighway project or a project utilizing tolling
51 pursuant to the authority set forth in subdivision (39) or (39a) of G.S. 136-18.

- 1 (6) For purposes of satisfying the requirements of G.S. 142-15.17, Build NC
2 Projects constitute projects as to which the General Assembly has enacted
3 legislation expressly approving the use of a State-supported financing
4 arrangement.
- 5 (7) The restrictions set forth in sub-subdivision a. of subdivision (2) of this section
6 and subdivisions (3) and (4) of this section do not apply to Build NC Bonds
7 that are refunding bonds meeting the requirements set forth in G.S. 142-29.5.
- 8 (8) The provisions of G.S. 142-83 do not apply to Build NC Bonds, nor shall
9 Build NC Bonds be counted for the purposes of that section in limiting the
10 issuance of other debt.
- 11 (9) The provisions of subsection (e) of G.S. 142-84 do not apply to Build NC
12 Bonds."

13 **SECTION 5.** G.S. 142-89(a) reads as rewritten:

14 "(a) Terms and Conditions. – Bonds or notes may bear any dates; may be serial or term
15 bonds or notes, or any combination of these; may mature in any amounts and at any times, not
16 exceeding 15 years from their dates for Build NC Bonds and 40 years from their dates;dates for
17 all other bonds and notes; may be payable at any places, either within or without the United
18 States, in any coin or currency of the United States that at the time of payment is legal tender for
19 payment of public and private debts; may bear interest at any rates, which may vary from time
20 to time; and may be made redeemable before maturity, at the option of the State or otherwise as
21 may be provided by the State, at any prices, including a price greater than the face amount of the
22 bonds or notes, and under any terms and conditions, all as may be determined by the State
23 Treasurer, by and with the consent of the Council of State."

24 **SECTION 6.** The State Treasurer, in consultation with the Department of
25 Transportation, shall develop and implement a debt management policy to guide the
26 Department's practices in regards to issuing Build NC Bonds, as defined in G.S. 142-82(2a), as
27 enacted by Section 3 of this act. By July 1, 2019, the State Treasurer shall submit a report to the
28 Joint Legislative Transportation Oversight Committee detailing the debt management plan
29 developed in accordance with this section.

30 **SECTION 7.** This act becomes effective January 1, 2019, and expires December 31,
31 2028.



Comparison of General Obligation Debt and Special Indebtedness

Debt secured by a pledge of the State's taxing power (general obligation debt) must be voter approved because the obligation to repay this debt is so legally binding.

Special indebtedness entails no such pledge of the State's taxing power and therefore requires no voter approval.

Although the State faces strong pressure to repay special indebtedness, holders of the debt would have no legal recourse in the event of default. Therefore, the market rate for special indebtedness is slightly higher.

From the State's perspective, the downside to special indebtedness is that it is slightly more expensive. The upside to special indebtedness is that it is less legally binding on the State.

	General Obligation	Special Indebtedness
Faith and Credit	Yes	No
Pledge of Taxing Power	Yes	No
Legal Recourse for Bondholders in Event of Default	Yes	No
Require Vote of People	Yes*	No
NC Rating	AAA	AA+**
Interest Rate for Bond Maturing in 10 Years***	2.41%	2.61%
<p>* Except in cases where debt service would be within 2/3 of debt service from previous biennium.</p> <p>** Anticipated rating for Build NC bonds.</p> <p>*** AAA rate based on Thomson Reuters Municipal Market Data (MMD) as of 5/31/18. AA+ rate assumes a premium of between 13 and 20 basis points over AAA rate.</p>		



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

Representative Nelson Dollar, Senior Chair

Representative Dean Arp, Co-Chair

Representative Justin P. Burr, Co-Chair

Representative John Faircloth, Co-Chair

Representative Linda P. Johnson, Co-Chair

Representative Donny Lambeth, Co-Chair

Representative Chuck McGrady, Co-Chair

FAVORABLE AND RE-REFERRED

HB 1010 (CS#1)

Build NC Bond Act.

Draft Number: None

Serial Referral: FINANCE

Recommended Referral: None

Long Title Amended: No

Floor Manager: Torbett

TOTAL REPORTED: 1



★ C M R 7 3 0 - V - 1 ★



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

Representative Nelson Dollar, Senior Chair

Representative Dean Arp, Co-Chair

Representative Justin P. Burr, Co-Chair

Representative John Faircloth, Co-Chair

Representative Linda P. Johnson, Co-Chair

Representative Donny Lambeth, Co-Chair

Representative Chuck McGrady, Co-Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB 519

Tri-County CC/Neighbor State In-State Tuition.

Draft Number: H519-PCS30492-MK-2

Serial Referral: None

Recommended Referral: None

Long Title Amended: No

Floor Manager: Corbin

TOTAL REPORTED: 1



* C M R 7 1 4 - V - 1 *



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

Representative Nelson Dollar, Senior Chair

Representative Dean Arp, Co-Chair

Representative Justin P. Burr, Co-Chair

Representative John Faircloth, Co-Chair

Representative Linda P. Johnson, Co-Chair

Representative Donny Lambeth, Co-Chair

Representative Chuck McGrady, Co-Chair

FAVORABLE

HB 273 (CS#1)

Charter Schools in State Health Plan.

Draft Number: None

Serial Referral: None

Recommended Referral: None

Long Title Amended: No

Floor Manager: Williams

HB 965 (CS#1)

National and State Mottos in Schools Act.

Draft Number: None

Serial Referral: None

Recommended Referral: None

Long Title Amended: No

Floor Manager: Bert Jones

TOTAL REPORTED: 2



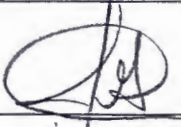

* C M R 7 1 1 - V - 1 *



VISITOR REGISTRATION SHEET

Appropriations 6-6-18
 Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Nick Billman	WM
	
Lindsey Dowling	FSP
Chp Baggatt	Ncms
London Robinson	NCRMA
Joe Bost	Charlotte Chamber
Mary Innings	SMS
Mary Shuping	NCCCS
Elizabeth Groverstein	"
John Rustin	NC Family
Tyler Bailey	NC House Intern



VISITOR REGISTRATION SHEET

Name of Committee

Date

6-6-18

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

BOBBY LEWIS	NCDOT
Jimi Traylor	NCDOT
Eddie MacElwain	Doug Martin Lowell & Assoc - ^{GIS old plant rd} High Point NC 27265
MONTRELL IRVIN	RAMEY KEMP / ACEC
GARY HARTONG	THE HOOTEN CO. / ACEC/NC
Resha Fortson	SEANC
CS Hollis	CSH
Drew Moretz	VNL System
Tom West	NCICA
Henry Manchester	LCA
Ken Melton	KWA



VISITOR REGISTRATION SHEET

Name of Committee	6.6.16 Date
-------------------	----------------

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Richard Bostie	Nc SBA
Adam Pridemore	NCAEE
Katherine Joyce	NCAAA
Jacqueline Lygett	NCAAA
Ellis Powell	CAPA
BERRY JANKIN	CAROLINAS AGC
James Smith	ACEC/NC
Ann R. R. R.	NCDOT
ERIC OLSEN	SUMMIT DESIGN & ENGR
Deans Eatman	NCDOT
Joy Allen	NCDOT



VISITOR REGISTRATION SHEET

Name of Committee

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Morgan Dunn

Walk west



VISITOR REGISTRATION SHEET

Appropriations
6-6-18

Name of Committee
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Justin Delaney	NC DOT
Gwen Beatty	NC DOT
A B Smith	Comair Supply
John Harrell	MFS
Flint Benson	SEANC
Fred Bryant	Pinechip Assoc



Committee Sergeants at Arms

NAME OF COMMITTEE House Appropriations

DATE: 6/6/18 Room: 643

House Sgt-At Arms:

1. Name: Marvin Lee

2. Name: Bill Bass

3. Name: Jonas Cherry

4. Name: Rey Cooke

5. Name: Joe Crook

John Gilbert

Warren Hawkins

David Leighton

David Linthicum

Dean Marshbourne

Terry McCraw

Malachi McCullough

Barry Moore

Jim Moran

Russell Salisbury

Reggie Sills

Thomas Terry

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____



**House Pages
Assignments
Wednesday, June 06, 2018
Session: 11:00 AM**

Committee	Room	Time	Staff	Comments	Member
Appropriations	643	8:30 Am	Jack Bradford		Rep. John R. Bradford III
			Rebecca Burkhart		Speaker Tim Moore
			Anthony Burnette		Speaker Tim Moore
			Alexa Gomez		Speaker Tim Moore



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Thursday, June 14, 2018

TIME: 8:30 AM

LOCATION: 643 LOB

COMMENTS: In addition, Conference Report for S335 will be considered.

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 992</u>	Azalea Festival/Official Spring Celebration.	Representative Davis
<u>HB 1073</u>	Establish Econ. Dev. Energy Task Force.	Representative Strickland Representative Dixon Representative J. Bell Representative Brenden Jones

Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 9:49 AM on Wednesday, June 13, 2018.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)



Candace Slate (Rep. Nelson Dollar)

From: Ann Luck (House Legislative Assistant's Office)
Sent: Wednesday, June 13, 2018 11:25 PM
To: Rep. Jimmy Dixon; Rep. John Bell; Rep. Brenden Jones; Rep. Larry Strickland; Rep. David Lewis; Rep. Jay Adams; Sen. Warren Daniel; Sen. Jeff Tarte; Sen. Dan Bishop
Cc: Michael Wiggins (Rep. Jimmy Dixon); Susan West Horne (Rep. John Bell); Andrew Bailey (Rep. Brenden Jones); Kermit Stancil (Rep. Larry Strickland); Grace Rogers (Rep. David Lewis); Susan Phillips (Rep. Jay Adams); Andy Perrigo (Sen. Warren Daniel); Lydia Daniel (Sen. Warren Daniel); Jan Copeland (Sen. Jeff Tarte); John Wynne (Sen. Dan Bishop)
Subject: <NCGA> House Appropriations Committee Meeting Notice for Thursday, June 14, 2018 at 9:00 AM - UPDATED #1
Attachments: Add Meeting to Calendar_LINC_ics

Updated #1: Time Changed to 9:00am and add H1019, removed H992

NORTH CAROLINA HOUSE OF REPRESENTATIVES COMMITTEE MEETING NOTICE AND BILL SPONSOR NOTIFICATION 2017-2018 SESSION

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Thursday, June 14, 2018
TIME: 9:00 AM
LOCATION: 643 LOB
COMMENTS: Conference Report for S335 will be considered.

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 1019</u>	Fallen Wildlife Officers Memorial License.	Representative Dixon Representative J. Bell Representative Lewis Representative Adams
<u>HB 1073</u>	Establish Econ. Dev. Energy Task Force.	Representative Strickland Representative Dixon Representative J. Bell Representative Brenden Jones
<u>SB 335</u>	Study/Fair Treatment of College Athletes.	Senator Daniel Senator Bishop Senator Tarte



Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:24 PM on Wednesday, June 13, 2018.

___ Principal Clerk
___ Reading Clerk – House Chamber

Ann Luck (Committee Assistant)



**House Committee on Appropriations
Thursday, June 14, 2018 9:00 am
Room 643**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills:

BILL NO.	SHORT TITLE	SPONSOR
SB 335	Budget Technical Corrections & Study	
HB 992	Azalea Festival/Official Spring Celebration	Representative Davis
HB 1073	Establish Econ. Dev. Energy Task Force	Rep. Strickland, Rep. Dixon, Rep. J. Bell, Rep. Brenden Jones
HB 1019	Fallen Wildlife Officers Memorial License	Rep. Dixon, Rep. J. Bell, Rep. Lewis. Rep. Adams

Presentations

Other Business

Adjournment



MINUTES
HOUSE APPROPRIATIONS COMMITTEE
Tuesday, June 14, 2018
9:00 a.m.
Legislative Office Building, Room 643

ATTENDEES:

Chairmen: Representatives Dollar, Arp, Burr, Faircloth, Johnson, Lambeth and McGrady

Members: Ager, Autry, Ball, L. Bell, Black, Boswell, Brisson, Brody, Clampitt, Cleveland, Conrad, Corbin, Cunningham, Dixon, Dobson, Dulin, Elmore, Farmer-Butterfield, Floyd, Ford, Fraley, Garrison, C. Graham, G. Graham, D. Hall, Harrison, Horn, Hurley, Iler, Insko, Jackson, John, Jones, Lucas, Malone, McNeill, Michaux, Muller, Pierce, Pittman, Potts, Presnell, Quick, B. Richardson, Riddell, Ross, Speciale, Stevens, Strickland, Terry, Torbett, B. Turner, R. Turner, White, Willingham, Wray, Yarborough

I. Call to Order

Senior Chair, Nelson Dollar presided and called the meeting to order at 9:05 a.m.

II. Introductions

Chairman Dollar introduced Sergeant-at-Arms Staff assisting with the meeting. Also introduced were students serving as House Pages.

III. Action Agenda Items

Chairman Dollar announced that HB992: Azalea Festival/Official Spring Celebration had been removed from the agenda.

A. SB335: Budget Technical Corrections & Study

Chairman Dollar presented the Proposed Conference Committee Substitute: S335-PCCSMC-3 to the committee. Chairman Linda Johnson assumed the role of committee chair.

Chairman Dollar began by stating that some revisions are technical corrections and some are not.

Section 1.1 is technical

Section 2.1 is technical

Section 2.2 is technical

Section 2.3 is a reference

Section 2.4 shifts the Center for Safer Schools under the Superintendent of Public Instruction and makes a slight change to Charter Schools in the budget

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Section 2.5 involves the Office of Charter Schools

Section 2.6 addresses the Advanced Teaching Roles Pilot Program

Section 2.7 adjusts requirements and receipts for the community colleges

Section 2.8 corrects the names of two community colleges listed in the Committee Report

Section 2.9 clarifies allocation of funds

Section 2.10 adjusts EVAAS

Section 2.11 extends terms of Advisory Council on Rare Diseases

Section 2.12 eliminates estate distributions

Section 2.13 allows DPI to use funds appropriated for Innovation Zone model Grants

Section 2.14 shifts funds as a grant-in-aid to Graham County Schools

Section 2.15 eliminates grant-in-aid to DonorsChoose.org

Section 2.16 deals with the State Board of Education in combining career and college readiness measures for school performance grades

Section 2.17 amends active military duty members abiding in North Carolina eligible to receive a scholarship under the program for Need-Based Scholarships for students attending private institutions of higher education

Section 3.1 clarifies allocation of funds to Gigi's Playhouse

Section 3.2 changes a reference

Section 3.3 changes a reference

Section 3.4 corrects an incorrect citation

Section 3.5 conforms Block Grant figures to the revisions

Section 3.6 is technical

Section 3.7 provides funding for the suicide prevention lifeline

“Federal TANF block grant funds will be swapped for State funds,” he reported. “Provisions are there to add it to the base budget, which makes it recurring,” he concluded.

Section 3.8 is technical



Section 3.9 adds additional behavioral health beds at the Betsy Johnson Hospital in Harnett County

Section 3.10 repeals the Every Week Counts Demonstration Project

Section 3.11 adds additional study language

Section 3.12 provides \$25,000 in non-recurring funds as a grant-in-aid to Adventure House for adults with mental illness

Section 3.13 redirects \$7.5 million from Medicaid Rebase to increase the rate paid for in-home aide services for disabled adults and provides adult optical Medicaid coverage

Section 4.1 clarifies funding to Yancey County for the Cane River Park

Section 4.2 corrects the name of the entity receiving funds to Charlotte Motor Speedway, LLC

Section 4.3 corrects a special fund reference for Mountain Island State Forest

Section 4.4 adjusts air quality and other environmental provisions

Section 4.5 allows Department of Agriculture and Consumer Services to use up to 10% of the Healthy Food Small Retailers Program appropriation for administrative costs with regard to the Food Dessert Program

Section 4.6 shifts funding to achieve desired results in towns or burgs

Section 4.7 reduces cuts to the Department of Commerce in order to maintain its Graphic Division

Section 4.8 allows Tobacco Trust Fund Commission to use \$370 thousand for administrative operating expenses and grants management system

Section 5.1 corrects the name of the cited division and commission and clarifies who is eligible to receive the tuition waivers

Section 5.2 clarifies receipt of Federal funds for disaster recovery have been appropriated for their stated purpose

Section 5.3 nullifies an incorrect instruction in the Committee Report

Section 5.4 removes the requirement to have human trafficking hotline information in public areas of ABC permits

Section 5.5 extends the time limit to three years on unexpended funds for IT investments



Section 5.6 transfers the North Carolina Human Trafficking Commission to Administrative Offices of the Court.

“Funding of \$1.5 million in Grants for Human Trafficking is going to be administered through the AOC,” he said.

Section 6.1 amends disposition of funds

Section 6.2 corrects a position vacancy at DOA

Section 6.3 redirects funds from the Coalition Against Sexual Assault to the NC Human Trafficking Commission in the AOC

Section 6.4 transfers \$2.4 million from the Escheats Fund to DMVA on a non-recurring basis for veterans scholarships

Section 6.5 provides a \$500 thousand grant to the Veterans Leadership Council of North Carolina-Cares to be used for the Veterans Life Center in Butner

Section 7.1 clarifies contingency funds dealing with the Highway Fund

Section 7.2 clarifies the revised total requirements for the Public Transportation Division of the Department of Transportation

Section 7.3 technical correction to amend the naming of a bridge in Deep Gap

Section 7.4 technical correction regarding GS160A-307.1 regarding zoning and permit approvals

Section 7.5 amends GS136-189.11(d1) regarding the light rail project so that the project may move forward with specific timelines and requirements to ensure the ability to score with the Federal government and be able to receive Federal funds

“I received a note from Wib Gulley, former member of the General Assembly, thanking us for this provision,” Chairman Dollar added.

Section 8.1 revises the State Highway Patrol Trooper Reimbursement Program into a training contract repayment arrangement

Section 8.2 increases the number of correctional personnel eligible to receive the pay raise available to Correctional Officers

Section 8.3 creates a one-year program that allows flexibility regarding classification and salary administration for Council of State agencies, the Community Colleges System Office, and the University of North Carolina



Section 8.4 allows troopers in the Highway Patrol, who have an active disciplinary action to receive, under certain conditions, salary increases provided in Senate Bill 99

Section 9.1 provides authorization for the Department of Military and Veterans Affairs to use funds from the Veterans Home Trust Fund to provide a \$28 million match to Federal funds for the construction of two new veterans homes; reduces the amount of funds carried forward for the Manteo Old House Channel project by \$300 thousand and allocates it to the NC Wildlife Habitat Foundation for the Oyster Highway Project; uses remaining funds carried forward for the Manteo Old House Channel project for maintenance dredging of the Manteo Channel; and, authorizes DMVA to use certain funds to match and apply for Federal funds to expand and perform site improvements to certain veteran cemeteries

Section 9.2 transfers \$20 thousand from DPS to be used for storm debris clean-up costs in Transylvania County

Section 9.3 technical correction to the dinosaur project

Section 10.1 technical correction

Section 10.2 reduces funding for FirstNet

Section 10.3 addresses concerns regarding effective date of 911 provision

Section 10.4 delays DIT consolidation for the North Carolina Community College System Office

Section 11.1 clarifies property tax revenues in the use of capital expenses of public schools located inside city limits

Section 11.2 retains current law regard sourcing of intangibles for corporate income and franchise tax purposes

Section 12.1 creates a joint legislative study commission related to college student athletes

Representative John Torbett questioned why the language found on page 20 that was added last year to delineate that road and road projects would be paid for by the Department of Transportation and municipalities and school monies would be spent on schools has now been struck through.



Chairman Dollar responded that the questioned deletion represents a change to a provision that was in Senate Bill 99 that went further than what was enacted last year. "In negotiations with the Senate, there was concern about this provision," he said.

Chairman Dollar called upon Luke Gillenwater, Fiscal Research, to provide clarification. Mr. Gillenwater referred the committee to page 20, lines 3 – 4, "Any right-of-way costs incurred by a school for required improvements pursuant to this section shall be reimbursed by the city."

Mr. Gillenwater stated that he was not familiar with practices of municipalities regarding the language on page 20 but added that reimbursement is a requirement.

Representative Bobbie Richardson inquired about pay to State Highway Patrol cited in Section 8.1(a).

"Our State Highway Patrol is the best of the best," Chairman Dollar responded. He further explained that the State invests a considerable amount of time and resources in the training of a cadet. Often, once a cadet is trained and assigned to duty, he/she becomes very marketable by other agencies.

A provision was added to require reimbursement to the State for all or a portion of the training cost should a patrolman leave the employ of the State. An unintended consequence occurred during reimbursement that might incur a Federal tax liability to these cadets. "The change in this provision was to ensure that the State had the program operating such that the State's investment and interest, which was part of the original purpose without incurring a liability for the cadet," he said. "It further refines the initiative so that it operates the way in which it was intended," he concluded.

In follow-up, Representative Richardson asked if 100% of the Department of Public Safety employees would receive a four percent pay increase.

Chairman Dollar responded that Section 8.2 is increasing some individuals inside the prison walls who were not receiving the additional pay bump. "The move from 2% to 4% ensures that as many of the certified and other personnel who deal directly with inmates on a daily basis receive an increase," he said.

For clarification, Representative Richardson asked, "So it will not be 100% of the Department of Public Safety employees getting a 4% increase?"



Chairman Dollar responded that the four percent increase was never intended for the entire department; the majority of the department *yes* because they are correctional officers. "We were trying to ensure that we covered all individuals who are working inside the walls as far as their workplace is concerned, who are in contact with the inmates," he explained.

This increase in pay follows what has been done over the previous three years. A floor for correctional officers was set at three levels in the original budget. "A lot of work regarding pay for correctional officers has been done and we know we have additional work to do for some of the other personnel that work in and around our prisons," he concluded.

Representative John Ager offered that, for clarification, the bill summary for a technical corrections bill should indicate the effect of the technical correction to the original appropriations bill, i.e., plus or minus.

Chairman Dollar responded no additional funds (net new monies) are being appropriated off the bottom line. "All the funding presented are shifts within existing funds," he responded.

Representative Verla Insko expressed concern that FMAP is approximately \$30 million short in the current budget.

Chairman Dollar responded. "First and foremost, all of the services are mandatory services; they are not optional services. Those entitlements will not be cut and will not be impacted. That misimpression should not be left in anyone's mind."

Chairman continued, "We are running a surplus again for the fourth/fifth consecutive year in Medicaid. We worked with our staff and analyzed these numbers rather extensively to ensure that funding will be sufficient for the Medicaid program in the upcoming year and we are fully satisfied." As a result, optical was included and a much needed rate increase for CAP-DA; we are fully aware of the FMAP issues and have taken them into account," he concluded.

Representative Elmer Floyd asked if consideration had been given regarding reimbursement for training of Correctional Officers as with the State Highway Patrol.



Chairman Dollar responded that training for correctional officers had become stronger and more effective following an independent study conducted as a result of the deaths of so many correctional personnel last year which clearly indicated need for procedural/operational changes with respect to training. He stated that the thinking is, to see how this program works; to get custody levels up; to make it a safer experience; and, to try to get the pay significantly up.

Representative Floyd asked that the committee give future consideration to providing this type of training to Correctional Officers.

Representative Joe John spoke to the recoupment provisions and asked if “a municipal law enforcement agency” is limited to the confines of the State of North Carolina or could that apply to out-of-state agencies as well?

Chairman Dollar stated that recoupment provisions could only be enforced within the State of North Carolina. Phyllis Pickett, Bill Drafting, affirmed that recoupment provisions would only be within the jurisdiction of the State.

Representative Mark Brody asked if the \$190 million set aside for the light rail is solely for the construction or is there a set-aside to supplement additional operating costs? “If not, where does this additional funding come from to keep the rail running,” he asked.

Staff responded that the \$190 million is for construction.

Representative Donna White referred back to page 20 and asked for clarification regarding the school right-of-way when the school is built within the city and the school is owned by the county.

Luke Gillenwater, Fiscal Research, stated that costs of any improvements on a municipal street system are to be reimbursed. “That is mandatory,” he said.

Representative Carla Cunningham asked if the rate increase of \$3.90 per 15-minute billing unit for the in-home aide services under CAP-DA go to the agency to increase the hourly wage of the in-home aide.

Chairman Dollar responded that it would go to the agency; \$15.60 for the hour up from the current hourly rate. I cannot speak for what the service providers are going to do but I think most of the amount is intended to go to wage increases. These are difficult positions to keep.



This brings the rate increases up to CAP-C and the other rate increases that were done last year which were requested by the providers. “This figure was given to us by the providers,” he said.

Representative Hugh Blackwell asked for staff response regarding Representative Brody’s question concerning the coverage of cost for the light rail.

Amanda Hayden, Fiscal Research, responded. The \$190 million is for the construction of the light rail and that is a maximum. It would be 10% of the regional allocation up to \$190 million. As for covering the cost of operations and maintenance for the light rail, that would be a question for the Triangle.

Representative William Brisson moved that the House Committee on Appropriations recommend the adoption of the Conference Report to Senate Bill 335: Budget Technical Corrections and Study.

The motion was adopted

B. HB1019 Fallen Wildlife Officers Memorial License

Chairman Dollar informed the committee that it would be dealing solely with the appropriation aspect of the bill.

Representative Jimmy Dixon stated that HB1019 would create the Fallen Wildlife Officers Memorial lifetime sportsmans license. It will also be referred to as the John Oliver Edwards Memorial Lifetime Sportsman License as the request originated with Officer Edwards’s family.

Representative Yarbrough asked if the license would go to the child or could the adult child of the fallen office apply for it. Representative Dixon responded that that it would go to the surviving children, grandchildren, or great-grandchildren.

Representative Clampett moved favorable report for HB1019.

The motion was adopted.

C. HB1073: Establish Economic Development Energy Task Force

Representative Brisson moved consideration of PCS H1073-CSBRa-4[v.2] properly before the committee without objection.



Representative Strickland explained the bill which passed out from Public Utilities Committee. He expressed appreciation to Representatives Dixon, John Bell, and Brandon Jones for their willingness to be sponsors of HB1073. The bill establishes an Economic Development Energy Task Force and the Blue Ribbon Task Force on Natural Gas Infrastructure and Access. It also provides an opportunity to explore and learn over a period of 18 months regarding the current 4226 miles of natural gas transmission pipeline in North Carolina and the 30,000 miles of distribution pipeline in North Carolina. "It is an opportunity for us as legislators to be able to investigate and help rural North Carolina and the challenges those areas face on a daily basis," he said.

The bill is comprised of 16 different areas that the Task Force will study. If given the opportunity, the Task Force will begin its work July 1, 2018 and complete its work on December 31, 2019. Stakeholders involved include: Duke Energy, Piedmont Natural Gas, the Council of Governments, Golden Leaf, Treasurer's Office, NC Farm Bureau and NC Propane Association.

The committee would be comprised of: 17 members; 5 from the House and one shall be a member of the minority party; 5 members from the Senate, one from the minority party; Commissioner of Ag or his designee (non-voting), two county commissioners

Representative John Autry asked several questions regarding the charge of the Task Force, connectivity to the Atlantic Coast Pipeline, funding, and membership of the Task Force.

Would this Task Force be looking at putting funds towards pipeline infrastructure that private companies normally would pay for.

Why is there no clean energy advisory member on the Task Force? Why does the public need to subsidize energy development?

Chairman Dollar responded that the Task Force is a study committee only.

Representative Hugh Blackwell asked the difference between the PCS before the committee and what was approved in the Utilities Committee.



Representative Strickland responded that the PCS, at the request of the Utilities Committee, adds representation from the propane association that is addressed in Item#15 of the PCS.

Representative Floyd moved favorable report for the proposed committee substitute for House Bill 1073.

Representative MaryAnn Black offered a comment for the Study Commission. She referred to Line 28: Item 13. Regarding the authority of county government to issue bonds for development of natural gas infrastructure to promote economic development.

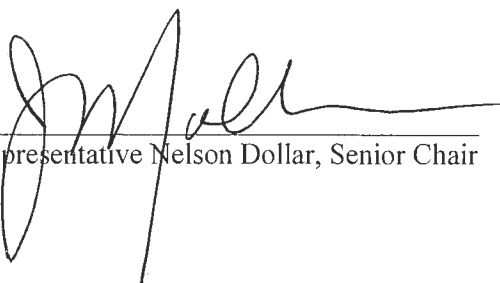
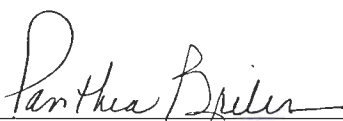
She asked for clarification as the county commissioner on the task force will not have a vote. Her concern is that, should a decision be reached that the county government may levy the bond, the citizens of that particular county will be paying for that bond. "I don't want double taxation for the citizens," she said.

Representative Strickland responded that her input would be taken under advisement and reiterated that county government would be involved in the process during the duration of the Task Force.

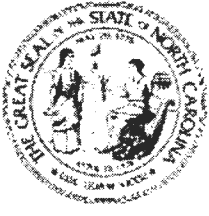
Chairman Dollar called the question. The motion was adopted.

IV. Adjournment

The House Committee on Appropriations adjourned at 10:17 a.m.


Representative Nelson Dollar, Senior Chair
Panthea Briles, Committee Clerk





SENATE BILL 335: Budget Technical Corrections & Study.

2017-2018 General Assembly

Committee:		Date:	June 12, 2018
Introduced by:	Sens. Daniel, Bishop, Tarte	Prepared by:	Dan Ettefagh
Analysis of:	Conference Committee Substitute (S335-CCSMC-3)		Committee Counsel

OVERVIEW: *The Conference Committee Substitute to Senate Bill 335 makes technical, clarifying, and other modifications to the Current Operations Appropriations Act of 2018 (Senate Bill 99 of the 2017 Regular Session) and creates the Legislative Commission on the Fair Treatment of College Student-Athletes.*

BILL ANALYSIS: Senate Bill 335 does the following:

- **Section 1.1:** Amends Section 2.1 of Senate Bill 99 to conform appropriation figures to the revisions in Senate Bill 335.
- **Section 2.1:** Amends Section 8.2(c) of Senate Bill 99 to address a technical issue involving principals that have a break in service.
- **Section 2.2:** Amends Section 8.4(f) of Senate Bill 99 to correct an incorrect citation.
- **Section 2.3:** Amends Part VII of Senate Bill 99 to clarify that funds allocated by the Committee Report to New Dimensions Charter School shall be used only for the operating expenses of the school.
- **Section 2.4:** Amends the current laws governing the Center for Safer Schools to, (i) put the Center for Safer Schools under the Superintendent of Public Instruction instead of the Division of School Operations, (ii) treat the Center as similar to the Office of Charter Schools so that it stays within DPI's traditional reporting structure, and (iii) make conforming changes in the statutes.
- **Section 2.5:** Amends Section 7.7 of S.L. 2017-57, as amended by Section 7.5 of Senate Bill 99, to add the Office of Charter Schools to the entities that will not be subject to transfers or reductions by the Department of Public Instruction when implementing (i) budget reductions for FY 18-19, (ii) the recommendations from the Department's audit, and (iii) any other changes deemed necessary to improve the efficiency of the Department.
- **Section 2.6:** Amends Section 8.7 of S.L. 2016-94, as amended by Section 7.9 of Senate Bill 99, to allow the State Board of Education to issue additional Requests for Proposals in order to select the maximum of 10 school systems to participate in the Advanced Teaching Roles Pilot Program.
- **Section 2.7:** Amends Part IX of Senate Bill 99 to adjust requirements and receipts for the Community Colleges System Office to reflect the actual numbers for the 2017-2018 fiscal year.
- **Section 2.8:** Amends Part IX of Senate Bill 99 to correct the names of 2 community colleges listed in the Committee Report.

Kory Goldsmith
Director



Legislative Drafting
919-733-6660

Senate CCS 335

Page 2

- **Section 2.9:** Amends Part X of Senate Bill 99 to clarify that the funds allocated to the Southern Regional Area Health Education Center in the Committee Report may be used for residencies and facilities and structural improvements associated with residencies.
- **Section 2.10:** Amends G.S. 115C-83.6(a2) to require DPI to only provide to EVAAS K-3 reading diagnostic assessment data, rather than diagnostic data for other subject areas.
- **Section 2.11:** Amends Part X of Senate Bill 99 to extend the terms of the initial members of the Advisory Council on Rare Diseases until July 1, 2023.
- **Section 2.12:** Amends G.S. 115C-562.1(3)b. to eliminate estate distributions from decedents in determining income eligibility for opportunity scholarships retroactive to January 1, 2017.
- **Section 2.13:** Amends Section 6 of S.L. 2016-110, as amended by S.L. 2017-57 to allow DPI to use funds appropriated for Innovation Zone model grants for the administrative expenses of the Innovative School District for FY 18-19 only.
- **Section 2.14:** Amends Part VII of Senate Bill 99 to provide \$10,000 as a grant-in-aid to Graham County Schools.
- **Section 2.15:** Amends Part VII of Senate Bill 99 to eliminate the grant-in-aid to DonorsChoose.org.
- **Section 2.16:** Requires, for one year, the State Board of Education to combine the career and college readiness measures for school performance grades, so a high school would earn one point for each percent of students who are either college ready or career ready. School report cards for the year would be required show the combined indicator, as well as what the indicators would look like separately.
- **Section 2.17:** Amends G.S. 116-281(3), as amended by Section 10A.6 of Senate Bill 99, to allow active duty members abiding in NC incident to active military duty in NC eligible to receive a scholarship under the program for Need-Based Scholarships for Students Attending Private Institutions of Higher Education.
- **Section 3.1:** Amends Part XI of Senate Bill 99 to clarify that the funds allocated to Gigi's Playhouse are for the Charlotte location.
- **Section 3.2:** Amends Part XI of Senate Bill 99 to correct the name of an organization freceiving funding from the Free Clinic of Reidsville to the Free Clinic of Rockingham County, Inc.
- **Section 3.3:** Amends Part XI of Senate Bill 99 to correct the reference in the Committee Report to the location of the Ada Jenkins Center from Davidson County to the Town of Davidson.
- **Section 3.4:** Amends G.S. 110-130.1(a), as amended by Senate Bill 99, to correct an incorrect citation.
- **Section 3.5:** Amends Section 11L.1 of Senate Bill 99 to conform Block Grant figures to the revisions in this act.
- **Section 3.6:** Amends Subpart XI-B of Part XI of Senate Bill 99 to provide that the Division of Child Development and Early Education is no longer required to eliminate a vacant position that was recently filled.

Senate CCS 335

Page 3

- **Section 3.7:** Amends Part XI of Senate Bill 99 to provide funding for a suicide prevention lifeline, to require OSBM to include recurring funds for the hotline in the 2019-2021 base budget for DHHS; and to swap federal TANF block grant funds for State funds.
- **Section 3.8:** Amends G.S. 90-288.14A, as enacted by Section 11G.1(b) of Senate Bill 99, to provide a streamlined approach for a licensed nursing home administrator to be approved by the Department of Health and Human Services as an adult care home administrator.
- **Section 3.9:** Amends Part XI of Senate Bill 99 to allow the use of a certain amount of funds appropriated in S.L. 2017-57 from the Dorothea Dix Hospital Property Fund for renovations and building costs associated with the construction of new licensed inpatient behavioral health beds at the Cape Fear Valley Medical Center to be used for those same purposes at the Betsy Johnson Hospital in Harnett County instead.
- **Section 3.10:** Amends S.L. 2017-57 and Senate Bill 99 to repeal the Every Week Counts Demonstration Project.
- **Section 3.11:** Amends Part XI of Senate Bill 99 to require DHHS to study increasing group home services.
- **Section 3.12:** Amends Part XI of Senate Bill 99 to provide \$25,000 in nonrecurring funds to DHHS (Division of MH/DD/SA) as a grant-in-aid to Adventure House for adults with mental illness in Shelby.
- **Section 3.13:** Amends Part XI of Senate Bill 99 to redirect \$7.5M from the Medicaid Rebase for the 2018-2019 FY to be used to increase the rate paid for in-home aide services under the CAP/DA waiver and to provide adult optical Medicaid coverage beginning January 1, 2019.
- **Section 4.1:** Clarifies that funds appropriated to Yancey County for the Cane River Park in Senate Bill 99 may be used for lighting anywhere in the Park.
- **Section 4.2:** Amends Section 13.2 of Senate Bill 99 to (i) correct the name of the entity receiving the grant funds to the Charlotte Motor Speedway, LLC and (ii) allow a subgrant to be made to a parent or subsidiary of that entity.
- **Section 4.3:** Corrects a special fund reference for Mountain Island State Forest in the Committee Report for Senate Bill 99.
- **Section 4.4:** Amends Section 13.1(a) of Senate Bill 99, to add "release" to clarify that the section applies air emissions; (ii) to make a technical correction to reference the proper term 'health advisory level'; and (iii) to change the standard for provision of a filtration system rather than connection to public water supply in G.S. 143-215.2A from the PWS connection being "cost prohibitive" to the connection being "not cost-effective"
- **Section 4.5:** Amends Part XII of Senate Bill 99 to allow the Department of Agriculture and Consumer Services to use up to ten percent (10%) of the Healthy Food Small Retailers Program appropriation for administrative costs.
- **Section 4.6:** Amends Part XV of Senate Bill 99 to (i) strike a matching grant requirement for Archer Lodge, (ii) include demolition and debris removal as permissive uses of the funds for the City of Lexington, (iii) reduces the amount to Southwestern North Carolina Planning and Economic Development Commission by ten thousand dollars (\$10,000), (iv) reduces economic development grants-in-aid to High Shoals by \$50,000, and (v) provides \$25,000 to High Shoals for debt service for the city hall.

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- **Section 4.7:** Amends Part XV of Senate Bill 99 to reduce the cut to the Department of Commerce's graphics division.
- **Section 4.8:** Amends Part XII of Senate Bill 99 to allow the Tobacco Trust Fund Commission to use \$375,000 for FY 18-19 for administrative operating expenses and a grants management system.
- **Section 5.1:** Amends G.S. 115D-5(b)(2)j., as enacted by Senate Bill 99, to (i) correct the name of the cited Division and Commission and (ii) clarify who is eligible to receive the tuition waivers and the type of programs that are applicable.
- **Section 5.2:** Amends Section 5.6 of Senate Bill 99 to clarify that all federal funds that have been received for disaster recovery since October 1, 2016, have been appropriated for their stated purposes.
- **Section 5.3:** Nullifies an incorrect instruction in the Committee Report for Senate Bill 99.
- **Section 5.4:** Amends G.S. 18B-1003(c1) to no longer require human trafficking hotline information in public areas of ABC permittees.
- **Section 5.5:** Amends Section 18B.4 of Senate Bill 99 to permit AOC to keep up to 3% of unexpended funds for IT investments for the next three fiscal years instead of only FY 18-19.
- **Section 5.6:** Amends Subpart VIII-B of Senate Bill 99 to transfer the NC Human Trafficking Commission to AOC and make necessary conforming changes.
- **Section 6.1:** Amends Section 26.3 of Senate Bill 99 to (i) replace the Proctorville Volunteer Fire Department with the Orrum Volunteer Fire Department and (ii) provide \$100,000 each to the Town of Davidson's fire and police departments for equipment.
- **Section 6.2:** Amends Part XXXI of Senate Bill 99 to provide that the Department of Administration is no longer required to eliminate a vacant position that was recently filled.
- **Section 6.3:** Amends Part XXXI of Senate Bill 99 to redirect funds appropriated in Senate Bill 99 from the Coalition Against Sexual Assault to the North Carolina Human Trafficking Commission in the Administrative Office of the Courts.
- **Section 6.4:** Transfers an additional \$2.4M from the escheats fund to DMVA on a nonrecurring basis for veterans scholarships.
- **Section 6.5:** Amends Part XIX of Senate Bill 99 to provide a grant to the Veterans Leadership Council of North Carolina-Cares to be used for the Veterans Life Center in Butner.
- **Section 7.1:** Amends G.S. 136-44.2(f1)(2)b. to (i) clarify that contingency funds described in Section 34.2 of Senate Bill 99 do not revert and (ii) remove contingency funds from the types of funds that revert to the credit reserve for the Highway Fund.
- **Section 7.2:** Corrects an inconsistency between Senate Bill 99 and the Committee Report by clarifying the amount of the revised total requirements for the Public Transportation Division of the Department of Transportation.
- **Section 7.3:** Amends Section 34.16 of Senate Bill 99 for the purposes of naming the Sgt. Dillon C. Baldrige Bridge.

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- **Section 7.4:** Amends G.S. 160A-307.1, as amended by Section 34.18(a) of Senate Bill 99, to remove the language prohibiting cities from conditioning zoning and permit approvals on the waiver or reduction of reimbursement required under that section.
- **Section 7.5:** Does the following: (i) amends G.S. 136-189.11(d1), as enacted by Section 34.7(a) of Senate Bill 99, to provide that State funding may not be expended for a light rail project until all non-State funding has been committed; (ii) repeals Section 34.7(b) of Senate Bill 99, which would have required removal of projects that didn't meet the requirements of G.S. 136-189.11(d1) from the State Transportation Improvement Program (STIP); (iii) amends G.S. 136-189.10(3)g. to clarify that total State funding for a commuter rail or light rail project is the lesser of ten percent (10%) of the regional allocation or ten percent (10%) of the estimated total project costs; (iv) clarifies the total amount of State funding available for the Durham-Orange Light Rail Project; (v) provides that the Durham-Orange Light Rail Project shall be removed from the current and any future STIP if (i) all non-State and non-federal funding for the Project isn't committed by April 30, 2019, and (ii) a written agreement is provided to the Department by November 30, 2019, establishing that all non-State funding necessary to construct the project has been committed.
- **Section 8.1:** Amends G.S. 20-185.1, as enacted by Senate Bill 99, to revise the State Highway Patrol Trooper Reimbursement Program into a training contract repayment arrangement.
- **Section 8.2:** Amends Section 35.21(a) of Senate Bill 99 increase the number of Correctional personnel eligible to receive the pay raise available to Correctional Officers.
- **Section 8.3:** Amends Part XXXV of Senate Bill 99 to create a pilot program for the 2018-2019 fiscal year to allow Council of State agencies, the Community Colleges System Office, and the University of North Carolina to have flexibility regarding classification and salary administration.
- **Section 8.4:** Amends Part XXXV of Senate Bill 99 to allow troopers in the Highway Patrol to receive the salary increases provided in Senate Bill 99 if they have an active disciplinary action, unless it is related to grossly inefficient job performance which results in 10+ days of unpaid suspension.
- **Section 9.1:** Amends Section 36.7 of Senate Bill 99 to (i) authorize the Department of Military and Veterans Affairs to use funds from the Veterans Home Trust Fund to provide a twenty-eight million dollar (\$28,000,000) match to federal funds for the construction of 2 new veterans homes, (ii) reduce the amount of funds that may be carried forward for the Manteo Old House Channel project by three hundred thousand dollars (\$300,000) and allocate it to the North Carolina Wildlife Habitat Foundation for the Oyster Highway Project, (iii) use the remaining amount of funds carried forward for the Manteo Old House Channel project for maintenance dredging of Range 1 to 4 of the Manteo Channel, and (iv) authorize DMVA to use certain funds to match and apply for federal funds to expand and perform site improvements to certain veteran cemeteries.
- **Section 9.2:** Amends Section 5.6(b) of Senate Bill 99 to allow twenty-thousand dollars (\$20,000) from funds appropriated to the Department of Public Safety, Division of Emergency Management, for housing-related matters to be used storm debris clean-up costs in Transylvania County.
- **Section 9.3:** Makes a technical correction to the name of the entity housing the dinosaur project.
- **Section 10.1:** Amends G.S. 143B-1373(d)(6), as enacted by Senate Bill 99, to remove language erroneously included.
- **Section 10.2:** Amends Part XXXVII of Senate Bill 99 to reduce funding for FirstNet.

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- **Section 10.3:** Amends Section 37.4 of Senate Bill 99 to address concerns regarding the effective date of the 911 provision.
- **Section 10.4:** Amends G.S. 143B-1325(d), as amended by Section 37.5 of Senate Bill 99, to delay DIT consolidation for the North Carolina Community Colleges System Office.
- **Section 11.1:** Amends G.S. 160A-690(b)(1), as enacted by Section 38.8(b) of Senate Bill 99, to clarify that property tax revenue may be used for capital expenses of public schools located inside city limits.
- **Section 11.2:** Amends G.S. 105-130.4(l)(3) to retain the current law regarding sourcing of intangibles for corporate income and franchise tax purposes.
- **Section 12.1:** Creates a joint legislative study commission to study issues related to college student athletes. The Commission would be composed of 6 Senators and 6 Representatives, selected by the President Pro Temp and the Speaker. The composition would reflect the political make-up of each chamber. The Commission shall report by March 1, 2019 its findings and any proposed legislation to the 2019 General Assembly.

EFFECTIVE DATE: Except as otherwise provided, this act becomes effective July 1, 2018.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S

D

SENATE BILL 335
House Committee Substitute Favorable 6/29/17
Proposed Conference Committee Substitute S335-PCCS45568-MC-2

Short Title: Budget Technical Corrections & Study.

(Public)

Sponsors:

Referred to:

March 22, 2017

A BILL TO BE ENTITLED
AN ACT TO MAKE TECHNICAL, CLARIFYING, AND OTHER MODIFICATIONS TO
THE CURRENT OPERATIONS APPROPRIATIONS ACT OF 2018 AND TO CREATE
THE LEGISLATIVE COMMISSION ON THE FAIR TREATMENT OF COLLEGE
STUDENT-ATHLETES.

The General Assembly of North Carolina enacts:

PART I. GENERAL PROVISIONS

SECTION 1.1. If Senate Bill 99, 2017 Regular Session, becomes law, then Section 2.1 of that act reads as rewritten:

"SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are adjusted for the fiscal year ending June 30, 2019, according to the schedule that follows. Amounts set out in parentheses are reductions from General Fund appropriations for the 2018-2019 fiscal year:

Current Operations – General Fund

FY 2018-2019

EDUCATION

Community Colleges System Office

\$ 43,724,296

Department of Public Instruction

59,847,276 59,657,276

...

HEALTH AND HUMAN SERVICES

Department of Health and Human Services

...

Division of Mental Health, Developmental Disabilities,
& Substance Abuse Services

3,226,446 3,600,004

...

Division of Social Services

917,664 509,106

...



* S 3 3 5 - P C C S 4 5 5 6 8 - M C - 2 *

1 Total Health and Human Services ~~(37,074,593)~~(37,049,593)

2
3 **AGRICULTURAL, NATURAL, AND ECONOMIC RESOURCES**

4
5 ...

6
7 Department of Commerce

8 Commerce

~~(6,707,869)~~(6,732,869)

9 Commerce State-Aid

3,535,0003,525,000

10
11 ...

12
13 **JUSTICE AND PUBLIC SAFETY**

14
15 Department of Public Safety

~~50,529,172~~51,776,660

16
17 Judicial Department

~~12,184,971~~13,684,971

18
19 ...

20
21 **GENERAL GOVERNMENT**

22
23 Department of Administration

~~2,562,510~~1,062,510

24
25 ...

26
27 Office of State Budget and Management

28 ...

29 OSBM – Reserve for Special Appropriations

~~9,615,307~~9,815,307

30
31 ...

32
33 **DEPARTMENT OF INFORMATION TECHNOLOGY**

~~10,246,786~~9,946,786

34
35 **RESERVES, ADJUSTMENTS, AND DEBT SERVICE**

36
37 ...

38 Compensation Increase Reserve

15,300,000

39 Minimum of Market Adjustment

(947,488)

40
41 ...

42
43 **TOTAL CURRENT OPERATIONS –**
44 **GENERAL FUND**

\$ 202,253,200"

45
46 **PART II. EDUCATION**

47 **SECTION 2.1.** If Senate Bill 99, 2017 Regular Session, becomes law, then Section
48 8.2(c) of that act reads as rewritten:

49 "SECTION 8.2.(c) For purposes of determining the school growth scores for each school
50 the principal supervised in at least two of the prior three school years, the following school
51 growth scores shall be used during the following time periods:

(1) Between July 1, 2018, and December 31, 2018, the school growth scores from the 2014-2015, 2015-2016, and 2016-2017 school years. If a principal does not have a school growth score from any of the school years identified in this subdivision, the most recent available growth scores, up to the 2016-2017 school year, shall be used.

(2) Between January 1, 2019, and June 30, 2019, the school growth scores from the 2015-2016, 2016-2017, and 2017-2018 school years. If a principal does not have a school growth score from any of the school years identified in this subdivision, the most recent available growth scores, up to the 2017-2018 school year, shall be used."

SECTION 2.2. If Senate Bill 99, 2017 Regular Session, becomes law, then Section 8.4(f) of that act reads as rewritten:

"**SECTION 8.4.(f)** Section 8.5 of S.L. ~~2017-97~~2017-57 is repealed."

SECTION 2.3. If Senate Bill 99, 2017 Regular Session, becomes law then Part VII of that act is amended by adding a new section to read:

"NEW DIMENSIONS CHARTER SCHOOL/USE OF FUNDS

"SECTION 7.28. Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, the sum of twenty-five thousand dollars (\$25,000) appropriated to the Department of Public Instruction by this act for the 2018-2019 fiscal year to be allocated to New Dimensions Charter School as a grant-in-aid shall be used only for the operating expenses of the charter school."

SECTION 2.4.(a) If Senate Bill 99, 2017 Regular Session, becomes law, then Section 41.1(a) of S.L. 2016-126 reads as rewritten:

"SECTION 41.1.(a) ~~Effective December 15, 2016, the~~The Center for Safer Schools is hereby moved to the Department of Public Instruction, ~~Division of Safe and Healthy Schools Support Instruction.~~ This transfer shall have all of the elements of a Type I transfer, as defined in G.S. 143A-6."

SECTION 2.4.(b) If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 115C-105.49A(b) reads as rewritten:

"(b) In constructing the SRRMS, the Division of Emergency Management and the Center for Safer ~~Schools~~ Schools, in collaboration with the Department of Public Instruction, Division of School Operations, shall leverage the existing enterprise risk management database, the School Risk Management Planning tool managed by the ~~Division~~Division of Emergency Management. The Division of Emergency Management shall also leverage the local school administrative unit schematic diagrams of school facilities. Where technically feasible, the SRRMS shall integrate any anonymous tip lines established pursuant to G.S. 115C-105.51 and any 911-initiated panic alarm systems authorized as part of a SRMP pursuant to G.S. 115C-47(40). The Division of Emergency Management and the Center for Safer Schools shall collaborate with the Department of Public ~~Instruction~~Instruction, Division of School Operations, and the North Carolina 911 Board in the design, implementation, and maintenance of the SRRMS."

SECTION 2.4.(c) If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 115C-105.52 reads as rewritten:

"§ 115C-105.52. School crisis kits.

~~The Department of Public Instruction, The Center for Safer Schools,~~ in consultation with the Department of Public Safety ~~through the North Carolina Center for Safer Schools,~~ Safety and the Department of Public Instruction, Division of School Operations, may develop and adopt policies on the placement of school crisis kits in schools and on the contents of those kits. The kits should include, at a minimum, basic first-aid supplies, communications devices, and other items recommended by the International Association of Chiefs of Police.

1 The principal of each school, in coordination with the law enforcement agencies that are part
2 of the local board of education's School Risk Management Plan, may place one or more crisis
3 kits at appropriate locations in the school."

4 **SECTION 2.4.(d)** If Senate Bill 99, 2017 Regular Session, becomes law, then
5 Article 8C of Chapter 115C of the General Statutes is amended by adding a new section to read:
6 "**§ 115C-105.57. Center for Safer Schools.**

7 (a) Center for Safer Schools Established. – There is established the Center for Safer
8 Schools. The Center for Safer Schools shall be administratively located in the Department of
9 Public Instruction. The Center for Safer Schools shall consist of an executive director appointed
10 by the Superintendent of Public Instruction and such other professional, administrative, technical,
11 and clerical personnel as may be necessary to assist the Center for Safer Schools in carrying out
12 its powers and duties.

13 (b) Executive Director. – The Executive Director shall report to and serve at the pleasure
14 of the Superintendent of Public Instruction at a salary established by the Superintendent within
15 the funds appropriated for this purpose.

16 (c) Powers and Duties. – The Center for Safer Schools shall have all powers and duties
17 provided in this Article.

18 (d) Agency Cooperation. – All State agencies and departments shall cooperate with the
19 Center for Safer Schools in carrying out its powers and duties, as necessary, in accordance with
20 this Article."

21 **SECTION 2.5.** If Senate Bill 99, 2017 Regular Session, becomes law, then Section
22 7.7 of S.L. 2017-57, as amended by Section 7.5 of Senate Bill 99, 2017 Regular Session, is
23 amended by adding a new subsection to read:

24 "**SECTION 7.7.(b1)** For the 2018-2019 fiscal year, the Department of Public Instruction
25 shall also make no transfers from or reduction to funding or positions for the Office of Charter
26 Schools in implementing (i) budget reductions for the 2018-2019 fiscal year, (ii)
27 recommendations resulting from the audit required pursuant to Section 7.23L of this act, or (iii)
28 other changes necessary to improve the efficiency of the Department of Public Instruction."

29 **SECTION 2.6.** If Senate Bill 99, 2017 Regular Session, becomes law, then Section
30 8.7 of S.L. 2016-94, as amended by Section 7.9 of Senate Bill 99, 2017 Regular Session, reads
31 as rewritten:

32 "..."

33 "**SECTION 8.7.(b)** Request for Proposal. – By September 15, 2016, the State Board of
34 Education shall issue ~~a~~an initial Request for Proposal (RFP) for the pilot. ~~The State Board may~~
35 issue additional, subsequent RFPs, as necessary, in order to meet the requirements of this section.
36 Local boards of education shall submit their initial proposals by October 15, 2016. ~~The Any~~
37 additional proposals shall be submitted in accordance with requirements set by the State Board.
38 Any RFP issued by the State Board shall require that proposals include the following information
39 at a minimum:

40 "..."

41 "**SECTION 8.7.(c)** Selection by State Board of Education. – By December 15, 2016, the
42 State Board of Education shall review the initial proposals submitted by local boards of ~~education~~
43 and education. The State Board shall review additional, subsequent proposals submitted by local
44 boards of education in accordance with requirements set by the State Board. The State Board
45 shall select ~~up to~~ a maximum of 10 local school administrative units to participate in the pilot as
46 follows:

47 "..."

48 "**SECTION 8.7.(d)** Pilot Implementation. – The selected local school administrative units
49 shall implement their approved pilots beginning ~~with~~ as early as the 2017-2018 school year and
50 ending with the 2024-2025 school year. The local board of education for each selected pilot local
51 school administrative unit shall provide any requested information and access to the independent

research organization selected by the State Board of Education to evaluate the pilots pursuant to subsection (f) of this section.

...."

SECTION 2.7. If Senate Bill 99, 2017 Regular Session, becomes law, then Part IX of that act is amended by adding a new section to read:

"ENROLLMENT GROWTH ADJUSTMENT

"SECTION 9.12. Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, for the 2018-2019 fiscal year, the Community Colleges System Office and the Office of State Budget and Management shall certify the enrollment growth adjustment as the reduction of a sum of eleven million seven hundred thousand six hundred six dollars (\$11,700,606) in recurring requirements, the addition of a sum of one million seven hundred seventy-eight thousand eight hundred thirty-two dollars (\$1,778,832) in nonrecurring requirements, and the reduction of the sum of twelve million six hundred twenty-three thousand seven hundred fifty-seven dollars (\$12,623,757) in recurring receipts, resulting in a net sum of two million seven hundred one thousand nine hundred eighty-three dollars (\$2,701,983) in appropriation."

SECTION 2.8. If Senate Bill 99, 2017 Regular Session, becomes law, then Part IX of that act is amended by adding a new section to read:

"CERTAIN COMMUNITY COLLEGE PROJECT FUNDS

"SECTION 9.11.(a) Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, the sum of two hundred thousand dollars (\$200,000) in nonrecurring funds appropriated to the Community Colleges System Office by this act for the 2018-2019 fiscal year to be allocated to Johnston County Community College as a grant-in-aid to support the Fire Tower Training Facility shall be allocated to Johnston Community College for the 2018-2019 fiscal year for this purpose.

"SECTION 9.11.(b) Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, the sum of fifty thousand dollars (\$50,000) in nonrecurring funds appropriated to the Community Colleges System Office by this act for the 2018-2019 fiscal year to be allocated to Wilkes County Community College as a grant-in-aid for equipment needs for the Wilkes Culinary Arts Building shall be allocated to Wilkes Community College for the 2018-2019 fiscal year for this purpose."

SECTION 2.9. If Senate Bill 99, 2017 Regular Session, becomes law, then Part X of that act is amended by adding a new section to read:

"SOUTHERN REGIONAL AHEC FUNDS

"SECTION 10.6. Notwithstanding any other provision of law or a provision of the Committee Report described in Section 39.2 of this act to the contrary, the sum of four million eight hundred thousand dollars (\$4,800,000) in nonrecurring funds appropriated to the Board of Governors of The University of North Carolina by this act for the 2018-2019 fiscal year to be allocated to the Southern Regional Area Health Education Center (SR AHEC) shall be used for residencies in the SR AHEC service areas and for facility and structural improvements associated with current residency programs."

SECTION 2.10. If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 115C-83.6(a2), as enacted by Section 7.24(b) of that act, reads as rewritten:

"(a2) The Department of Public Instruction shall provide for EVAAS analysis all formative and diagnostic assessment data collected pursuant to this section ~~or G.S. 115C-174.11~~ for kindergarten through third grade."

SECTION 2.11. If Senate Bill 99, 2017 Regular Session, becomes law, then Part X of that act is amended by adding a new section to read:

"EXTEND INITIAL TERMS/ADVISORY COUNCIL ON RARE DISEASES

"SECTION 10.7. Notwithstanding G.S. 130A-33.65(c), the terms of the initial members appointed to the Advisory Council on Rare Diseases (Council) within the School of Medicine of

1 the University of North Carolina at Chapel Hill in accordance with S.L. 2015-199 shall end on
2 July 1, 2023. A member appointed to fill a vacancy of an initial member of the Council shall
3 serve the remainder of the unexpired term. Members appointed to the Council on or after July 1,
4 2023, shall serve for terms of three years in accordance with G.S. 130A-33.65."

5 **SECTION 2.12.(a)** If Senate Bill 99, 2017 Regular Session, becomes law, then
6 G.S. 115C-562.1(3)b. reads as rewritten:

7 "b. Resides in a household with an income level not in excess of one
8 hundred thirty-three percent (133%) of the amount required for the
9 student to qualify for the federal free or reduced-price lunch program.
10 The Authority shall not count any distribution from the estate of a
11 decendent in calculating the income level of the applicant's household
12 for the purposes of determining eligibility for a scholarship under this
13 sub-subdivision."

14 **SECTION 2.12.(b)** Subsection (a) of this section is effective the date this act
15 becomes law and applies to any student who was otherwise eligible to receive a scholarship
16 pursuant to Part 2A of Article 39 of Chapter 115C of the General Statutes on or after January 1,
17 2017, for any scholarship application for the 2018-2019 school year or later. A student who
18 becomes eligible for a scholarship in the 2018-2019 school year solely due to subsection (a) of
19 this section shall receive first priority in award of scholarships in the same manner as those
20 previously awarded scholarships.

21 **SECTION 2.13.** If Senate Bill 99, 2017 Regular Session, becomes law, then Section
22 6 of S.L. 2016-110, as amended by Section 7.26E of S.L. 2017-57, reads as rewritten:

23 "~~SECTION 6. It is the intent of the General Assembly to appropriate to the Department of~~
24 ~~Public Instruction four hundred fifty thousand dollars (\$450,000) for the 2017-2018 fiscal year~~
25 ~~and annually thereafter for innovation zone model grants. Upon appropriation of funds, Beginning~~
26 with the 2018-2019 fiscal year, from the funds appropriated to the Department of Public
27 Instruction each fiscal year for the award of innovation zone model grants, the State Board of
28 Education shall, upon recommendation of the ISD Superintendent, award innovation zone model
29 grants of up to one hundred fifty thousand dollars (\$150,000) per fiscal year for five years to
30 local boards of education who (i) have been authorized to adopt the innovation zone model by
31 the State Board of Education for up to three schools or for a local school administrative unit with
32 more than thirty-five percent (35%) of schools within the unit identified as low-performing and
33 (ii) provide a dollar-for-dollar match with non-State funding for the requested grant amount.
34 Innovation zone model grants shall be directed by local boards of education to the innovation
35 zone office to address specific issues in innovation zone schools. Notwithstanding any other
36 provision of law or a provision of the Committee Report described in Section 39.2 of S.L.
37 2017-57 to the contrary, for the 2018-2019 fiscal year only, the Department may also use these
38 funds to cover the administrative costs of the Innovative School District during the 2018-2019
39 fiscal year."

40 **SECTION 2.14.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part VII
41 of that act is amended by adding a new section to read:

42 **"GRANT-IN-AID FOR GRAHAM COUNTY SCHOOLS**

43 "**SECTION 7.29.** Notwithstanding any other provision of law or a provision of the
44 Committee Report described in Section 39.2 of this act to the contrary, of the funds appropriated
45 in this act to the Department of Public Instruction, the Department shall provide a grant-in-aid in
46 the amount of ten thousand dollars (\$10,000) to Graham County Schools."

47 **SECTION 2.15.(a)** If Senate Bill 99, 2017 Regular Session, becomes law, then
48 Section 7.22 of that act is repealed.

49 **SECTION 2.15.(b)** If Senate Bill 99, 2017 Regular Session, becomes law, then Part
50 VII of that act is amended by adding a new section to read:

51 **"ELIMINATE FUNDS APPROPRIATED FOR DONORS CHOOSE**

1 **"SECTION 7.30.** Notwithstanding any other provision of law or a provision of the
2 Committee Report described in Section 39.2 of this act to the contrary, the funds appropriated to
3 the Department of Public Instruction by this act for the 2018-2019 fiscal year to provide a
4 grant-in-aid to DonorsChoose.org for teachers to receive classroom supplies shall be reduced by
5 two hundred thousand dollars (\$200,000)."

6 **SECTION 2.16.(a)** Notwithstanding G.S. 115C-83.15(b)(2), for the 2017-2018
7 school year only, for schools serving any students in ninth through twelfth grade, the State Board
8 of Education shall assign points on the following measures available for that school:

- 9 (1) One point for each percent of students who score at or above proficient on
10 either the Algebra I or Integrated Math I end-of-course test or, for students
11 who completed Algebra I or Integrated Math I before ninth grade, another
12 mathematics course with an end-of-course test.
- 13 (2) One point for each percent of students who score at or above proficient on the
14 English II end-of-course test.
- 15 (3) One point for each percent of students who score at or above proficient on the
16 Biology end-of-course test.
- 17 (4) One point for each percent of students who complete Algebra II or Integrated
18 Math III with a passing grade.
- 19 (5) One point for each percent of students who either (i) achieve the minimum
20 score required for admission into a constituent institution of The University
21 of North Carolina on a nationally normed test of college readiness or (ii) are
22 enrolled in Career and Technical Education courses and score at Silver, Gold,
23 or Platinum levels on a nationally normed test of workplace readiness.
- 24 (6) One point for each percent of students who graduate within four years of
25 entering high school.
- 26 (7) One point for each percent of students who progress in achieving English
27 language proficiency.

28 **SECTION 2.16.(b)** Notwithstanding G.S. 115C-83.16(a)(2)b., for the 2017-2018
29 school year only, the school quality and student success indicator shall be made up of the
30 following measures:

- 31 (1) Proficiency on the Biology end-of-course test.
- 32 (2) The percentage of students who complete Algebra II or Integrated Math III
33 with a passing grade.
- 34 (3) The percentage of students who either (i) achieve the minimum score required
35 for admission into a constituent institution of The University of North
36 Carolina on a nationally normed test of college readiness or (ii) are enrolled
37 in Career and Technical Education courses and score at Silver, Gold, or
38 Platinum levels on a nationally normed test of workplace readiness.

39 **SECTION 2.16.(c)** For schools serving any students in ninth through twelfth grade,
40 for the 2017-2018 school year only, in addition to other required data, the report cards issued
41 pursuant to G.S. 115C-12(9)c1. shall include the following data:

- 42 (1) The percentage of students who achieved the minimum score required for
43 admission into a constituent institution of The University of North Carolina
44 on a nationally normed test of college readiness.
- 45 (2) The percentage of students enrolled in Career and Technical Education
46 courses who met the standard when scoring at Silver, Gold, or Platinum levels
47 on a nationally normed test of workplace readiness.
- 48 (3) The percentage of students who either (i) achieve the minimum score required
49 for admission into a constituent institution of The University of North
50 Carolina on a nationally normed test of college readiness or (ii) are enrolled

in Career and Technical Education courses and score at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.

SECTION 2.16.(d) This section is effective when it becomes law and applies to school performance grades and report cards issued based on data from the 2017-2018 school year.

SECTION 2.17.(a) If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 116-280, as amended by Section 10A.6(a) of that act, is amended by adding a new subdivision to read:

"(1a) Armed Forces. – As defined in G.S. 116-143.3(a)(2)."

SECTION 2.17.(b) If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 116-281(3), as amended by Section 10A.6(b) of that act, reads as rewritten:

"(3) The student must ~~either (i) qualify~~ meet at least one of the following:

- a. Qualify as a legal resident of North Carolina and as a resident for tuition purposes under the criteria set forth in G.S. 116-143.1 and in accordance with definitions of residency that may from time to time be adopted by the Board of Governors of The University of North Carolina or (ii) be Carolina.
- b. Be a veteran provided the veteran's abode is in North Carolina and the veteran provides the eligible private postsecondary institution a letter of intent to establish residency in North Carolina.
- c. Be an active duty member of the Armed Forces provided the member of the Armed Forces is abiding in this State incident to active military duty in this State."

SECTION 2.17.(c) This section applies beginning with the 2018-2019 academic year.

PART III. HEALTH AND HUMAN SERVICES

SECTION 3.1. If Senate Bill 99, 2017 Regular Session, becomes law, then Part XI of that act is amended by adding a new section to read:

"FUNDS FOR GIGI'S PLAYHOUSE

"SECTION 11F.9A. Notwithstanding any provision of this act or the Committee Report described in Section 39.2 of this act to the contrary, the sum of fifty thousand dollars (\$50,000) in nonrecurring funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2018-2019 fiscal year, to provide funding to Gigi's Playhouse located in the city of Raleigh shall instead be used to provide funding to Gigi's Playhouse located in the city of Charlotte."

SECTION 3.2. If Senate Bill 99, 2017 Regular Session, becomes law, then Part XI of that act is amended by adding a new section to read:

"FUNDS FOR FREE CLINIC OF ROCKINGHAM COUNTY, INC.

"SECTION 11A.3A. Notwithstanding any provision of this act or the Committee Report described in Section 39.2 of this act to the contrary, the sum of two hundred fifty thousand dollars (\$250,000) in nonrecurring funds appropriated to the Department of Health and Human Services, Division of Central Management and Support, for the 2018-2019 fiscal year, to provide funding to the Free Clinic of Reidsville shall instead be used to provide funding to the Free Clinic of Rockingham County, Inc."

SECTION 3.3. If Senate Bill 99, 2017 Regular Session, becomes law, then Part XI of that act is amended by adding a new section to read:

"FUNDS FOR ADA JENKINS CENTER

"SECTION 11A.3B. Notwithstanding any provision of this act or the Committee Report described in Section 39.2 of this act to the contrary, the sum of twenty-five thousand dollars (\$25,000) in nonrecurring funds appropriated to the Department of Health and Human Services,

Division of Central Management and Support, for the 2018-2019 fiscal year, to provide funding to the Ada Jenkins Center in Davidson County shall instead be used to provide funding to the Ada Jenkins Center in the Town of Davidson."

SECTION 3.4. If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 110-130.1(a), as amended by that act, reads as rewritten:

"(a) All child support collection and paternity determination services provided under this Article to recipients of public assistance shall be made available to any individual not receiving public assistance in accordance with federal law and as contractually authorized by the nonrecipient, upon proper application and payment of a nonrefundable application fee of twenty-five dollars (\$25.00). The fee shall be reduced to ten dollars (\$10.00) if the individual applying for the services is indigent. An indigent individual is an individual whose gross income does not exceed one hundred percent (100%) of the federal poverty guidelines issued each year in the Federal Register by the U.S. Department of Health and Human Services. For the purposes of this subsection, the term "gross income" has the same meaning as defined in ~~G.S. 105-134.1~~ G.S. 105-153.3.

In the case of an individual who has never received assistance under a State program funded pursuant to Title IV-A of the Social Security Act and for whom the State has collected and disbursed to the family in a federal fiscal year at least five hundred fifty dollars (\$550.00) of support, the State shall impose an annual fee of thirty-five dollars (\$35.00) for each case in which services are furnished. The child support agency shall retain the fee from support collected on behalf of the individual. However, the child support agency shall not retain the fee from the first five hundred fifty dollars (\$550.00) collected. The child support agency shall use the fee to support the ongoing operation of the program."

SECTION 3.5. If Senate Bill 99, 2017 Regular Session, becomes law, then Section 11L.1 of S.L. 2017-57, as amended by Section 11L.1 of Senate Bill 99, 2017 Regular Session, reads as rewritten:

"**SECTION 11L.1.(a)** Except as otherwise provided, appropriations from federal block grant funds are made for each year of the fiscal biennium ending June 30, 2019, according to the following schedule:

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	FY 2017-2018	FY 2018-2019
Local Program Expenditures		
Division of Social Services		
01. Work First Family Assistance	\$49,479,444	\$41,722,815
02. Work First County Block Grants	80,093,566	80,093,566
03. Work First Electing Counties	2,378,213	2,378,213
04. Adoption Services – Special Children Adoption Fund	2,026,877	2,026,877
05. Child Protective Services – Child Welfare Workers for Local DSS	9,412,391	9,412,391
<u>05A. Child Protective Services – Child Welfare Workers for Local DSS One-time Swap Out</u>	<u>0</u>	<u>348,558</u>

1			
2	05A.05B. Funding for Counties to Assist with County		
3	Implementation of NC FAST, Project 4	0	639,158
4			
5	06. Child Welfare Program	775,176	775,176
6	Improvement Plan		
7			
8	07. Child Welfare Collaborative	400,000	400,000
9			
10	08. Child Welfare Initiatives	1,400,000	1,400,000
11			
12	...		
13			
14	TOTAL TEMPORARY ASSISTANCE FOR		
15	NEEDY FAMILIES (TANF) FUNDS	\$301,385,315	\$324,463,088<u>\$324,811,646</u>
16			
17	...		
18			
19	MENTAL HEALTH SERVICES BLOCK GRANT		
20			
21	Local Program Expenditures		
22			
23	01. Mental Health Services – Child	\$3,619,833	\$4,118,045
24			
25	02. Mental Health Services – Adult/Child	10,967,792	12,477,331 <u>16,578,811</u>
26			
27	03. Crisis Solutions Initiative – Critical		
28	Time Intervention	750,000	0
29			
30	04. Mental Health Services – First		
31	Psychotic Symptom Treatment	1,430,851	2,321,873
32			
33	04A. Three-Way Contracts	0	4,101,480
34			
35	DHHS Administration		
36			
37	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
38			
39	05. Administration	200,000	200,000
40			
41	TOTAL MENTAL HEALTH SERVICES		
42	BLOCK GRANT	\$16,968,476	\$23,218,729
43			
44	...		
45			
46	MATERNAL AND CHILD HEALTH BLOCK GRANT		
47			
48	Local Program Expenditures		
49			
50	Division of Public Health		
51			

1	01. Women and Children's Health Services		
2	(Safe Sleep Campaign \$45,000; Sickie Cell		
3	Centers \$100,000; Prevent Blindness \$575,000;		
4	March of Dimes \$350,000; Teen Pregnancy		
5	Prevention Initiatives \$650,000;		
6	17P Project \$52,000; Nurse-Family		
7	Partnership \$550,000; Carolina Pregnancy		
8	Care Fellowship \$400,000; Perinatal &		
9	Neonatal Outreach Coordinator Contracts		
10	\$440,000; Mountain Area		
11	Pregnancy Center \$250,000)	\$11,802,435	\$13,858,445 <u>\$16,858,445</u>
12			
13	02. Oral Health	48,227	48,227
14			
15	03. Evidence-Based Programs in Counties		
16	With Highest Infant Mortality Rates	1,575,000	1,575,000
17			
18	03A. Every Week Counts	2,200,000	3,000,000 <u>0</u>
19			
20	DHHS Program Expenditures		
21			
22	04. Children's Health Services	1,427,323	1,427,323
23			
24	05. Women's Health – Maternal Health	169,864	169,864
25			
26	06. Women and Children's Health – Perinatal		
27	Strategic Plan Support Position	68,245	68,245
28			
29	07. State Center for Health Statistics	158,583	158,583
30			
31	08. Health Promotion – Injury and		
32	Violence Prevention	87,271	87,271
33			
34	DHHS Administration		
35			
36	09. Division of Public Health Administration	552,571	552,571
37			
38	TOTAL MATERNAL AND CHILD		
39	HEALTH BLOCK GRANT	\$18,089,519	\$20,945,529 <u>\$20,945,529</u>
40"		
41			

SECTION 3.6. If Senate Bill 99, 2017 Regular Session, becomes law, then Subpart XI-B of Part XI of that act is amended by adding a new section to read:

"VACANT POSITION REDUCTION

"SECTION 11B.6. Notwithstanding any provision of this act or in the Committee Report described in Section 39.2 of this act to the contrary, the Department of Health and Human Services, Division of Child Development and Early Education (Division), is not required to eliminate the Business Systems Analyst position (65024701) under Item 60 of the Vacant Position Reduction. However, the Division shall achieve the reduction for that item through the elimination of other vacant positions or administrative reductions."

1 **SECTION 3.7.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part XI
2 of that act is amended by adding a new section to read:

3 **"SUICIDE PREVENTION LIFELINE**

4 **"SECTION 11F.9C.(a)** Notwithstanding any provision of this act or the Committee Report
5 described in Section 39.2 of this act to the contrary, from the funds appropriated to the
6 Department of Health and Human Services, Division of Mental Health, Developmental
7 Disabilities, and Substance Abuse Services, for the 2018-2019 fiscal year, the sum of three
8 hundred forty-eight thousand five hundred fifty-eight dollars (\$348,558) in nonrecurring funds
9 shall be used to fund a suicide prevention lifeline.

10 **"SECTION 11F.9C.(b)** For the 2019-2021 fiscal biennium, the Office of State Budget and
11 Management shall include the sum of three hundred forty-eight thousand five hundred fifty-eight
12 dollars (\$348,558) in recurring funds in the Department of Health and Human Service's base
13 budget, as defined in G.S. 143C-1-1, to be used to fund a suicide prevention lifeline."

14 **SECTION 3.8.** If Senate Bill 99, 2017 Regular Session, becomes law, then
15 G.S. 90-288.14A, as enacted by Section 11G.1(b) of that act, reads as rewritten:

16 **"§ 90-288.14A. Approval for nursing home administrators to serve as adult care home
17 administrators.**

18 The Department shall approve as an adult care home administrator any individual licensed as
19 a nursing home administrator under Article 20 of this Chapter who, within 90 calendar days after
20 commencing employment as ~~a nursing~~ an adult care home administrator, successfully completes
21 the written examination administered by the Department for assisted living administrator
22 certification. An individual approved as an adult care home administrator pursuant to this section
23 is deemed to meet the requirements of G.S. 90-288.14 and may renew his or her assisted living
24 administrator certification pursuant to G.S. 90-288.15."

25 **SECTION 3.9.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part XI
26 of that act is amended by adding a new section to read:

27 **"SECTION 11F.2A.** Notwithstanding any provision of S.L. 2017-57 or the Committee
28 Report described in Section 39.2 of S.L. 2017-57 to the contrary, the sum of up to four million
29 dollars (\$4,000,000) in nonrecurring funds appropriated in that act from the Dorothea Dix
30 Hospital Property Fund to the Department of Health and Human Services, Division of Mental
31 Health, Developmental Disabilities, and Substance Abuse Services, for the 2017-2018 fiscal
32 year, to pay for renovation or building costs associated with the construction of new, licensed
33 inpatient behavioral health beds at Cape Fear Valley Medical Center in Cumberland County shall
34 instead be used to pay for renovation or building costs associated with the construction of new,
35 licensed inpatient behavioral health beds at Betsy Johnson Hospital in Harnett County. Betsy
36 Johnson Hospital is subject to the provisions of Section 11F.5 of S.L. 2017-57 with respect to its
37 receipt and use of these funds."

38 **SECTION 3.10.** If Senate Bill 99, 2017 Regular Session, becomes law, then Section
39 11E.5 of that act and Section 11E.12 of S.L. 2017-57 are repealed.

40 **SECTION 3.11.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part XI
41 of that act is amended by adding a new section to read:

42 **"STUDY INCREASING GROUP HOME SERVICES**

43 **"SECTION 11H.9A.** The Department of Health and Human Services (Department) shall, in
44 conjunction with stakeholders, develop a comprehensive plan for increased utilization of
45 1915(b)(3) services and "in-lieu-of" services as the foundation for sustained operation of licensed
46 supervised living facilities as defined under 10A NCAC 27G .5601(c)(1) and 10A NCAC 27G
47 .5601(c)(3). The plan shall include standardized processes, methodologies, service definitions,
48 and rates of reimbursement for these increased services. No later than January 7, 2019, the
49 Department shall submit a report that contains this plan to the Joint Legislative Oversight
50 Committee on Medicaid and NC Health Choice, the Joint Legislative Oversight Committee on

Health and Human Services, and the Fiscal Research Division. The report shall also contain the following:

- (1) An estimate of the costs associated with implementation of the plan, including Medicaid costs.
- (2) An estimate of the amount of single-stream funding currently being utilized to provide State-funded services that would be replaced by Medicaid services upon implementation of the plan.
- (3) A description of how the amount of funds identified pursuant to subdivision (2) of this section could be reinvested to further sustain operation of licensed, supervised living facilities as defined under 10A NCAC 27G .5601(c)(1) and 10A NCAC 27G .5601(c)(3).
- (4) A time line for implementation of the plan.
- (5) Any legislative changes required to implement the plan."

SECTION 3.12. If Senate Bill 99, 2017 Regular Session, becomes law, then Part XI of that act is amended by adding a new section to read:

"FUNDS FOR ADVENTURE HOUSE

"SECTION 11F.9B. Notwithstanding any provision of this act or the Committee Report described in Section 39.2 of this act to the contrary, from funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2018-2019 fiscal year, the Department shall allocate the sum of twenty-five thousand dollars (\$25,000) in nonrecurring funds as a grant-in-aid to Adventure House, a clubhouse program for adults with mental illness, located in the City of Shelby."

SECTION 3.13. If Senate Bill 99, 2017 Regular Session, becomes law, then Part XI of that act is amended by adding a new section to read:

"INCREASE RATE FOR CAP/DA IN-HOME AIDE SERVICES AND PROVIDE ADULT OPTICAL COVERAGE

"SECTION 11H.13.(a) Notwithstanding any provision of this act, the Committee Report described in Section 39.2 of this act, any provision of S.L. 2017-57, as amended, or the Committee Report described in Section 39.2 of S.L. 2017-57 to the contrary, the funds appropriated to the Department of Health and Human Services, Division of Medical Assistance, for the Medicaid Rebase for the 2018-2019 fiscal year shall be reduced by the sum of seven million five hundred thousand dollars (\$7,500,000) in recurring funds.

"SECTION 11H.13.(b) Notwithstanding any provision of this act, the Committee Report described in Section 39.2 of this act, any provision of S.L. 2017-57, as amended, or the Committee Report described in Section 39.2 of S.L. 2017-57 to the contrary, there is appropriated the sum of five million five hundred thousand dollars (\$5,500,000) in recurring funds for fiscal year 2018-2019 to be used to increase the rate to no more than three dollars and ninety cents (\$3.90) paid per 15-minute billing unit for in-home aide services provided under the Community Alternatives Program for Disabled Adults (CAP-DA) waiver pursuant to Clinical Coverage Policy 3K-2, effective January 1, 2019. Notwithstanding G.S. 108A-54(e), the rate paid per 15-minute billing unit for in-home aide services provided under the CAP-DA waiver pursuant to Clinical Coverage Policy 3K-2 shall not exceed three dollars and ninety cents (\$3.90).

"SECTION 11H.13.(c) Notwithstanding any provision of this act, the Committee Report described in Section 39.2 of this act, any provision of S.L. 2017-57, as amended, or the Committee Report described in Section 39.2 of S.L. 2017-57 to the contrary, there is appropriated the sum of two million dollars (\$2,000,000) in recurring funds for fiscal year 2018-2019 to be used to provide adult optical Medicaid coverage, effective January 1, 2019.

"SECTION 11H.13.(d) No later than March 1, 2019, the Department shall report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division on the following:

- (1) All new services and rate increases implemented for the Medicaid program or NC Health Choice program during the 2017-2019 fiscal biennium and the annualized cost of each new service and rate.
- (2) Any State Plan amendments or waivers pending approval by the Centers for Medicare and Medicaid Services containing requests for new services or rate increases and the anticipated annualized cost of each pending new service and rate increase."

PART IV. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

SECTION 4.1. If Senate Bill 99, 2017 Regular Session, becomes law, then notwithstanding any provision in that act, or in the Committee Report described in Section 39.2 of that act to the contrary, the funds appropriated to Yancey County for the Cane River Park may be used for lighting anywhere in the Park.

SECTION 4.2. If Senate Bill 99, 2017 Regular Session, becomes law, then Section 13.2 of that act reads as rewritten:

"SECTION 13.2. Notwithstanding G.S. 130A-310.11(b), up to two million dollars (\$2,000,000) of the funds credited to the Inactive Hazardous Sites Cleanup Fund under G.S. 105-187.63 for the assessment and remediation of pre-1983 landfills shall instead be used by the Department of Environmental Quality's Division of Waste Management to provide a matching grant to ~~Speedway Motorsports, Incorporated~~ Charlotte Motor Speedway, LLC, (CMS) for the purpose of remediation activities at the Charlotte Motor Speedway in Cabarrus County. The Division shall provide one dollar (\$1.00) for every two non-State dollars (\$2.00) provided in kind or otherwise, up to a maximum of two million dollars (\$2,000,000) for the matching grant described in this section. CMS may allocate all or a portion of the grant provided by this section to an entity that controls CMS or an entity controlled by CMS. Entities receiving such an allocation shall be considered a subgrantee as defined in G.S. 143C-6-23."

SECTION 4.3. If Senate Bill 99, 2017 Regular Session, becomes law, then notwithstanding any provision in that act, or in the Committee Report described in Section 39.2 of that act to the contrary, the funds appropriated to the Mountain Island Educational State Forest shall be transferred to special fund 23702.

SECTION 4.4.(a) If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 143-215.3E, as enacted by Section 13.1(a) of that act, reads as rewritten:

"§ 143-215.3E. Authority of Governor to require facility to cease operations and activities for unauthorized PFAS ~~discharges~~ discharges or releases.

(a) The Governor is authorized to require a facility to cease all operations and activities in the State that result in the production of a pollutant if all of the following circumstances exist:

- (1) The facility has a National Pollutant Discharge Elimination System (NPDES) permit.
- (2) The Department has determined that the facility has had unauthorized discharges or releases of per- and poly-fluoroalkyl substances (PFAS) into the air, surface water, and groundwater and these discharges or releases have resulted in an exceedance of a standard set by the Environmental Management Commission for groundwater, surface water, or air quality, or an exceedance of a health advisory ~~standard~~ level established by the United States Environmental Protection Agency for any chemical classified as a PFAS, and the facility has received more than one notice of violation from the Department within a two-year period for unauthorized discharges or releases of such substances.
- (3) The Department has been unable to stop all ongoing unauthorized discharges or releases of such substances from the facility that result in the violation of a standard or health advisory ~~standard~~ level within one year from the time the

Department first learned of the unauthorized ~~discharges-discharges or releases.~~

- (4) The Department has determined that the best available scientific data indicates that the ongoing unauthorized ~~discharges-discharges or releases~~ present a danger to the public health.

(b) In determining whether to exercise the authority established under this section, the Governor may take into account remedial actions undertaken by the operator of the facility.

(c) If the Governor exercises the authority established under this subsection to require a facility to cease operations and activities, the Governor shall issue an order in writing to the operator accordingly, including findings of fact that demonstrate the criteria set forth in subdivisions (1) through (4) of subsection (a) of this section have been met, which order shall be delivered by registered or certified mail, or by any means authorized by G.S. 1A-1, Rule 4, to the facility's operator. An order to cease operations and activities issued pursuant to this subsection shall not become effective until 15 days after issuance of the order. A person to whom such order is issued may commence a contested case by filing a petition under G.S. 150B-23 within 30 days after receipt of notice of the order. If the person does not file a petition within the required time, the Governor's decision is final and is not subject to review.

(d) The authority established by this section shall be in addition to, and not exclusive of, other authority given to the Commission, the Secretary, and the Department under this Article to take enforcement action against a person for unauthorized discharges or releases of PFAS into the air, surface water, and groundwater, including the authority granted under G.S. 143-215.6C to request that the Attorney General institute a civil action in the name of the State upon the relation of the Department for injunctive relief to restrain the violation or threatened violation and for such other and further relief in the premises as the court shall deem proper."

SECTION 4.4.(b) If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 143-215.2A, as enacted by Section 13.1(c) of that act, reads as rewritten:

"§ 143-215.2A. Relief for contaminated private drinking water wells.

(a) The Secretary shall, upon direction of the Governor, order any person who the Secretary finds responsible for the discharge or release of industrial waste that includes per- and poly-fluoroalkyl substances (PFAS), including the chemical known as "GenX" (CAS registry number 62037-80-3 or 13252-13-6), into the air, groundwater, surface water, or onto the land that results in contamination of a private drinking water well, as that term is defined in G.S. 87-85, to establish permanent replacement water supplies for affected parties. For purposes of this section, the terms (i) "contamination" means an exceedance of a standard established by the Environmental Management Commission for groundwater, surface water, or air quality, or an exceedance of a health advisory ~~standard-level~~ established by the United States Environmental Protection Agency, for any chemical classified as a PFAS, including GenX; and (ii) "affected party" means a household, business, school, or public building with a well contaminated with PFAS, including GenX, as a result of the discharge or release of industrial waste.

(b) If the Secretary orders a person responsible for the discharge or release of a PFAS, including GenX, that results in contamination of a private drinking water well to establish a permanent replacement water supply for an affected party with such a well pursuant to subsection (a) of this section, preference shall be given to permanent replacement water supplies by connection to public water supplies; provided that (i) an affected party may elect to receive a filtration system in lieu of a connection to public water supplies and (ii) if the Department determines that connection to a public water supply to a particular affected party would not be ~~cost-prohibitive, cost-effective,~~ the Department shall authorize provision of a permanent replacement water supply to that affected party through installation of a filtration system. For affected parties for which filtration systems are installed, the person responsible shall be liable for any periodic required maintenance of the filtration system. An order issued by the Secretary pursuant to subsection (a) of this section shall include a deadline by which the responsible person

1 must establish the permanent replacement water supply for the affected party or parties subject
2 to the order.

3"

4 **SECTION 4.5.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part XII
5 of that act is amended by adding a new section to read:

6 **"HEALTHY FOOD SMALL RETAILERS PROGRAM ADMINISTRATIVE COSTS**

7 **"SECTION 12.6.** Of the funds appropriated in this act to the Department of Agriculture and
8 Consumer Services for the Healthy Food Small Retailers program, the Department may retain up
9 to ten percent (10%) for administrative costs associated with the program."

10 **SECTION 4.6.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part XV
11 of that act is amended by adding a new section to read:

12 **"GRANTS-IN-AID CHANGES**

13 **"SECTION 15.9.(a)** Notwithstanding any other provision of law or a provision of the
14 Committee Report described in Section 39.2 of this act to the contrary, the grant-in-aid in the
15 amount of fifty thousand dollars (\$50,000) provided to the Town of Archer Lodge in Fund Code
16 1680 shall not be subject to any matching requirements.

17 **"SECTION 15.9.(b)** Notwithstanding any other provision of law or a provision of the
18 Committee Report described in Section 39.2 of this act to the contrary, the grant-in-aid in the
19 amount of one hundred eighty thousand dollars (\$180,000) provided to the City of Lexington in
20 Fund Code 1534 may also be used for demolition and debris removal.

21 **"SECTION 15.9.(c)** Notwithstanding any other provision of law or a provision of the
22 Committee Report described in Section 39.2 of this act to the contrary, the grant-in-aid to
23 Southwestern North Carolina Planning and Economic Development Commission in Fund Code
24 1913 is reduced by ten thousand dollars (\$10,000).

25 **"SECTION 15.9.(d)** Notwithstanding any other provision of law or a provision of the
26 Committee Report described in Section 39.2 of this act to the contrary, the grant-in-aid provided
27 to the Town of High Shoals for downtown revitalization in Section 15.8(a) of this act is reduced
28 by fifty thousand dollars (\$50,000) and the totals under that subsection are adjusted accordingly.

29 **"SECTION 15.9.(e)** Notwithstanding G.S. 143B-472.127, of the funds appropriated in this
30 act to the Rural Economic Development Division of the Department of Commerce, the Rural
31 Economic Development Division shall provide a grant-in-aid in the amount of twenty-five
32 thousand dollars (\$25,000) to the Town of High Shoals to be used for debt service on its new city
33 hall."

34 **SECTION 4.7.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part XV
35 of that act is amended by adding a new section to read:

36 **"DIVISION OF COMMERCE GRAPHICS**

37 **"SECTION 15.10.** Notwithstanding any provision in this act or in the Committee Report
38 described in Section 39.2 of that act to the contrary, the net appropriation reduction to the
39 Department of Commerce, Division of Commerce Graphics, shall be seven thousand four
40 hundred fifteen dollars (\$7,415) and the Department is not required to eliminate the Artist
41 Illustrator II position (60081262). The Department shall take an additional
42 eighty-thousand-dollar (\$80,000) recurring reduction by reducing administrative costs or
43 eliminating vacant positions. The Department shall report its actions to implement the
44 requirements of this section to the Fiscal Research Division no later than October 1, 2018."

45 **SECTION 4.8.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part XII
46 of that act is amended by adding a new section to read:

47 **"TOBACCO TRUST FUND COMMISSION/ADMINISTRATIVE AND OPERATING**
48 **EXPENSES**

49 **"SECTION 12.7.** Notwithstanding G.S. 143-717(i), the Tobacco Trust Fund Commission
50 may use three hundred seventy-five thousand dollars (\$375,000) for the 2018-2019 fiscal year

for administrative and operating expenses of the Commission and its staff and to purchase a grants management system."

PART V. JUSTICE AND PUBLIC SAFETY

SECTION 5.1. If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 115D-5(b)(2)j., as enacted by that act, reads as rewritten:

"j. ~~The Division of Criminal Justice Education and Training Standards~~ Criminal Justice Standards Division of the Department of Justice for the training of criminal justice professionals, as defined in G.S. 17C-20(6), who are required to be certified under (i) Chapter 17C of the General Statutes and the rules of the North Carolina Criminal Justice Education and Training Standards Commission or (ii) Chapter 17E of the General Statutes and the rules of the North Carolina Sheriffs' Education and Training Standards Commission. The waivers provided for in this sub-subdivision apply to participants and recent graduates of the North Carolina Criminal Justice Fellows Program to obtain certifications for eligible criminal justice professions as defined in G.S. 17C-20(6)."

SECTION 5.2. If Senate Bill 99, 2017 Regular Session, becomes law, then Section 5.6 of that act is amended by adding a new subsection to read:

"**SECTION 5.6.(a1)** Appropriation/Federal Funds. – Funds received on or after October 1, 2016, under the federal Stafford Act (P.L. 93-288) and other federal disaster assistance programs for State disasters are appropriated in the amounts provided in the notifications of award from the federal government or any entity acting on behalf of the federal government to administer federal disaster recovery funds. The Office of State Budget and Management and affected State agencies shall report all notifications of award to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division of the General Assembly."

SECTION 5.3. If Senate Bill 99, 2017 Regular Session, becomes law, then notwithstanding any provision in that act or in the Committee Report described in Section 39.2 of that act to the contrary, then any direction in the Committee Report that is not consistent with Section 5.6(b)(1) of Senate Bill 99, 2017 Regular Session, is null and void.

SECTION 5.4. If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 18B-1003(c1) reads as rewritten:

"(c1) Posting Human Trafficking Hotline. – All permittees shall prominently display on the premises in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 5.5. If Senate Bill 99, 2017 Regular Session, becomes law, then Section 18B.4(a) reads as rewritten:

"**SECTION 18B.4.(a)** Notwithstanding G.S. 143C-1-2(b), for the fiscal year 2018-2019, fiscal years 2018-2019, 2019-2020, and 2020-2021, the Judicial Department shall transfer any unexpended, unencumbered funds to Budget Code 22006-2006 to be used to implement an integrated information technology system (e-Courts) in accordance with G.S. 7A-343.2(b). The cumulative sum transferred shall not exceed three percent (3%) of the Judicial Department's certified budgets for Budget Code 12000, Administrative Office of the Courts, and Budget Code 12001, Office of Indigent Defense Services, for the 2018-2019 fiscal year, fiscal years 2018-2019, 2019-2020, and 2020-2021."

SECTION 5.6.(a) If Senate Bill 99, 2017 Regular Session, becomes law, then Subpart XVIII-B of Part VIII of that act is amended by adding a new section to read:

"TRANSFER NC HUMAN TRAFFICKING COMMISSION TO AOC; CONFORMING CHANGES

1 "SECTION 18B.7. The North Carolina Human Trafficking Commission shall be transferred
2 to the Administrative Office of the Courts as a Type II transfer. Article 10 of Chapter 114 of the
3 General Statutes, G.S. 114-70, is recodified as G.S. 7A-354 in Article 29 of Subchapter VII of
4 Chapter 7A of the General Statutes."

5 **SECTION 5.6.(b)** If Senate Bill 99, 2017 Regular Session, becomes law, then
6 G.S. 114-70, recodified as G.S. 7A-354 in subsection (a) of this section, reads as rewritten:

7 **"§ 7A-354. North Carolina Human Trafficking Commission.**

8 (a) Establishment. – There is established in the ~~Department of Justice~~ Administrative
9 Office of the Courts the North Carolina Human Trafficking Commission. For purposes of this
10 section, "Commission" means the North Carolina Human Trafficking Commission.

11 ...
12 (j) Staffing. – The ~~Department of Justice~~ Administrative Office of the Courts shall be
13 responsible for staffing the Commission.

14 (k) Funding. – From funds available to the ~~Department of Justice, the Attorney General~~
15 Administrative Office of the Courts, the Director shall allocate monies to fund the work of the
16 Commission."

17 18 **PART VI. GENERAL GOVERNMENT**

19 **SECTION 6.1.** If Senate Bill 99, 2017 Regular Session, becomes law, then Section
20 26.3 of that act reads as rewritten:

21 **"SECTION 26.3.** Of the funds appropriated in this act to the Office of State Budget and
22 Management, Special Appropriations, the sum of three million ~~one~~ three hundred sixty-five
23 thousand three hundred seven dollars (~~\$3,165,307~~) (\$3,365,307) in nonrecurring funds for the
24 2018-2019 fiscal year shall be allocated as follows:

25 (1) To provide grants-in-aid to the following local fire departments:

26 ...
27 z. \$2,500 to the ~~Town of Proctorville for the Proctorville-Orrum~~
28 Township Volunteer Fire Department, Inc.

29 ...
30 ii. \$100,000 to the City of Davidson for the Davidson Fire Department
31 for equipment.

32 ...
33 (3) To provide law enforcement grants-in-aid to the following local governments:

34 ...
35 (k) \$100,000 to the City of Davidson for the Davidson Police Department
36 for equipment.

37"

38 **SECTION 6.2.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part
39 XXXI of that act is amended by adding a new section to read:

40 **"DOA TO ELIMINATE VACANT POSITIONS**

41 **"SECTION 31.4.** Notwithstanding any provision of this act or of the Committee Report
42 described in Section 39.2 of this act to the contrary, for the 2018-2019 fiscal year, the Department
43 of Administration is authorized to eliminate vacant positions in the Department to reduce the
44 Department's operating expenses by the sum of fifty-seven thousand three hundred eighty-six
45 dollars (\$57,386) in recurring funds. The Department is not required to eliminate the Processing
46 Assistant V position (60014389)."

47 **SECTION 6.3.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part
48 XXXI of that act is amended by adding a new section to read:

49 **"FUNDS FOR HUMAN TRAFFICKING COMMISSION**

50 **"SECTION 31.5.** Notwithstanding any provision of this act or of the Committee Report
51 described in Section 39.2 of this act to the contrary, the sum of one million five hundred thousand

dollars (\$1,500,000) in nonrecurring funds appropriated in this act to the Department of Administration for the 2018-2019 fiscal year as a grant-in-aid to the North Carolina Coalition Against Sexual Assault is instead appropriated to the Administrative Office of the Courts for the 2018-2019 fiscal year to be allocated to the North Carolina Human Trafficking Commission to be used for victim services. The Administrative Office of the Courts may use up to ten percent (10%) of these funds for administrative purposes."

SECTION 6.4. If Senate Bill 99, 2017 Regular Session, becomes law, then Part XXI of that act is amended by adding a new section to read:

"TRANSFER ADDITIONAL FUNDS FROM ESCHEATS FUND FOR VA SCHOLARSHIPS

"SECTION 21.2. The Department of State Treasurer shall transfer to the Department of Military and Veterans Affairs the sum of two million four hundred thousand dollars (\$2,400,000) in nonrecurring funds for the 2018-2019 fiscal year from the Escheats Fund for scholarships for the children of veterans. These funds are hereby appropriated."

SECTION 6.5. If Senate Bill 99, 2017 Regular Session, becomes law, then Part XIX of that act is amended by adding a new section to read:

"PROVIDE GRANT-IN-AID TO VETERANS LIFE HOME

"SECTION 19.4. Notwithstanding G.S. 143B-1293(b), the sum of five hundred thousand dollars (\$500,000) in nonrecurring funds for 2018-2019 fiscal year is transferred from the North Carolina Veterans Home Trust Fund to the Office of State Budget and Management to provide a grant-in-aid to The Veterans Leadership Council of North Carolina-Cares to be used for the Veterans Life Center in Butner. To the extent any of the funds described in this section are deemed unappropriated, the funds are appropriated for the purpose set forth in this section."

PART VII. TRANSPORTATION

SECTION 7.1.(a) If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 136-44.2(f1)(2)b. reads as rewritten:

"b. Funds appropriated from the Highway Fund for the construction programs of the Department, consisting of funds for secondary construction, access and public service roads, spot safety improvement, ~~contingency~~, small urban construction, and economic development programs."

SECTION 7.1.(b) This section becomes effective June 30, 2018.

SECTION 7.2. If Senate Bill 99, 2017 Regular Session, becomes law, then notwithstanding any provision in that act or in the Committee Report described in Section 39.2 of that act to the contrary, the revised total requirements for the Public Transportation Division of the Department of Transportation is one hundred twenty-four million seventy-two thousand six hundred ninety-nine dollars (\$124,072,699).

SECTION 7.3. If Senate Bill 99, 2017 Regular Session, becomes law, then Section 34.16 of that act is amended by adding a new subdivision to read:

"(6) The U.S. 221/U.S. 421 Overpass in the Community of Deep Gap in Watauga County as the "Sgt. Dillon C. Baldrige Bridge"."

SECTION 7.4.(a) If Senate Bill 99, 2017 Regular Session, becomes law, G.S. 160A-307.1, as amended by Section 34.18(a) of that act, reads as rewritten:

"§ 160A-307.1. Limitation on city requirements for street improvements related to schools.

A city may only require street improvements related to schools that are required for safe ingress and egress to the municipal street system and that are physically connected to a driveway on the school site. The required improvements shall not exceed those required pursuant to G.S. 136-18(29). G.S. 160A-307 shall not apply to schools. A city may only require street improvements related to schools as provided in G.S. 160A-372. The cost of any improvements to the municipal street system pursuant to this section shall be reimbursed by the city. Any

1 agreement between a school and a city to make improvements to the municipal street system
2 shall not include a requirement for acquisition of right-of-way by the school, unless the school is
3 owned by an entity that has eminent domain power. Any right-of-way costs incurred by a school
4 for required improvements pursuant to this section shall be reimbursed by the city.
5 ~~Notwithstanding any provision of this Chapter to the contrary, a city may not condition the~~
6 ~~approval of any zoning, rezoning, or permit request on the waiver or reduction of any provision~~
7 ~~of this section.~~ The term "school," as used in this section, means any facility engaged in the
8 educational instruction of children in any grade or combination of grades from kindergarten
9 through the twelfth grade at which attendance satisfies the compulsory attendance law and
10 includes charter schools authorized under G.S. 115C-218.5."

11 **SECTION 7.4.(b)** This section is effective when it becomes law and applies
12 retroactively to August 1, 2017. Any ordinance, resolution, regulation, or policy in effect on or
13 after August 1, 2017, affected by the amendment to G.S. 160A-307.1 in Senate Bill 99, 2017
14 Regular Session, that was nullified pursuant to Section 34.18(c) of that act, is reinstated.

15 **SECTION 7.5.(a)** If Senate Bill 99, 2017 Regular Session, becomes law, then
16 G.S. 136-189.11(d1), as enacted by Section 34.7(a) of that act, reads as rewritten:

17 "(d1) Additional Requirement for High-Cost Projects. – ~~A State funding may not be~~
18 ~~expended for a light rail project is ineligible for scoring, prioritization, and State funding until a~~
19 ~~written agreement is provided to the Department establishing that all non-State funding necessary~~
20 ~~to construct the project has been secured-committed.~~"

21 **SECTION 7.5.(b)** If Senate Bill 99, 2017 Regular Session, becomes law, then
22 Section 34.7(b) of that act is repealed.

23 **SECTION 7.5.(c)** If Senate Bill 99, 2017 Regular Session, becomes law, then
24 G.S. 136-189.10(3)g. reads as rewritten:

25 "g. Public transportation service that spans two or more counties and that
26 serves more than one municipality. Programmed funds pursuant to this
27 sub-subdivision shall not exceed ten percent (10%) of any distribution
28 region allocation. This sub-subdivision includes commuter rail,
29 intercity rail, and light rail. Total State funding for a commuter rail or
30 light rail project shall not exceed the lesser of ten percent (10%) of the
31 distribution region allocation or ten percent (10%) of the estimated
32 total project costs used during the prioritization scoring process. The
33 State shall not be responsible or liable for any project costs in excess
34 of the maximum established under this sub-subdivision. Any
35 agreement entered into by the State to fund a commuter rail or light
36 rail project shall include language setting out the limitations set forth
37 in this sub-subdivision."

38 **SECTION 7.5.(d)** Notwithstanding any provision of G.S. 136-189.10(3)g., as
39 amended by subsection (c) of this section, to the contrary, State funding for the Durham-Orange
40 Light Rail Project (Project) (STIP Number TE-5205) shall not exceed the sum of one hundred
41 ninety million dollars (\$190,000,000).

42 **SECTION 7.5.(e)** Unless both of the following requirements are met, the
43 Department of Transportation shall remove the Project from the current and any future State
44 Transportation Improvement Program:

- 45 (1) All non-State and non-federal funding for the Project must be committed by
46 April 30, 2019. Contractual agreements for private funds and proof of
47 adequate tax revenue verifying that all non-State and non-federal funding for
48 the project has been committed by April 30, 2019, must be provided to the
49 Department.
- 50 (2) A written agreement is provided to the Department in accordance with
51 G.S. 136-189.11(d1), as enacted by Section 34.7(a) of Senate Bill 99, 2017

Regular Session, and amended by subsection (a) of this section, by November 30, 2019, for the Project.

SECTION 7.5.(f) Any funds resulting from a removal required under subsection (e) of this section shall be expended by the Department in accordance with the provisions of Article 14B of Chapter 136 of the General Statutes.

PART VIII. SALARIES AND BENEFITS

SECTION 8.1.(a) If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 20-185.1, as enacted by that act, reads as rewritten:

"§ 20-185.1. Trooper training; reimbursement.

(a) Trooper Training Reimbursement. – ~~The Trooper Training Reimbursement Program (Program) is established. The purpose of the Program is to recruit, prepare, and support individuals to become and remain members of the Highway Patrol by providing forgivable loans to recipients to cover the cost of their training, which is set herein as tuition in the amount of thirty-six thousand dollars (\$36,000) per cadet. The training of State Troopers is a substantial investment of State resources that provides individuals with skills that are transferable to other law enforcement opportunities. The State may require an individual to agree in writing to reimburse a portion of the training costs incurred if the individual completes the training and becomes a State Trooper but does not remain a State Trooper for 36 months. The portion of the State's cost to be reimbursed is thirty-six thousand dollars (\$36,000), less one thousand dollars (\$1,000) for each month an individual served as a State Trooper and member of the State Highway Patrol.~~

(b) Administration. – ~~The Secretary of Public Safety shall perform all of the administrative functions necessary to implement the Program, reimbursement agreements required by this section, including rule making, disseminating information, implementing forgivable loan agreements, loan monitoring, loan cancelling through service and collection, determining the acceptability of service repayment agreements, enforcing the agreements, and all other functions necessary for the execution, payment, and enforcement of reimbursement agreements and promissory notes required under this section, implementing contracts, and taking other necessary actions.~~

(b) Training Reimbursement Agreement. – ~~Each forgivable loan authorized by this section shall be evidenced by execution of a reimbursement agreement and a note made payable to the State that may bear interest at a rate not to exceed ten percent (10%) per year, as set by the Secretary of Public Safety.~~

(c) Loan Forgiveness and Hardships. – ~~The loan and any interest accrued on the loan shall be forgiven if the recipient serves a total of 36 months as a member of the Highway Patrol. The Secretary of Public Safety shall also forgive the loan. No contract shall be enforced under this section if the Secretary finds that it is impossible for the recipient-individual to serve as a member of the State Highway Patrol due to death, health-related reasons, or other hardship.~~

(d) Loan Repayment Requirements. – ~~A forgivable loan may be terminated upon the recipient's withdrawal from the training program or by the recipient's failure to meet the standards set for cadets. If a recipient separates from the Highway Patrol before 36 months of service following completion of the training program, then either:~~ Law Enforcement Agency Requirements. – If a State Trooper separates from the State Highway Patrol before 36 months of service following completion of the training program and the State Trooper is hired within six months of separation from the State Highway Patrol by a municipal law enforcement agency, a Sheriff's office, or a company police agency certified under Chapter 74E of the General Statutes, then that hiring entity is liable to the State in the amount of thirty-six thousand dollars (\$36,000), to be paid in full within 90 days of the date the State Trooper is employed by the hiring entity. No hiring entity shall make any arrangement to circumvent any portion of this subsection.

(1) ~~In the case of a municipal law enforcement agency, a sheriff's office, or a company police agency certified under Chapter 74E of the General Statutes that hires the recipient away during the 36-month period, that hiring entity is liable to the State for the tuition cost of the recipient's training. No hiring entity shall make any payment arrangement that circumvents any portion of this subsection; or~~

(2) ~~The recipient is liable to the State for the tuition cost, less one thousand dollars (\$1,000) of the debt on the note for each month the recipient served as a member of the Highway Patrol, except as otherwise authorized by this section."~~

SECTION 8.1.(b) If Senate Bill 99, 2017 Regular Session, becomes law, then G.S. 105-153.5(b)(13), as enacted by Section 35.25(g) of that act, is repealed.

SECTION 8.1.(c) If Senate Bill 99, 2017 Regular Session, becomes law, then Section 35.25(h) of that act reads as rewritten:

"SECTION 35.25.(h) By January 1, 2021, and annually thereafter, the Secretary shall report to the Joint Legislative Oversight Committee on Justice and Public Safety regarding the following:

(1) ~~Forgivable loans awarded, including demographic information regarding recipients.~~The implementation of the trooper training reimbursement agreements required under G.S. 20-185.1.

(2) ~~Retention and repayment rates.~~The amount of reimbursements received from individuals who did not remain employed as State Troopers for 36 months after completing training and the amount of reimbursements received from other law enforcement agencies, as required under G.S. 20-185.1(d).

(3) ~~Program outcomes, including the turnover rate for forgivable loan recipients.~~individuals employed as State Troopers on and after the date the Department of Public Safety implemented the trooper training reimbursement agreements."

SECTION 8.2.(a) If Senate Bill 99, 2017 Regular Session, becomes law, then Section 35.21 of that act reads as rewritten:

"SECTION 35.21.(a) Effective July 1, 2018, the annual salaries of Correctional Officers and other staff certified by the Criminal Justice Education and Training Standards Commission in the Department of Public Safety, Division of Adult Correction (Division), in effect on June 30, 2018, shall be legislatively increased by four percent (4%). Employees in the following positions are eligible to receive the increases provided by this section:

(1) Correctional officers.

(2) Custody supervisors.

(3) Prison facility administrators.

(4) Food service officers and managers.

(5) Case managers.

(6) Correctional Programs personnel.

"SECTION 35.21.(a1) Effective July 1, 2018, the annual salaries of facility maintenance and technician personnel in the Division budgeted in Fund Code 14550-1310, in effect on June 30, 2018, shall be legislatively increased by four percent (4%).

"SECTION 35.21.(a2) The budgeted salaries of vacant positions in the categories listed above are eligible to receive the four percent (4%) increase and the budgeted salaries shall be adjusted accordingly. There is appropriated from the General Fund to the Department of Public Safety, Division of Adult Correction, the sum of one million two hundred forty-seven thousand four hundred eighty-eight dollars (\$1,247,488) for the 2018-2019 fiscal year to support these increases.

1 "SECTION 35.21.(b) The Division shall establish the following minimum salaries for
2 Correctional Officer position classifications, effective July 1, 2018:

- 3 (1) Correctional Officer I – \$33,130.
- 4 (2) Correctional Officer II – \$34,220.
- 5 (3) Correctional Officer III – \$36,598."

6 SECTION 8.2.(b) If Senate Bill 99, Regular Session 2017, becomes law, then that
7 act is amended by adding a new section to read:

8 **"OSHR MINIMUM OF MARKET FUNDING CHANGE**

9 **"SECTION 35.21A.** Notwithstanding any provisions of this act or S.L. 2017-57 to the
10 contrary, funds in the 2018-2019 fiscal year in Budget Code 19005 for the implementation of the
11 OSHR Minimum of Market Adjustment shall be reduced on a recurring basis by nine hundred
12 forty-seven thousand four hundred eighty-eight dollars (\$947,488)."

13 SECTION 8.3. If Senate Bill 99, 2017 Regular Session, becomes law, then Part
14 XXXV of that act is amended by adding a new section to read:

15 **"CERTAIN STATE AGENCIES/CLASSIFICATION AND SALARY**
16 **ADMINISTRATION FLEXIBILITY/PILOT PROGRAM**

17 **"SECTION 35.19A.(a)** During the 2018-2019 fiscal year, notwithstanding G.S. 126-4(1),
18 G.S. 126-4(2), or any other provision of law to the contrary, the Council of State agencies, the
19 Office of State Controller, the Community College System Office, and The University of North
20 Carolina are granted sole authority and discretion to take the following actions concerning
21 classification and salary administration of their respective personnel:

- 22 (1) Classify new positions or reclassify vacant positions within the classification
23 system adopted by the State Human Resources Commission or as otherwise
24 prescribed by law.
- 25 (2) Make hiring decisions based on the flexibility provided under this section.
- 26 (3) Determine the appropriate salary for their respective employees, provided that
27 funding is available within the budgeted salary appropriated to the agency and
28 the salary remains within the minimum and maximum of the salary range
29 associated with the position classification or as otherwise provided by law.

30 The Human Resources Director for each State agency shall ensure that each new hire employed
31 pursuant to the classification and salary administration flexibility granted by this section meets
32 the minimum qualifications for the position. The Office of State Human Resources shall provide
33 assistance to agencies upon request.

34 **"SECTION 35.19A.(b)** The deadline is extended, through June 30, 2019, for the State
35 agencies identified in subsection (a) of this section to submit all post-implementation studies,
36 including all supporting documentation, to the Office of State Human Resources.

37 **"SECTION 35.19A.(c)** By March 1, 2019, the State entities granted classification and salary
38 administration flexibility under this section shall report to the Joint Legislative Commission on
39 Governmental Operations and the Fiscal Research Division on the following:

- 40 (1) The number of classification actions taken under this section.
- 41 (2) The number of salary adjustments made under this section and total additional
42 salary funds awarded.
- 43 (3) A comparison of the number of agency employees recruited from and the
44 number of agency employees hired by cabinet agencies.
- 45 (4) Impact of the classification and salary administration flexibility on agency
46 operations, including, but not limited to:
 - 47 a. Hiring time line.
 - 48 b. Recruitment of candidates.
 - 49 c. Retention of key personnel.
- 50 (5) Any remaining position classification disagreements with the Office of State
51 Human Resources.

(6) Whether the program should be extended and any recommended adjustments to the program."

SECTION 8.4. If Senate Bill 99, 2017 Regular Session, becomes law, then Part XXXV of that act is amended by adding a new section to read:

"STATE TROOPER INCREASE/ELIGIBILITY FOR SALARY ADJUSTMENTS

"SECTION 35.25A. No State employee employed in the Department of Public Safety, State Highway Patrol, shall be denied an increase authorized by this act based upon a prior infraction or a pending disciplinary action unless the employee has an active disciplinary action related to grossly inefficient job performance which resulted in 10 or more days of unpaid suspension."

PART IX. CAPITAL

SECTION 9.1.(a) If Senate Bill 99, 2017 Regular Session, becomes law, then Section 36.7 of that act is amended by adding the following new subsections to read:

"SECTION 36.7.(d) The General Assembly authorizes the Department of Military and Veterans Affairs to fund the construction of two new State veterans homes located in the Triangle and Triad Regions with funds available to it from the North Carolina Veterans Home Trust Fund established under G.S. 143B-1293 in an amount not to exceed twenty-seven million two hundred twenty-three thousand five hundred sixty dollars (\$27,223,560). The funds shall be used to provide the required State match for federal funding of the veterans home construction projects, and the matching funds and any federal dollars received for that purpose are hereby appropriated.

"SECTION 36.7.(e) Notwithstanding any provision of this act to the contrary, of the funds carried forward for the Manteo Old House Channel, Section 204 CAP in Section 36.3(b) of this act, the Department shall allocate the sum of three hundred thousand dollars (\$300,000) to the North Carolina Wildlife Habitat Foundation for the Oyster Highway project on the New River in Onslow County. The Foundation shall report on its use of the funds allocated by this section no later than September 1, 2019, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division.

"SECTION 36.7.(f) Notwithstanding any provision of this act to the contrary, of the funds carried forward for the Manteo Old House Channel, Section 204 CAP in Section 36.3(b) of this act, the Department shall use the sum of one million nine hundred nineteen thousand dollars (\$1,919,000) for maintenance dredging of Range 1 to 4 of the Manteo Channel.

"SECTION 36.7.(g) The Department of Military and Veterans Affairs (hereinafter "Department") is authorized to apply for federal funds for the expansion of Sandhills State Veterans Cemetery and Western Carolina State Veterans Cemetery to make site improvements at the cemeteries. The Department is authorized to use the fund balance from Budget Code 23050 and any other funds available to the Department, up to eight hundred seventy-four thousand fifty-three dollars (\$874,053) for the required ten percent (10%) match for this grant, and the funds are hereby appropriated for that purpose."

SECTION 9.1.(b) If Senate Bill 99, 2017 Regular Session, becomes law, then Section 36.3(e) of that act reads as rewritten:

"SECTION 36.3.(e) Notwithstanding any other provision of law to the contrary, there shall be no match required for the maintenance dredging of Range 1 to 4 of the Manteo Channel project or the Lindsey Bridge Dam Repair and Stream Restoration project."

SECTION 9.2. If Senate Bill 99, 2017 Regular Session, becomes law, then Section 5.6(b) of that act reads as rewritten:

"SECTION 5.6.(b) Appropriations. – The sixty million dollars (\$60,000,000) transferred to the State Emergency Response/Disaster Relief Reserve in the General Fund as required by Section 2.2 of this act and subsection (a) of this section are appropriated as follows:

...

(5) Housing. – Twenty-five—Twenty-four million fourteen—nine hundred ninety-four thousand seven hundred seventy-six dollars (\$25,014,776)

1 (\$24,994,776) to the Department of Public Safety, Division of Emergency
2 Management, for the following housing-related matters:

3 ...
4 (6) Storm debris removal. – Twenty thousand dollars (\$20,000) to the Department
5 of Environmental Quality, Division of Water Resources, to be used to provide
6 a grant-in-aid to Transylvania County for the purpose of storm debris cleanup
7 in streams and rivers in the County."

8 **SECTION 9.3.** If Senate Bill 99, 2017 Regular Session, becomes law, then Section
9 36.2(a), as enacted by that act, reads as rewritten:

10 "SECTION 36.2.(a) Notwithstanding G.S. 143C-8-10, there is appropriated from the
11 Project Reserve Account, established pursuant to G.S. 143C-8-10, for the 2017-2018 fiscal year,
12 the following amounts for capital improvements:

13
14 **Capital Improvements – Project Reserve**

2017-2018

15 ...

16 Department of Natural and Cultural Resources

17 Fort Fisher Museum and Visitor Center

7,500,000

18 ~~Nature Resource Center~~ NC Museum of Natural Sciences Dinosaur project

1,800,000

19 NC Zoo- Asia/Australia project

2,500,000

20 NC Museum of History expansion planning

6,500,000

21 NC Zoo- renovation and rehabilitation

4,500,000

22"

23
24
25 **PART X. INFORMATION TECHNOLOGY**

26 **SECTION 10.1.(a)** If Senate Bill 99, 2017 Regular Session, becomes law, then
27 G.S. 143B-1373(d)(6), as enacted by that act, reads as rewritten:

28 "(6) An assessment of the current level of broadband access in the proposed
29 deployment area and the current level of service provided at the point from
30 which broadband deployment will be made area."

31 **SECTION 10.1.(b)** If Senate Bill 99, 2017 Regular Session, becomes law, then
32 G.S. 143B-1373(e), as enacted by that act, reads as rewritten:

33 "(e) Applications shall be made publicly available by posting on the Web site of the
34 Department of Information Technology for a period of at least 30 days prior to award. During
35 the 30-day period, any interested party may submit comments to the Secretary concerning any
36 pending application. A provider of broadband services may submit a protest of any application
37 on the grounds the proposed project covers an area that is not an eligible area under this section.
38 Protests shall be submitted in writing, accompanied by all relevant supporting documentation,
39 and shall be considered by the Office in connection with the review of the application. ~~Protests~~
40 ~~based upon actual current connection speed in a proposed project area shall not be considered.~~
41 For applications with filed protests, the Secretary shall issue a written decision to the protesting
42 party at least 15 days prior to the approval of that application."

43 **SECTION 10.2.** If Senate Bill 99, 2017 Regular Session, becomes law, then Part
44 XXXVII of that act is amended by adding a new section to read:

45 **"FIRSTNET FUNDING CHANGES**

46 "SECTION 37.6. Notwithstanding any other provision of law or a provision of the
47 Committee Report described in Section 39.2 of this act to the contrary, for the 2018-2019 fiscal
48 year, the net appropriation to FirstNet in Fund Code 1735 is reduced by three hundred thousand
49 dollars (\$300,000) and the revised net appropriation to FirstNet for the 2018-2019 fiscal year is
50 three hundred eighty-six thousand nine hundred thirty-five dollars (\$386,935)."

1 **SECTION 10.3.** If Senate Bill 99, 2017 Regular Session, becomes law, then Section
2 37.4(b), as enacted by that act, reads as rewritten:

3 **"SECTION 37.4.(b)** For any services for which a bill is or has been rendered at any time
4 prior to 180 days following the effective date of this section, whether under G.S. 143B-1403 or
5 its predecessors as previously codified, no subscriber or communications service provider shall
6 be liable to any person or entity for billing or remitting a different number of 911 service charges
7 than is required by Part 10 of Article 15 of Chapter 143B of the General ~~Statutes.~~Statutes, as
8 clarified by subsection (a) of this section. Subsection (a) of this section is intended as a
9 clarification of existing law."

10 **SECTION 10.4.** If Senate Bill 99, 2017 Regular Session, becomes law,
11 G.S. 143B-1325(d), as amended by Section 37.5(c) of that act, reads as rewritten:

12 "(d) Report on Transition Planning. – The Community College System Office, the
13 Department of Public Instruction, and the Bipartisan State Board of Elections and Ethics
14 Enforcement shall work with the State CIO to plan their transition to the Department. The
15 information technology transfer and consolidation from the Department of Revenue to the
16 Department shall not take place until the Secretary of the Department of Revenue determines that
17 the system and data security of the Department meets the heightened security standards required
18 by the federal government for purposes of sharing taxpayer information. By October 1, 2018,
19 ~~these agencies, the Department of Public Instruction and the Bipartisan State Board of Elections~~
20 ~~and Ethics Enforcement,~~ in conjunction with the State CIO, shall report to the Joint Legislative
21 Oversight Committee on Information Technology and the Fiscal Research Division on their
22 respective transition plans. By October 1, 2019, the Community College System Office, in
23 conjunction with the State CIO, shall report to the Joint Legislative Oversight Committee on
24 Information Technology and the Fiscal Research Division on its transition plan."

25 26 **PART XI. FINANCE**

27 **SECTION 11.1.** If Senate Bill 99, 2017 Regular Session, becomes law, then
28 G.S. 160A-690(b)(1), as enacted by Section 38.8(b) of that act, reads as rewritten:

29 "(1) For a public school located inside the city limits, for capital, for current
30 operating ~~expenses~~expenses, or for other specific uses directed by the city.
31 Funds appropriated by cities in accordance with this subdivision may be used
32 to enter into operational and financing leases for real property or mobile
33 classroom units for use as school facilities for public schools and may be used
34 for payments on loans made to public schools for facilities, equipment, or
35 operations. However, municipal appropriations shall not be used to obtain any
36 other interest in real property or mobile classroom units. Every contract or
37 lease into which a public school enters involving a municipal appropriation
38 pursuant to this section shall include the following sentence: "No indebtedness
39 of any kind incurred or obligation created by the public school shall constitute
40 an indebtedness or obligation of the city, and no indebtedness or obligation of
41 the public school shall involve or be secured by the faith, credit, or taxing
42 power of the city."

43 **SECTION 11.2.(a)** If Senate Bill 99, 2017 Regular Session, becomes law, then
44 G.S. 105-130.4(l)(3), as amended by Section 38.2(c) of that act, reads as rewritten:

45 "(3) Other sales are in this State if any of the following occur:

- 46 a. The receipts are from real or tangible personal property located in this
47 State, and includes receipts from incidental services sold as part of, or
48 in connection with, the sale of tangible personal property in this State.
49 b. The receipts are from intangible property ~~to the extent the intangible~~
50 ~~property is used~~ and are received from sources within this State.

- 1 c. The receipts are from services and the income-producing activities are
2 in this State. For the purposes of this subdivision, an
3 "income-producing activity" means an activity directly performed by
4 the taxpayer or its agents for the ultimate purpose of generating the
5 sale of the service. Receipts from income-producing activities
6 performed within and without this State are attributed to this State in
7 proportion to the income-producing activities performed in this State
8 to total income-producing activities performed everywhere that
9 generate the sale of service."

10 **SECTION 11.2.(b)** If Senate Bill 99, 2017 Regular Session, becomes law, then this
11 section becomes effective at the same time as Senate Bill 99.
12

13 **PART XII. STUDY/FAIR TREATMENT OF COLLEGE ATHLETES**

14 **SECTION 12.1.(a)** The Legislative Commission on the Fair Treatment of College
15 Student-Athletes is created. The purpose of the Commission is to examine the needs and concerns
16 of college students participating in athletics on behalf of the constituent institutions of The
17 University of North Carolina and to propose appropriate legislation where needed to implement
18 the objectives of this Commission.

19 **SECTION 12.1.(b)** The Commission shall consist of six members of the Senate,
20 appointed by the President Pro Tempore of the Senate with political parties represented in
21 proportion to the legislative makeup, and six members of the House of Representatives,
22 appointed by the Speaker of the House of Representatives with political parties represented in
23 proportion to the legislative makeup.

24 Vacancies on the Commission shall be filled by the same appointing authority that
25 made the initial appointment.

26 **SECTION 12.1.(c)** The Lieutenant Governor shall be an ex officio voting member
27 and shall also serve as the chair of the Commission. The Commission shall meet upon the call of
28 the chair.

29 **SECTION 12.1.(d)** A quorum shall be a majority of the Commission members.

30 **SECTION 12.1.(e)** The Commission shall study issues related to the provision of
31 health insurance, sports injuries and non-sports injuries, and profit-sharing for student athletes.
32 In its study, the Commission shall consider all of the following:

- 33 (1) Physical and mental health and safety concerns arising out of participation in
34 athletic competition or resulting from injuries sustained during athletic
35 competition, including, but not limited to, concussions and other
36 life-impacting injuries.
- 37 (2) Long-term physical and mental health and wellness issues grounded in
38 participation in athletic competition but not manifesting until later in an
39 athlete's life and the ability of former athletes to receive adequate long-term
40 treatment for these issues.
- 41 (3) The need for full-time enrolled college students to have adequate time to
42 devote to educational responsibilities separate and apart from time demands
43 for athletic competition.
- 44 (4) Educational opportunities for choosing majors and classes consistent with the
45 nonathletic participating students' opportunities at a constituent institution,
46 including, but not limited to, academic choices and extracurricular abilities to
47 participate in internships and study abroad.
- 48 (5) The right to receive academic instruction from qualified faculty members at
49 the constituent institutions and to be taught at an academic level consistent
50 with the standards of accredited higher education institutions.

- (6) The right to a fair and impartial hearing and the right to be independently represented before being disciplined for alleged eligibility rules violations by any school, conference, or membership association governing participation in college athletics.
- (7) In exchange for his or her participation on behalf of any constituent institution, a fair and adequate financial aid or scholarship assistance package to the extent financial aid or scholarship sources are provided to selected students in exchange for their participation on institutional athletic teams.
- (8) Consideration of remuneration or profit-sharing for student athletes for the use by institutional or commercial entities of the students' image, or other identifiable source, such as television rights or collegiate apparel that produce commercial profit for the institutions, membership associations, or commercial entities.
- (9) The right of students participating in college athletics to be adequately represented by attorneys, agents, or financial advisors throughout their college careers (as do all other students) without being subject to losing their eligibility to participate in college athletics.
- (10) A review of regulatory rules and punishments imposed on student athletes by any governing membership organization, including, but not limited to, the National Collegiate Athletic Association, that limits a student's ability to transfer between schools, or participate on college athletic teams by restricting the student's ability to engage in outside work or compensatory services.
- (11) The obligation of the university to provide the means for a student-athlete to finish their academic requirements to obtain an undergraduate degree after their athletic eligibility or athletic scholarship has expired.
- (12) Any other issue the Commission deems relevant based on testimony or evidence presented to the Commission.

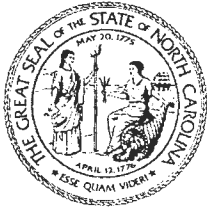
SECTION 12.1.(f) The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet in the Legislative Building or the Legislative Office Building. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1 or G.S. 138-6, as appropriate.

The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The Director of Legislative Assistants of the House of Representatives and the Director of Legislative Assistants of the Senate shall assign clerical support to the Task Force. The Commission may contract for professional, clerical, or consultant services, as provided by G.S. 120-32.02.

SECTION 12.1.(g) The Commission shall submit a report on the results of its study, including any proposed legislation, by March 1, 2019, to the members of the Senate and the House of Representatives by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library. The Commission shall terminate on March 1, 2019, or upon the filing of its report, whichever occurs first.

PART XII. EFFECTIVE DATE

SECTION 12. Except as otherwise provided, this act becomes effective July 1, 2018.



HOUSE BILL 992: Azalea Festival/Official Spring Celebration.

2017-2018 General Assembly

Committee: House State and Local Government II
Introduced by: Rep. Davis
Analysis of: First Edition

Date: June 5, 2018
Prepared by: Cindy Avrette
Staff Attorney

OVERVIEW: House Bill 992 would adopt the North Carolina Azalea Festival as the official celebration of spring in North Carolina, and appropriates \$10,000 in non-recurring funds for the 2018-2019 fiscal year to promote the celebration.

CURRENT LAW: Chapter 145 of the General Statutes contains many State symbols and other official State adoptions.

BILL ANALYSIS: House Bill 992 would do two things:

- Adopt the North Carolina Azalea Festival as the official celebration of spring in North Carolina.
- Appropriate \$10,000 in nonrecurring revenues for the 2018-2019 fiscal year to promote the celebration.

EFFECTIVE DATE: The appropriation would become effective July 1, 2018, and the remainder is effective when it becomes law.

BACKGROUND: The North Carolina Azalea Festival is held annually in Wilmington, NC, during the month of April when the bloom cycle for the City's one million azaleas begins. It has celebrated the season of spring continuously since 1948. The mission of the Festival is to be nationally recognized as a showcase for the community's rich array of artwork, gardens, history, and culture through recreational, educational, and family-oriented events. The Festival encourages volunteerism and civic participation as it contributes to the region's economy and promotes the unique qualities of Wilmington's river-to-the-sea community.

The Festival draws nationally recognized touring artists and guests. It is regularly selected as a Southeast Tourism Society's Top 20 Events in April, and it has won numerous awards and recognitions.

Karen Cochrane-Brown
Director



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Legislative Analysis
Division
919-733-2578



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H

1

HOUSE BILL 992

Short Title: Azalea Festival/Official Spring Celebration.

(Public)

Sponsors: Representative Davis.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State and Local Government II

May 24, 2018

A BILL TO BE ENTITLED

AN ACT ADOPTING THE NORTH CAROLINA AZALEA FESTIVAL AS THE OFFICIAL
CELEBRATION OF SPRING IN THE STATE OF NORTH CAROLINA AND
APPROPRIATING FUNDS TO PROMOTE THE FESTIVAL.

Whereas, the North Carolina Azalea Festival is held annually in Wilmington during
April and has celebrated the season of spring continuously since 1948; and

Whereas, the mission of the North Carolina Azalea Festival is to be nationally
recognized as a showcase for the community's rich array of artwork, gardens, history, and culture
through recreational, educational, and family-oriented events. The Festival encourages
volunteerism and civic participation as it contributes to the region's economy and promotes the
unique qualities of Wilmington's river-to-the-sea community; and

Whereas, the North Carolina Azalea Festival has an annual economic impact of over
\$50 million to Wilmington and the surrounding region; and

Whereas, every year, the North Carolina Azalea Festival brings in nationally
recognized touring artists and guests to enjoy the southern charm and hospitality of Wilmington
and the City's one million azaleas; and

Whereas, the North Carolina Azalea Festival is regularly selected as a Southeast
Tourism Society's Top 20 Event in April; and

Whereas, the North Carolina Azalea Festival has won numerous international awards
through the International Festivals and Events Association; and

Whereas, the North Carolina Azalea Festival's volunteers won the Governor's
Medallion for Volunteer Service in 2017 for their dedication to this annual springtime community
event; and

Whereas, each year, the Governor of North Carolina proclaims the Azalea Festival
dates in honor of the North Carolina Azalea Festival and commends its observance to all North
Carolina citizens; and

Whereas, the North Carolina Azalea Festival should be adopted as the official
celebration of spring in the State of North Carolina; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 145 of the General Statutes is amended by adding a new
section to read:

"§ 145-49. Official celebration of spring.

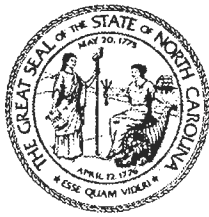
**The North Carolina Azalea Festival is adopted as the official celebration of spring in the State
of North Carolina."**



* H 9 9 2 - V - 1 *

1 **SECTION 2.** There is appropriated from the General Fund to the Department of
2 Commerce the sum of ten thousand dollars (\$10,000) for the 2018-2019 fiscal year in
3 nonrecurring funds to promote the official celebration of spring as established in Section 1 of this
4 act.

5 **SECTION 3.** Section 2 of this act becomes effective July 1, 2018, and the remainder
6 of this act is effective when it becomes law.



HOUSE BILL 1073: Establish Econ. Dev. Energy Task Force.

2017-2018 General Assembly

Committee: House Energy and Public Utilities. **If Date:** June 6, 2018
favorable, re-refer to Appropriations

Introduced by: Reps. Strickland, Dixon, J. Bell, Brenden **Prepared by:** Jennifer McGinnis
Jones Committee Counsel

Analysis of: First Edition

OVERVIEW: *House Bill 1073 would establish the Blue Ribbon Task Force on Natural Gas Infrastructure and Access (Task Force). The purpose of the Task Force is to: (i) review current statutorily established funds that are available for development of natural gas infrastructure to enhance economic development, and to make recommendations on whether any changes to these funds are needed or advisable, and whether appropriations of additional funds may be needed or advisable; and (ii) examine any financial barriers to expansion or development of natural gas infrastructure and methods to incentivize extension of natural gas service. The bill would appropriate \$10,000 in recurring funds for the 2018-2019 fiscal year to support the activities of the Task Force.*

CURRENT LAW: Current statutorily established funds available for development of natural gas infrastructure (the Funds) include:

- G.S. 143B-437.021 (Natural gas economic development infrastructure): This fund allows natural gas local distribution companies to recover the infeasible portion of natural gas infrastructure to eligible projects in rates through an annual rider. Eligible projects are determined by the Department of Commerce based on criteria set forth in the statute. The act became effective July 28, 2016, and expires July 1, 2021.
- G.S. 143B-437.01 (Industrial Development Fund Utility Account): This fund provides moneys to local governments from the most economically distressed counties in the State for various projects designed to create jobs, which includes construction of or improvements to new or existing gas lines or equipment.
- G.S. 62-159 (Additional funding for natural gas expansion): This fund allows the Utilities Commission to provide funding through appropriations from the General Assembly to certain entities for the construction of natural gas facilities that otherwise would not be economically feasible for the company, person, or gas district to construct. In determining whether to approve the use of funds for a particular project, the Commission must consider, among other things, the number of unserved counties and the number of anticipated customers that would be served, and other relevant factors affecting the public interest.

BILL ANALYSIS: The bill would establish the Task Force to: (i) review current statutorily established funds that are available for development of natural gas infrastructure to enhance economic development, and to make recommendations on whether any changes to these funds are needed or advisable, and whether appropriations of additional funds may be needed or advisable; and (ii) examine any financial barriers to expansion or development of natural gas infrastructure and methods to incentivize extension of natural gas service. The bill details a number of specific issues that the Task Force must examine in the

Karen Cochrane-Brown
Director



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This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

House Bill 1073

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conduct of the study, and requires the Task Force to consult with representatives of the Departments of Commerce and Transportation, the Utilities Commission, the Local Government Commission, and the Golden LEAF Foundation through the process.

The Task Force would consist of 17 members, including

- Five members of the House of Representatives, one of whom shall be a member of the minority party.
- Five members of the Senate, one of whom shall be a member of the minority party.
- The Commissioner of Agriculture or the Commissioner's designee, ex officio and nonvoting.
- Two county commissioners, who are advisory and nonvoting, one of whom is appointed upon the recommendation of the Speaker and one of whom is appointed upon the recommendation of the President Pro Tempore of the Senate.
- Two representatives of a local or regional economic development commission, who are advisory and nonvoting, one of whom is appointed upon the recommendation of the Speaker, and one of whom is appointed upon the recommendation of the President Pro Tempore of the Senate.
- Two representatives of an agricultural advocacy and outreach organization, who are advisory and nonvoting, one of whom is appointed upon the recommendation of the Speaker, and one of whom is appointed upon the recommendation of the President Pro Tempore of the Senate.

The Task Force would be authorized to begin meeting on or after July 1, 2018.

The bill would appropriate \$10,000 in recurring funds for the 2018-2019 fiscal year to support the activities of the Task Force.

EFFECTIVE DATE: This bill would be effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE BILL 1073

Short Title: Establish Econ. Dev. Energy Task Force.

(Public)

Sponsors: Representatives Strickland, Dixon, J. Bell, and Brenden Jones (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Energy and Public Utilities, if favorable, Appropriations

June 1, 2018

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE BLUE RIBBON TASK FORCE ON NATURAL GAS
INFRASTRUCTURE AND ACCESS.

Whereas, the development of natural gas infrastructure is essential to economic growth in North Carolina; and

Whereas, there are over 4,226 miles of natural gas transmission pipeline in North Carolina; and

Whereas, there are over 30,000 miles of natural gas distribution pipeline in North Carolina; and

Whereas, it is in the interest of rural areas to have access to natural gas across the State; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a) There is established the Blue Ribbon Task Force on Natural Gas Infrastructure and Access (Task Force). The purpose of the Task Force is to review current statutorily established funds that are available for development of natural gas infrastructure to enhance economic development, and to make recommendations on whether any changes to these funds are needed or advisable, and whether appropriations of additional funds may be needed or advisable. The Task Force shall also examine any financial barriers to expansion or development of natural gas infrastructure and methods to incentivize extension of natural gas service. At a minimum, the Task Force shall examine the following issues:

- (1) Moneys currently available under G.S. 143B-437.021 (Natural gas economic development infrastructure), G.S. 143B-437.01 (Industrial Development Fund Utility Account), and G.S. 62-159 (Additional funding for natural gas expansion) (the Funds) and any funds or legislation relevant to natural gas infrastructure expansion or incentivization.
- (2) Historic funding levels for the Funds and historic expenditures from the Funds.
- (3) Current statutory eligibility criteria and application requirements for receipt of moneys under each fund, as well as guidelines adopted by the Department of Commerce pursuant to statute where relevant. In addition, the Task Force shall review and examine requirements for the appropriate protection of confidential and trade secret information submitted in any application or grant agreement for such fund, including the relevance of the information to the decision to award a grant.





- (4) Current allowable uses for moneys available under each fund.
- (5) Whether establishment of an additional fund is advisable and, if so, how such funds should be administered, including whether a governing board should be created for distribution of the funds.
- (6) Provisions related to the development of natural gas infrastructure to enhance economic development under G.S. 62-133.15 (Cost recovery for natural gas economic development infrastructure).
- (7) The current network for natural gas distribution in the State.
- (8) The location of existing taps on natural gas pipelines that currently traverse the State, taps slated for natural gas pipelines proposed to traverse the State, and whether additional taps would be beneficial.
- (9) Areas of the State in which additional natural gas infrastructure is needed to promote economic development. In studying this issue, the Task Force shall place particular emphasis on identifying such needs in counties of the State through which natural gas pipelines traverse in order to maximize opportunities for economic development that can be realized from the presence of the pipeline, including rural and coastal areas through which natural gas pipelines traverse.
- (10) Opportunities for connecting new natural gas transmission lines into existing natural gas infrastructure.
- (11) Whether projects involving the delivery of liquefied natural gas (LNG) should be considered infrastructure to enhance economic development eligible for receipt of moneys from the Funds or eligible for receipt of moneys from any additional fund that may be recommended for establishment by the Task Force.
- (12) Entities that may serve a role in marketing availability of funds for development of natural gas infrastructure and rendering technical assistance to potential applicants for such funds.
- (13) Whether county governments should be given authority to issue bonds for development of natural gas infrastructure to promote economic development within their jurisdictions.
- (14) Natural gas utilities' long-term contracts that require purchase of certain volumes of natural gas relative to accounting for additional future "tap-ons" for return on investment (ROI) purposes.
- (15) Any another issue related to the development of natural gas infrastructure to enhance economic development that the Task Force deems relevant.

SECTION 1.(b) The Task Force shall consist of 17 members, appointed as follows:

- (1) Five members of the House of Representatives upon the recommendation of the Speaker of the House of Representatives, one of whom shall be a member of the minority party.
- (2) Five members of the Senate upon the recommendation of the President Pro Tempore of the Senate, one of whom shall be a member of the minority party.
- (3) The Commissioner of Agriculture or the Commissioner's designee, ex officio and nonvoting.
- (4) Two county commissioners, who are advisory and nonvoting, one of whom is appointed upon the recommendation of the Speaker of the House of Representatives and one of whom is appointed upon the recommendation of the President Pro Tempore of the Senate.
- (5) Two representatives of a local or regional economic development commission, who are advisory and nonvoting, one of whom is appointed upon the recommendation of the Speaker of the House of Representatives and one



1 of whom is appointed upon the recommendation of the President Pro Tempore
2 of the Senate.

- 3 (6) Two representatives of an agricultural advocacy and outreach organization,
4 who are advisory and nonvoting, one of whom is appointed upon the
5 recommendation of the Speaker of the House of Representatives and one of
6 whom is appointed upon the recommendation of the President Pro Tempore
7 of the Senate.

8 **SECTION 1.(c)** The President Pro Tempore of the Senate and the Speaker of the
9 House of Representatives shall each appoint a cochair of the Task Force from among its
10 membership.

11 **SECTION 1.(d)** The Task Force shall meet upon the call of its cochairs. A quorum
12 of the Task Force is a majority of its members. No action may be taken except by a majority vote
13 at a meeting at which a quorum is present. The Task Force, while in the discharge of its official
14 duties, may exercise all powers provided for under G.S. 120-19 through G.S. 120-19.4. The Task
15 Force may contract for professional, clerical, or consultant services, as provided by
16 G.S. 120-32.02. If the Task Force hires a consultant, the consultant shall not be a State employee
17 or a person currently under contract with the State to provide services. Members of the Task
18 Force shall receive per diem, subsistence, and travel allowances as provided in G.S. 120-3.1. The
19 expenses of the Task Force shall be considered expenses incurred for the joint operation of the
20 General Assembly.

21 **SECTION 1.(e)** In conducting this study, the Task Force shall consult with
22 representatives of the Departments of Commerce and Transportation, the Utilities Commission,
23 the Local Government Commission, and the Golden LEAF Foundation.

24 **SECTION 1.(f)** The Legislative Services Officer shall assign professional and
25 clerical staff to assist the Task Force in its work. The Director of Legislative Assistants of the
26 House of Representatives and the Director of Legislative Assistants of the Senate shall assign
27 clerical support to the Task Force.

28 **SECTION 1.(g)** Meetings of the Task Force are authorized to begin on or after July
29 1, 2018. The Task Force shall submit a final report on the results of its study, including proposed
30 legislation, to the Joint Legislative Oversight Committee on Agriculture and Natural and
31 Economic Resources and the Joint Legislative Commission on Energy Policy on or before
32 December 1, 2018, by filing a copy of the report with the Office of the President Pro Tempore of
33 the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative
34 Oversight Committee on Agriculture and Natural and Economic Resources and the Joint
35 Legislative Commission on Energy Policy, and the Legislative Library. The Task Force shall
36 terminate on December 1, 2019, or upon the filing of its final report, whichever comes first.

37 **SECTION 1.(h)** The sum of ten thousand dollars (\$10,000) in recurring funds for
38 the 2018-2019 fiscal year is appropriated from the unappropriated balance remaining in the
39 General Fund to support the activities of the Task Force.

40 **SECTION 2.** This act is effective when it becomes law.





HOUSE BILL 1019: Fallen Wildlife Officers Memorial License.

2017-2018 General Assembly

Committee:	House State and Local Government II. If favorable, re-refer to Appropriations	Date:	June 6, 2018
Introduced by:	Reps. Dixon, J. Bell, Lewis, Adams	Prepared by:	Nicholas Giddings
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *House Bill 1019 would create the Fallen Wildlife Officers Memorial Lifetime Sportsman License, which would provide a lifetime sportsman license free of charge to a surviving spouse, child, grandchild, or great-grandchild of a wildlife enforcement officer killed in the line of duty. The bill would also appropriate \$5,000 in nonrecurring funds to the Wildlife Resources Commission to design the license and implement the provisions of this act.*

CURRENT LAW: Sportsman licenses entitle the licensee to statewide hunting and inland fishing. This includes hunting for big game, hunting on game lands, hunting for waterfowl, fishing in public mountain trout waters, fishing in trout waters on game lands, and fishing in joint waters. It does not include fishing in coastal waters.¹ Sportsman licenses may be purchased on an annual basis for residents of North Carolina, or for the lifetime of the licensee for residents and nonresidents.

BILL ANALYSIS: House Bill 1019 would create the Fallen Wildlife Officers Memorial Lifetime Sportsman License, also known as the John Oliver Edwards Memorial Lifetime Sportsman License. This license would be issued free of charge to a surviving spouse, child, grandchild, or great-grandchild of a wildlife enforcement officer killed in the line of duty. Each applicant seeking to be issued a Fallen Wildlife Officers Memorial Lifetime Sportsman License must provide proof of relationship to the fallen wildlife officer. On top of entitling the licensee to statewide hunting and inland fishing, the license would allow a nonresident licensee to avoid having to purchase a nonresident bear hunting license, and allow resident and nonresident licensees to receive bear management stamps at no cost.

The bill would also appropriate \$5,000 in nonrecurring funds to the Wildlife Resources Commission to design and develop the license and to implement the provisions of this act.

EFFECTIVE DATE: Sections 1, 2, and 3 of the bill would become effective July 1, 2019. The remainder of the bill would become effective when law.

BACKGROUND: Since 1930, eleven wildlife enforcement officers have fallen in the line of duty. John Oliver Edwards lost his life in the line of duty on August 3, 1963. This license is named in his memory.

¹ G.S. 113-270.1D.



GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE BILL 1019

Short Title: Fallen Wildlife Officers Memorial License. (Public)

Sponsors: Representatives Dixon, J. Bell, Lewis, and Adams (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State and Local Government II, if favorable, Appropriations

May 28, 2018

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE FALLEN WILDLIFE OFFICERS MEMORIAL LIFETIME SPORTSMAN LICENSE, ALSO KNOWN AS THE JOHN OLIVER EDWARDS MEMORIAL LIFETIME SPORTSMAN LICENSE, FOR SURVIVING FAMILY MEMBERS OF WILDLIFE ENFORCEMENT OFFICERS KILLED IN THE LINE OF DUTY.

Whereas, Deputy Game Warden John W. Hollowell lost his life in the line of duty on August 30, 1930; and

Whereas, Game Warden Joseph D. Whitaker lost his life in the line of duty on November 15, 1936; and

Whereas, District Game and Fish Protector W. I. Wright, Jr., lost his life in the line of duty on October 31, 1948; and

Whereas, Wildlife Agent Grover C. Quinn, Jr., lost his life in the line of duty on March 25, 1949; and

Whereas, Wildlife Protector William G. Holler lost his life in the line of duty on October 19, 1951; and

Whereas, Wildlife Protector Amos M. Bordeaux lost his life in the line of duty on April 10, 1962; and

Whereas, Wildlife Enforcement Officer John O. Edwards lost his life in the line of duty on August 3, 1963; and

Whereas, Wildlife Refuge Manager Dewey H. McCall lost his life in the line of duty on September 5, 1971; and

Whereas, Wildlife Enforcement Area Leader Troy M. Sigmon lost his life in the line of duty on September 1, 1978; and

Whereas, Wildlife Enforcement Officer Lloyd O. Mayse lost his life in the line of duty on November 27, 1980; and

Whereas, Wildlife Enforcement Officer William A. Williamson lost his life in the line of duty on December 4, 1985; and

Whereas, thousands of men and women proudly perform their duties as wildlife enforcement officers throughout the United States and the State of North Carolina; and

Whereas, Section 5 of Article XIV of the North Carolina Constitution declares it to be the policy of this State to conserve and protect its lands and waters for the benefit of all its citizenry; and



Whereas, Section 5 of Article XIV of the North Carolina Constitution also declares it to be the proper function of the State to preserve as a part of the common heritage of this State its forests, wetlands, estuaries, beaches, historical sites, open lands, and places of beauty; and

Whereas, G.S. 143B-135.42 provides that the State of North Carolina offers unique archaeological, geological, biological, scenic, and recreational resources and finds that these resources are part of the heritage of the people of this State and should be preserved and managed by the people for their use and for the use of their visitors and descendants; and

Whereas, the Wildlife Enforcement Officers of the Wildlife Resources Commission are dedicated public servants and work tirelessly to uphold these provisions of the State's Constitution and General Statutes, fulfill their duties to preserve our State's spectacular natural resources, and assure the safety of the State's citizenry in enjoying these resources; and

Whereas, the origins of the Wildlife Resource Commission may be traced to 1947, when the General Assembly established the agency to conserve and sustain the State's wildlife and inland fish resources; and

Whereas, the Wildlife Enforcement Officers of the Wildlife Resources Commission have responsibility for enforcement of the inland fishing, hunting, trapping, and boating laws throughout the State; and

Whereas, many Wildlife Enforcement Officers have been injured in the line of duty, and eleven Wildlife Enforcement Officers have lost their lives in the line of duty; and

Whereas, it is fitting to honor and commend the exemplary group of men and women who have served and continue to serve our State and nation and routinely endure dangerous and difficult conditions in the performance of their duties and those that have been injured and lost in the line of duty through service to their State and nation; Now, therefore, The General Assembly of North Carolina enacts:

SECTION 1. G.S. 113-270.1D reads as rewritten:

"§ 113-270.1D. Sportsman licenses.

(a) Annual Sportsman License – \$50.00. This license shall be issued only to an individual resident of the State and entitles the licensee to take all wild animals and wild birds, including waterfowl, by all lawful methods in all open seasons, including the use of game lands, and to fish with hook and line for all fish in all inland and joint fishing waters, including public mountain trout waters. An annual sportsman license issued under this subsection does not entitle the licensee to engage in recreational fishing in coastal fishing waters that are not joint fishing waters.

(b) Lifetime Sportsman Licenses. Except as provided in subdivision (7) of this subsection, lifetime sportsman licenses are valid for the lifetime of the licensees. Lifetime sportsman licenses entitle the licensees to take all wild animals and wild birds by all lawful methods in all open seasons, including the use of game lands, and to fish with hook and line for all fish in all inland and joint fishing waters, including public mountain trout waters. A lifetime sportsman license issued under this subsection does not entitle the licensee to engage in recreational fishing in coastal fishing waters that are not joint fishing waters. Lifetime sportsman licenses issued by the Wildlife Resources Commission are:

- (1) Infant Lifetime Sportsman License – \$200.00. This license shall be issued only to an individual under one year of age.
- (2) Youth Lifetime Sportsman License – \$350.00. This license shall be issued only to an individual under 12 years of age.
- (3) Adult Resident Lifetime Sportsman License – \$500.00. This license shall be issued only to an individual resident of the State who is 12 years of age or older but younger than 70 years of age.
- (4) Nonresident Lifetime Sportsman License – \$1,200. This license shall be issued only to an individual nonresident of the State.

- (5) Age 70 Resident Lifetime Sportsman License – \$15.00. This license shall be issued only to an individual resident of the State who is at least 70 years of age.
- (6) Repealed by Session Laws 2005-455, s. 1.7 effective January 1, 2007.
- (7) Resident Disabled Veteran Lifetime Sportsman License – \$100.00. This license shall be issued only to an individual who is a resident of the State and who is a fifty percent (50%) or more disabled veteran as determined by the United States Department of Veterans Affairs or as established by rules of the Wildlife Resources Commission. This license remains valid for the lifetime of the licensee so long as the licensee remains fifty percent (50%) or more disabled.
- (8) Resident Totally Disabled Lifetime Sportsman License – \$100.00. This license shall be issued only to an individual who is a resident of the State and who is totally and permanently disabled as determined by the Social Security Administration or as established by rules of the Wildlife Resources Commission.
- (9) Fallen Wildlife Officers Memorial Lifetime Sportsman License. – This license shall also be known as the John Oliver Edwards Memorial Lifetime Sportsman License and shall be issued free of charge only to a surviving spouse, child, grandchild, or great-grandchild of a wildlife enforcement officer killed in the line of duty."

SECTION 2. G.S. 113-270.3 reads as rewritten:

"§ 113-270.3. Special activity licenses; big game kill reports.

(a) In addition to any hunting, trapping, or fishing license that may be required pursuant to G.S. 113-270.1B(a), individuals engaging in specially regulated activities must have the appropriate special activity license and stamp prescribed in this section before engaging in the regulated activity.

(b) The special activity licenses and stamp issued by the Wildlife Resources Commission are as follows:

- (1) Resident Big Game Hunting License – \$13.00. This license shall be issued only to an individual resident of the State and entitles the holder to take big game by all lawful methods and during all open seasons.
- (1a) Nonresident Bear Hunting License – \$225.00. This license is valid for use only by an individual within the State and must be procured before taking any bear within the State. Notwithstanding any other provision of law, a nonresident individual may not take any bear within the State without procuring this license; provided, that neither those persons who have a nonresident lifetime sportsman combination license purchased prior to May 24, 1994, nor those persons who have obtained a lifetime license established by G.S. 113-270.1D(b)(9) shall ~~not~~ have to purchase this license.
- (1b) Bear Management Stamp – \$10.00. This electronically generated stamp must be procured before taking any bear within the State. Notwithstanding any other provision of law, a resident or nonresident individual may not take any bear within the State without procuring this stamp; provided, that those persons who have purchased a lifetime license established by G.S. 113-270.1D(b), 113-270.2(c)(2), or 113-351(c)(3) prior to July 1, 2014, those persons who have obtained a lifetime license established by G.S. 113-270.1D(b)(9), and those persons exempt from the license requirements as set forth in G.S. 113-276(c), G.S. 113-276(d), and G.S. 113-276(n) shall obtain this stamp free of charge. All of the revenue

generated by this stamp shall be dedicated to black bear research and management.

- (2) Nonresident Big Game Hunting License. This license shall be issued only to an individual nonresident of the State and entitles the holder to take big game by all lawful methods and during all open seasons. The nonresident big game hunting licenses issued by the Wildlife Resources Commission are:

a. Season License – \$80.00.

b. Ten-Day License – \$60.00. This license is only valid for the 10 consecutive dates indicated on the license.

- (2a) Bonus Antlerless Deer License – \$10.00. This license shall be issued to an individual resident or nonresident of the State who holds a valid North Carolina big game hunting license or an individual resident who is exempt from the hunting license requirement in accordance with G.S. 113-276(c) and G.S. 113-276(d) and entitles the holder to take two antlerless deer during seasons and by methods authorized by the Wildlife Resources Commission. This license expires June 30.

- (3) Game Land License – \$15.00. This license shall be issued to an individual resident or nonresident of the State and entitles the holder to hunt and trap on game lands managed by the Wildlife Resources Commission. The Wildlife Resources Commission may, pursuant to G.S. 113-264(a), designate in its rules other activities on game lands that require purchase of this license and may charge additional fees for use of specially developed facilities.

- (4) Falconry License – \$10.00. This license shall be issued to an individual resident or nonresident of the State and must be procured before:

a. Taking, importing, transporting, or possessing a raptor; or

b. Taking wildlife by means of falconry.

The Wildlife Resources Commission may issue classes of falconry licenses necessary to participate in the federal/State permit system, require necessary examinations before issuing licenses or permits to engage in various authorized activities related to possession and maintenance of raptors and the sport of falconry, and regulate licenses as required by governing federal law and rules. To defray the costs of administering required examinations, the Wildlife Resources Commission may charge reasonable fees upon giving them. To meet minimum federal standards plus other State standards in the interests of conservation of wildlife resources, the Wildlife Resources Commission may impose all necessary controls, including those set out in the sections pertaining to collection licenses and captivity licenses, and may issue permits and require reports, but no collection license or captivity license is needed in addition to the falconry license.

- (5) Migratory Waterfowl Hunting License – \$13.00. This license shall be issued to an individual resident or nonresident of the State and entitles the holder to take migratory waterfowl in accordance with applicable laws and regulations. The Wildlife Resources Commission may implement this license requirement through the sale of an official waterfowl stamp which may be a facsimile, in an appropriate size, of the waterfowl conservation print authorized by G.S. 113-270.2B. An amount not less than one-half of the annual proceeds from the sale of this license shall be used by the Commission for cooperative waterfowl habitat improvement projects through contracts with local waterfowl interests, with the remainder of the proceeds to be used by the Commission in its statewide programs for the conservation of waterfowl.

(c) Any individual who kills any species of big game must report the kill to the Wildlife Resources Commission. The Commission may by rule prescribe the method of making the report, prescribe its contents, and require positive identification of the carcass of the kill, by tagging or otherwise. The Wildlife Resources Commission may administratively provide for the annual issuance of big game tags or other identification for big game authorized by this section to holders of lifetime sportsman licenses and lifetime comprehensive hunting licenses.

(d) Any individual who possesses any of the lifetime sportsman licenses established by G.S. 113-270.1D(b) may engage in specially regulated activities without the licenses required by subdivisions (1), (2), (3), and (5) of subsection (b) of this section. Any individual possessing an annual sportsman license established by G.S. 113-270.1D(a) or a lifetime or annual comprehensive hunting license established by G.S. 113-270.2(c)(2) or (5) may engage in specially regulated activities without the licenses required by subdivisions (1), (3), and (5) of subsection (b) of this section.

(e) When the Wildlife Resources Commission establishes a primitive weapons season pursuant to G.S. 113-291.2(a), all of the combination hunting and fishing licenses established in G.S. 113-270.1C, sportsman licenses established in G.S. 113-270.1D, and hunting licenses established in G.S. 113-270.2(c)(1), (2), (3), (5), and (6) entitle the holder to participate. For purposes of this section, "primitive weapons" include bow and arrow, muzzle-loading firearm, and any other primitive weapon specified in the rules of the Wildlife Resources Commission."

SECTION 3. G.S. 113-272.3 reads as rewritten:

"§ 113-272.3. Special provisions respecting fishing licenses; grabbling; taking bait fish; use of landing nets; lifetime licenses issued from Wildlife Resources Commission headquarters; personalized lifetime sportsman combination licenses.

(a) The Wildlife Resources Commission by rule may define the meaning of "hook and line" and "special device" as applied to fishing techniques. Any technique of fishing that may be lawfully authorized which employs neither the use of any special device nor hook and line must be pursued under the appropriate hook-and-line fishing license.

(b) In accordance with established fishing customs and the orderly conservation of wildlife resources, the Wildlife Resources Commission may by rule provide for use of nets or other special devices which it may authorize as an incident to hook-and-line fishing or for procuring bait fish without requiring a special device license. In this instance, however, the individual fishing must meet applicable hook-and-line license requirements.

(c) Lifetime licenses are issued from the Wildlife Resources Commission headquarters. Each application for an Infant Lifetime Sportsman or Youth Lifetime Sportsman License must be accompanied by a certified copy of the birth certificate, adoption order containing the date of birth, or other proof of age satisfactory to the Commission, of the individual to be named as the licensee. Each application for a Fallen Wildlife Officers Memorial Lifetime Sportsman License shall be accompanied by proof of relationship to the fallen wildlife officer, satisfactory to the Wildlife Resources Commission, of the individual to be named as the licensee.

(d) In issuing lifetime licenses, the Wildlife Resources Commission is authorized to adopt rules to establish a personalized series for certain license types and to charge a five dollar (\$5.00) administrative fee, to be deposited in the Wildlife Fund, to defray the cost of issuance of the personalized license. The fee shall not be assessed for a personalized Fallen Wildlife Officers Memorial Lifetime Sportsman License as enacted under G.S. 113-270.1D(b)(9)."

SECTION 4. The Wildlife Resources Commission may adopt rules to implement this act.

SECTION 5. Five thousand dollars (\$5,000) in nonrecurring funds for the 2018-2019 fiscal year is appropriated to the Wildlife Resources Commission to design and develop the Fallen Wildlife Officers Memorial Lifetime Sportsman License and to implement the provisions of this act.

SECTION 6. The provisions of G.S. 143C-5-2 do not apply to this act.

1 **SECTION 7.** Sections 1, 2, and 3 of this act become effective July 1, 2019. The
2 remainder of this act is effective when it becomes law.

VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON APPROPRIATIONS 6/14/2018
 Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Crystal F.	SA
Laura Hiran	NCDAT
Cassie Garin	Siema Club
Richard Bostic	NC SBA
Justin Clayton	Governor
Josh Laier	CSH
Ann	Ann
Loren Martin	Bentham
JACKSON STANLEY	JSC
Mary Shuping	NCCCS
Elizabeth Groverstein	NCCCS

VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON APPROPRIATIONS

6/14/2018

Name of Committee

Date

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Karl Castille	NASW- NC
Aswara Groom	WRC
Tom Platt	NCTCH
Jon Carr	Jordan Piu
John Tesong	NCPA
Lee Tappin	TAG
Chris Vaughan	HLRC
Tafari Bailey	NC House Intern
Shrikar Nunna	DEQ
Amy Auth	UNC-CH
Shelly Craddock	DOA Intern

VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON APPROPRIATIONS

6/14/2018

Name of Committee

Date

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Elizabeth Jackson	Student
Morgan Dunn	Walk West
Eve Rogers on	LPCANC
DENA BAZZIE-JONES	LPCANC
TROY SCHIEDENHELM	LPCANC
Tanya Horton	USAIR
Matt Gross	DHHS
Anthony Marino	LPCANC
Freeman Jackson	Providence Anesthesiology Associates
Kara Weishaar	SA



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6/14/2018

Name of Committee

Date

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Lisa Martin	Cap. Ad
Lee H. Hume	WASH
Scott Mullins	PFEPNC
Tavor Young	4H
Scott Warren	4H
Charrell M. Byn	4-H "
ANGELA D. Galloway	4H (SCOTLAND COMMISSION)
Victoria K. B. B.	4-H
Cathy Brown	4-H



VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON APPROPRIATIONS

6/14/2018

Name of Committee

Date

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Linnen Hove	SEANC
Joy Williams	NCDOT
Kenn. Wilkins	NCDPI
Payton May	JS
Idley Perkins	Perkins Co.
Kasey Grosbary	GLF
Sam Swoon	TS
Katie Roper	TR
Haylee Borden	visitor
Zoe Steenupk	visitor
Taylor Jones	NC 4-H



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HOUSE COMMITTEE ON APPROPRIATIONS

6/14/2018

Name of Committee

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Suzanne Trolen	LPCANC
Allison Crowe	LPCANC & NCCA
Cori Costello	LPCANC
Letitia Huger-Hill	3801 Lake Boone Trail, Ste. 190 LPCANC - Raleigh, NC 27607
John Rustin	NC Family
Tommy Seve	Mue
Derek Kelly	CTC
Elizabeth Robinson	NCRMA
Rob Lamm	TZA
Matthew Balch	PPAB
JOBLAMOR	TEOSMAN



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6/14/2018

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Date

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Sue Ann Forrest	NCRMS
Kathy King	USO
Ken McHon	K. MA
Kary King	NCRMA
Shye David	NF
Bob May	NCNG
TOM BOWLIN	NCNG
J. PETERS	CSS
Jeff Horton	NC Senior Living Assoc.
Jul Bon	Boys: ASD.
Flint Benson	SEANC



VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON APPROPRIATIONS

6/14/2018

Name of Committee

Date

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NAME

FIRM OR AGENCY AND ADDRESS

<i>[Signature]</i>	CSS
Susan Vick	Duke Energy
Dick Carlton	Law Off of RHC
<i>[Signature]</i>	NCR
<i>[Signature]</i> Bate	B&B
<i>[Signature]</i>	Gateway
<i>[Signature]</i>	MTF
ALAN MELVIN	NCSHP
GLENN McNEILL	NCSHP
Suzanna Davis	NC DPS
Greece Webb	NCMS
Chris Byrd	ncms



VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON APPROPRIATIONS

Name of Committee

6/14/2018

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NAME _____

FIRM OR AGENCY AND ADDRESS

Kendall Kennedy

Union County 4-H

Brandon Gillespie

Cabarrus County 4-7/

Crystal Starks

Union County, 4H 3230 D Presson Road
Monroe, NC 28112

Kelli Kula

Duke Energy



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HOUSE COMMITTEE ON APPROPRIATIONS

6/14/2018

Name of Committee

Date

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NAME

FIRM OR AGENCY AND ADDRESS

Drew Moretz

UNC System

[Signature]

mwe



**House Sgt-At-Arms
Assignments
Thursday, June 14, 2018
Session: 11:00 AM**

Committee	Room	Time	Staff	Comments
Appropriations	643	8:30 AM	Bill Bass	Slate Candace - 919-715-0795 Rep. Dollar Chair - 93 House Members
			Jonas Cherry	
			Rey Cooke	
			John Gilbert	
			Warren Hawkins	
			Marvin Lee	
			David Leighton	
			David Linthicum	
			Dean Marshbourne	
			Terry McCraw	
			Malachi McCullough	
			Barry Moore	
			Jim Moran	
			Bill Riley	
			Russell Salisbury	
			Reggie Sills	
			Thomas Terry	

Reply ASAP to sender via phone or email, to confirm. Please clearly state your ability to accept it. Send copies of emailed responses to Garland.shepherd@ncleg.net & lawrence.elliott@ncleg.net. After hours phones to Garland @ 252-908-0017 or Larry @ 919-500-0613

Wednesday, June 13, 2018 7:19 PM



**House Pages
Assignments
Thursday, June 14, 2018
Session: 12:00 PM**

Committee	Room	Time	Staff	Comments	Member
Appropriations	643	9:00 AM	Anna Andrews		Rep. John Sauls
			Savannah-Grace Jones		Rep. Brenden H. Jones
			Merilee Newman		Rep. Mary Belk
			Meredith Wood		Rep. Donna McDowell White



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

You are hereby notified that the **House Committee on Appropriations** will meet as follows:

DAY & DATE: Thursday, November 29, 2018
TIME: 10 minutes after session
LOCATION: 643 LOB
COMMENTS: Meeting will start 10 minutes after session ends. Bills to be announced.

Respectfully,
Representative Nelson Dollar, Senior Chair
Representative Dean Arp, Co-Chair
Representative Justin P. Burr, Co-Chair
Representative John Faircloth, Co-Chair
Representative Linda P. Johnson, Co-Chair
Representative Donny Lambeth, Co-Chair
Representative Chuck McGrady, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 5:56 PM on Wednesday, November 28, 2018.

____ Principal Clerk
____ Reading Clerk – House Chamber

Candace Slate (Committee Assistant)



**House Committee on Appropriations
Thursday, November 29, 2018
10:30am (10 minutes after session)
643 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills:

BILL NO.	SHORT TITLE	SPONSOR
SB823	Hurricane Florence/Supplemental Act	Sen. Brown, Sen. B Jackson
HB1108	PED/Inmate Pharmacy Purchasing Monitoring	Rep. Horn, Rep. Davis

Presentations

Other Business

Adjournment



Appropriations Committee JT Meeting

JT Meeting

[illegible]



[illegible]



[illegible]



[illegible]



HOUSE COMMITTEE ON APPROPRIATIONS

Tuesday, November 29, 2018

11:00 a.m.

Room 643, Legislative Office Building

MINUTES

Attendees

Chairmen: Dollar, Arp, Burr, Faircloth, Johnson, McGrady

Members: Adcock, Ager, Autry, Ball, L. Bell, Belk, Boles, Boswell, Brisson, Brody, Bumgardner, Clampitt, Cleveland, Conrad, Corbin, Cunningham, Davis, Dixon, Dobson, Dulin, Earle, Farmer-Butterfield, Fisher, Floyd, Ford, Fraley, Garrison, Gill, C. Graham, Grange, Hardister, Harrison, Horn, Hunter, Hurley, Iler, Insko, Jackson, John, Lucas, McNeill, Malone, G. Martin, Michaux, Muller, Murphy, Pierce, Pittman, Potts, Presnell, Quick, B. Richardson, W. Richardson, Rogers, Ross, Sauls, Shepherd, Speciale, Stevens, Strickland, Terry, Torbett, B. Turner, R. Turner, Watford, White, Willingham, Zachary

I. Welcome and Opening Remarks

Chairman Nelson Dollar called the meeting to order at 11:25 a.m. Chairman Dollar recognized the House Sergeant-at-Arms who were assisting with the meeting.

Chairman Dollar asked for a moment of privilege to thank House Sergeant-at-Arms for a yeoman's job, fiscal research division staff, clerk staff of chairs, members of the committee, area chairs and fellow Appropriation chairs and area chairs for their support and dedication to moving North Carolina forward. He gave a special thanks to his legislative assistant, Candace Slate.

II. SB823: Hurricane Florence Supplemental Act

Linda Johnson, chaired and began by thanking Chairman Dollar for his service. Chairman Dollar highlighted Senate Bill 823 that provides additional disaster relief in the aftermath of Hurricane Florence. Chairman McGrady added that another disaster relief bill will be presented at a later time, stating that many members have asked, "How do we avoid (a situation like) this moving forward." He stated that his response to this question has been it will come last after we have taken care of the damages that have occurred. Chairman McGrady added that Governor Cooper and Secretary Troxler requested the agricultural funding. He reported that the bill passed unanimously out of the Senate reflecting bi-partisan support. "It is a product of a lot of input from a lot of different people," he concluded.



Chairman Johnson invited Commissioner of Agriculture, Steve Troxler to speak to the committee.

Commissioner Troxler began by thanking all members for their support and consideration of SB823. He stated that Hurricane Florence hit at the time when crops were ready for harvesting. Fifty-two counties were originally declared presidential (FEMA eligible) or secretarial (agriculturally eligible) and represented 72% of the farm gate receipts in the state or \$8.3 billion. Farm gate receipts are multiplied through the economy many times and small businesses in these rural areas depend on this agricultural business to build their businesses.

As an update to Hurricane Michael, North Carolina has counties that are being considered for a declaration. A delegation has gone to Washington for Secretary Purdue's approval and we do anticipate that approval. "With that approval, North Carolina will have 72 counties declared either presidentially or secretarially declared eligible," he concluded.

Representatives Harrison, Cleveland, Pierce, Shepherd, and Floyd spoke to the bill.

Chairman Johnson called upon Representative Jimmy Dixon. Representative Dixon moved for a favorable report of SB823. Vote on the motion was unanimous.

III. HB1108: PED/Inmate Pharmacy Purchasing Monitoring

An overview of HB1108: PED/Inmate Pharmacy Purchasing Monitoring was presented by Representative Craig Horn. The purpose of the bill is to direct the Program Evaluation Division to examine the efficiency and economy of inmate healthcare. The bill primarily focuses on pharmaceutical-related expenditures for inmates which has increased by 88% from the previous five years.

Chairman Johnson called upon Representative Horn for a motion. Representative Horn moved favorable report of HB1108. Vote on the motion was unanimous.

Representative Horn introduced Amendment H1108-ABC-53 [v.6] for HB1108: PED/Inmate Pharmacy Purchasing Monitoring. The amendment rewrites lines 2-4 to read: "AN ACT TO MODIFY INMATE PHARMACY PURCHASING AND MONITORING." Technical corrections were also made to the amendment, line 22 to replace "Legislative Services Commission" with "General Assembly and line 29 by replacing "State Employees Health Insurance Plan" with "North Carolina State Health Plan for Teachers and State Employees."

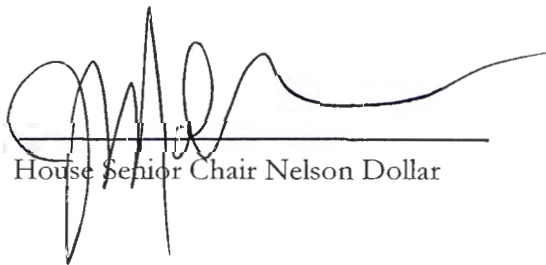
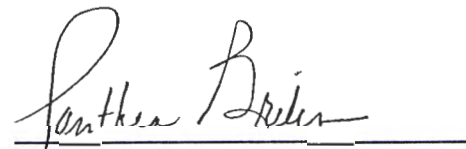


Questions were received from Representatives Harrison, Insko, Cunningham.

Chairman Johnson called upon Representative Hardister for a motion. Representative Hardister moved favorable to the Committee Substitute, unfavorable to the original. Vote on the motion was unanimous.

IV. Adjournment

Chairman Dollar adjourned the House Committee on Appropriations 12:15 p.m.


House Senior Chair Nelson Dollar
Panthea Briles, Committee Clerk

ATTACHMENTS:

1. Agenda
2. Attendance
3. Handouts: Senate Bill 823: Appropriations/Base Budget Committee Substitute Adopted 11/28/18
House Bill 1108: PED/Inmate Pharmacy Purchasing/Monitoring
Amendment #1 H1108-ABC-53 {v.6}





SENATE BILL 823: Hurricane Florence/Supplemental Act.

2017-2018 General Assembly

Committee: House Appropriations
Introduced by: Sens. Brown, B. Jackson
Analysis of: Third Edition

Date: November 28, 2018
Prepared by: Kory Goldsmith
Staff Attorney

OVERVIEW: *The Proposed Committee Substitute to Senate Bill 823 appropriates \$299,800,000 for additional disaster relief in response to Hurricane Florence.*

BILL ANALYSIS:

Section 1.2 appropriates \$299,800,000 for additional Hurricane Florence disaster relief which is allocated in Section 1.3 as follows:

- **Department of Public Instruction** – \$23,500,000 to for repair and renovate school facilities and \$1,500,000 is provided to repair or replace food, food nutrition equipment, and food nutrition supplies
- **Department of Agriculture and Consumer Services** – \$240,000,000 to implement the Hurricane Florence Agricultural Disaster Program of 2018.
- **Golden L.E.A.F.** – \$5,000,000 for loans to small businesses.
- **Department of Environmental Quality** – \$10,000,000 to the to be used for commercial fishing assistance, \$250,000 for the State match for the removal of marine debris deposited along the shorelines of state-owned lands, and \$18,500,000 for the State match to mitigate or remediate coastal storm damage to the ocean beaches and dune systems of the State.
- **Wildlife Resources Commission** – \$50,000 to develop legislation related to derelict and abandoned vessels.
- **Judicial Department** – \$1,000,000 for the replacement of equipment and supplies, and other expenses related to additional court sessions required as a result of disaster-related courthouse closures.

SECTION 1.5. Authorizes the Office of Recovery and Resiliency in the Department of Public Safety to use up to \$20 million allocated for federal match funds to provide loans to local governments until they receive federal assistance money at which point the local governments must repay the State funds. It also allows \$5 million from the same source to be used for Back@Home North Carolina in the Department of Health and Human Services, a time-limited program, to prevent homelessness and create stability and long-term self-sufficiency for individuals displaced by Hurricane Florence.

SECTION 2.1. Authorizes the Department of Public Instruction to transfer up to \$350,000 from the State Public School Fund to the Education Fund to support the Florence Aid to Students and Teachers of North Carolina (FAST NC) initiative to assist public schools as educators and students recover from the impacts of Hurricane Florence.

SECTION 2.2. Holds harmless principal salaries impacted by lower average daily membership when the principal's school is located in a disaster area and the school was closed for at least 15 days in September, October, and November of 2018 as a result of Hurricane Florence.

Kory Goldsmith
Director



Legislative Drafting
(919) 733-6660



Senate Bill 823

Page 3

SECTION 2.14. Revises and coordinates the auditing and reporting requirements for both Hurricane Florence and Hurricane Matthew.

SECTION 2.14. Consolidates all functions related to the Community Development Block Grant Disaster Recovery program for both hurricanes Florence and Matthew in the Office of Recovery and Resiliency in the Department of Public Safety.

SECTION 3.1 Make the appropriations applicable to those counties designated in the Presidential disaster declaration for Hurricane Florence. As of 11/15/2018, those counties are Anson, Beaufort, Bladen, Brunswick, Carteret, Chatham, Columbus, Craven, Cumberland, Duplin, Durham, Greene, Guilford, Harnett, Hoke, Hyde, Johnston, Jones, Lee, Lenoir, Moore, New Hanover, Onslow, Orange, Pamlico, Pender, Pitt, Richmond, Robeson, Sampson, Scotland, Union, Wayne, and Wilson.

SECTION 3.2. Makes various provisions related to repayment of State funds, subrogation, use of historically underutilized businesses, and prohibitions on rebuilding in floodplains from previous Florence legislation applicable to this act.

EFFECTIVE DATE: Unless otherwise provided, the act is effective when it becomes law.



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S

3

SENATE BILL 823
Appropriations/Base Budget Committee Substitute Adopted 11/28/18
Third Edition Engrossed 11/28/18

Short Title: Hurricane Florence/Supplemental Act.

(Public)

Sponsors:

Referred to:

November 27, 2018

A BILL TO BE ENTITLED
AN ACT TO PROVIDE ADDITIONAL DISASTER RELIEF IN RESPONSE TO
HURRICANE FLORENCE.

The General Assembly of North Carolina enacts:

**PART I. APPROPRIATIONS/AVAILABILITY/ALLOCATIONS OF FUNDS FOR
HURRICANE FLORENCE DISASTER RELIEF**

SECTION 1.1. The appropriations and allocations made in this act are for maximum amounts necessary to implement this act. Savings shall be effected where the total amounts appropriated or allocated are not required to implement this act.

SECTION 1.2. There is appropriated from the Hurricane Florence Disaster Recovery Fund the sum of two hundred ninety-nine million eight hundred thousand dollars (\$299,800,000) for the 2018-2019 fiscal year.

SECTION 1.3. The funds appropriated in Section 1.2 of this act in the Hurricane Florence Disaster Recovery Fund created in S.L. 2018-134 shall be allocated as follows:

- (1) Twenty-three million five hundred thousand dollars (\$23,500,000) to the Department of Public Instruction to be used to repair and renovate facilities of local school administrative units, laboratory schools, and innovative schools damaged by Hurricane Florence, and to repair or replace damaged furnishings and equipment of those facilities.
- (2) One million five hundred thousand dollars (\$1,500,000) to the Department of Public Instruction to be used to repair or replace food, food nutrition equipment, and food nutrition supplies damaged by Hurricane Florence in local school administrative units, laboratory schools, charter schools, and innovative schools participating in the National School Lunch Program or School Breakfast Program.
- (3) Two hundred forty million dollars (\$240,000,000) to the Department of Agriculture and Consumer Services, Hurricane Florence Agricultural Disaster Program of 2018, established in Section 5.11 of S.L. 2018-136, as amended by Section 2.5 of this act.
- (4) Five million dollars (\$5,000,000) to the Office of State Budget and Management for The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, to provide grants to eligible entities capable of making loans to small businesses affected by Hurricane Florence.



- These funds and funds received by Golden L.E.A.F. pursuant to S.L. 2018-136 shall not be subject to G.S. 143C-6-23(d).
- (5) Ten million dollars (\$10,000,000) to the Department of Environmental Quality, Division of Marine Fisheries to be used for commercial fishing assistance.
- (6) Two hundred fifty thousand dollars (\$250,000) to the Department of Environmental Quality, Division of Coastal Management to be used for the nonfederal match to funding provided through the Emergency Watershed Protection (EWP) Program administered by the Natural Resources Conservation Service of the United States Department of Agriculture for the removal of marine debris deposited along the shorelines of state-owned lands. If the Division of Coastal Management does not receive EWP funding, this allocation shall be used as provided in Section 5.12 of S.L. 2018-136.
- (7) Fifty thousand dollars (\$50,000) to the Wildlife Resources Commission to conduct the study required in this act.
- (8) Eighteen million five hundred thousand dollars (\$18,500,000) to the Department of Environmental Quality for the Coastal Storm Damage Mitigation Fund. Notwithstanding G.S. 143-215.73M(c), funds allocated by this subdivision may be used to provide no more than fifty percent (50%) of the nonfederal share for a federally funded eligible project, and no more than fifty percent (50%) of the total cost of an eligible project that is not federally funded. For purposes of this subdivision, an "eligible project" is a project that mitigates or remediates coastal storm damage to the ocean beaches and dune systems of the State.
- (9) One million dollars (\$1,000,000) to the Judicial Department for the replacement of equipment and supplies, contractual services, and additional travel and personnel costs for additional court sessions required as a result of disaster-related courthouse closures.

SECTION 1.4. The availability for Hurricane Florence disaster recovery activities in this act is set out below:

Total Hurricane Florence Disaster Recovery Activities Availability	
as provided in Section 2.1(b) of S.L. 2018-136	\$ 849,430,477
Less Appropriations in S.L. 2018-134	\$ 56,500,000
Less Appropriations in S.L. 2018-136	\$ 398,430,477
Less Additional FY 2018-19 Appropriations	\$ 299,800,000
Unappropriated Balance Remaining	\$ 94,700,000

SECTION 1.5. Notwithstanding Section 4.1 of S.L. 2018-134 and Section 4.1 of S.L. 2018-136, of the funds appropriated in the Hurricane Florence Disaster Recovery Fund to the Department of Public Safety for state match for federal disaster assistance the following may be used as follows:

- (1) Up to twenty million dollars (\$20,000,000) may be made available by the Office of Recovery and Resiliency in the Department of Public Safety (Office) to provide loans to local governments in counties designated under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence to assist with cash flow management while the local governments await federal reimbursement. The Office shall enter into agreements with local governments to ensure the proper use of the funds and the return of the funds to the State once the local governments have received federal reimbursement. The Office shall operate the program on a revolving loan fund basis to assist the maximum number of

- 1 local governments possible. Funds returned to the State shall be deposited in
2 the Hurricane Florence Disaster Recovery Fund created in S.L. 2018-136.
3 (2) Five million dollars (\$5,000,000) to the Back@Home North Carolina in the
4 Department of Health and Human Services, a time-limited program, to
5 prevent homelessness and create stability and long-term self-sufficiency for
6 individuals displaced by Hurricane Florence.
7

8 **PART II. IMPLEMENTATION OF ACT**

9 **TRANSFER OF FUNDS TO THE EDUCATION FUND**

10 **SECTION 2.1.** Notwithstanding any other provision of law to the contrary, from the
11 funds available in the State Public School Fund for the 2018-2019 fiscal year, the Department of
12 Public Instruction may transfer the sum of up to three hundred fifty thousand dollars (\$350,000)
13 from the State Public School Fund to the Education Fund, Budget Code 63501, Fund Code 6116,
14 during the 2018-2019 fiscal year. These funds shall be used solely to support the Florence Aid to
15 Students and Teachers of North Carolina (FAST NC) initiative to assist the State's public schools
16 as students and educators struggle to return to normal following Hurricane Florence and its
17 impact.

18 **PRINCIPAL ADM HOLD HARMLESS**

19 **SECTION 2.2.(a)** Notwithstanding Section 8.2 of S.L. 2018-5, for purposes of
20 determining the average daily membership of the school supervised by the principal under the
21 2018-2019 Principal Annual Salary Schedule, the greater of the average daily membership for
22 the school for (i) the 2017-2018 school year or (ii) the 2018-2019 school year shall be used
23 between January 1, 2019, and June 30, 2019.

24 **SECTION 2.2.(b)** This act applies only to principals supervising schools that meet
25 both of the following requirements:

- 26 (1) The school is located in a county designated under a major disaster declaration
27 by the President of the United States under the Stafford Act (P.L. 93-288) as
28 a result of Hurricane Florence.
29 (2) The school was closed for at least 15 school days during the months of
30 September 2018, October 2018, and November 2018 as a result of Hurricane
31 Florence.

32 **EXPAND USE OF FUNDS – UNIVERSITY REPAIR AND RENOVATION**

33 **SECTION 2.3.** Notwithstanding any provision of S.L. 2018-136 or the Committee
34 Report described in Section 6.1 of that act to the contrary, the funds provided to The University
35 of North Carolina for repair and renovation of capital facilities damaged by Hurricane Florence
36 on the campuses at Wilmington, Pembroke, and Fayetteville may also be used for temporary
37 facility costs associated with damage caused by Hurricane Florence.

38 **DELAY THE BEGINNING OF PEAK SEASON FOR SOIL TESTING BY THE** 39 **DEPARTMENT OF AGRICULTURAL AND CONSUMER SERVICES**

40 **SECTION 2.4.(a)** Notwithstanding G.S. 106-22(17), the beginning date for "peak
41 season" as defined in G.S. 106-22(17) for the year 2018 shall be December 15.

42 **SECTION 2.4.(b)** This section becomes effective November 30, 2018.

43 **CLARIFY HURRICANE FLORENCE AGRICULTURAL DISASTER PROGRAM**

44 **SECTION 2.5.(a)** Section 5.11(d) of S.L. 2018-136 reads as rewritten:

45 "SECTION 5.11.(d) To be eligible for financial assistance for losses of agricultural
46 commodities, a person must satisfy all of the following criteria:

- 47 (1) The person experienced a verifiable loss of agricultural commodities as a
48 result of Hurricane Florence, and the person's farm is located in a North
49 Carolina county that is or becomes any of the following:

- a. Designated under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.
- b. Included in either a Secretarial Disaster Declaration for Hurricane Florence issued by the United States Secretary of Agriculture or the Presidential Federal Emergency Management Agency Declaration for Hurricane Florence.

- (2) The agricultural commodity was planted but not harvested on or before September 13, 2018, or, for aquaculture commodities, the commodities were being raised on or before September 13, 2018."

SECTION 2.5.(b) Section 5.11 of S.L. 2018-136 is amended by adding a new subsection to read:

"SECTION 5.11.(j1) The Department shall report the following data to the Fiscal Research Division no later than 30 days following the conclusion of each quarter:

- (1) The number of applicants by type (crops, livestock, nursery).
- (2) The number and amount of awards by type (crops, livestock, nursery).
- (3) The geographic distribution of the awards.
- (4) The reported crop loss by crop type and by county.
- (5) The total amount of funding available to the program, the total amount encumbered, and the total amount disbursed to date.
- (6) Any refunds made to the program pursuant to subsection (k) of this section."

SECTION 2.5.(c) This section becomes effective October 16, 2018.

ADDITIONAL AUTHORITY FOR AGRICULTURAL IMPACTS OF HURRICANE MICHAEL

SECTION 2.5A. If a county of the State is included in either a Secretarial Disaster Declaration for Hurricane Michael issued by the United States Secretary of Agriculture or a Presidential Federal Emergency Management Agency Declaration for Hurricane Michael and the Commissioner of Agriculture and Consumer Services determines that funds from the Hurricane Florence Disaster Recovery Fund that are allocated to the Hurricane Florence Agricultural Disaster Program of 2018 are needed to address the impacts of Hurricane Michael in those counties, the Office of State Budget and Management or their designee shall transfer the needed funds from the Hurricane Florence Disaster Recovery Fund to the State Emergency Response and Disaster Relief Fund and the Department of Agriculture and Consumer Services shall expend those funds for the purposes set forth for the Hurricane Florence Agricultural Disaster Program of 2018 in Section 5.11 of S.L. 2018-136. Funds transferred under this section are subject to the reporting requirements set forth in Section 5.11(j1) of S.L. 2018-136.

REPURPOSE STREAM DEBRIS REMOVAL FUNDS

SECTION 2.6. Funds allocated to the Department of Agriculture and Consumer Services by S.L. 2016-124 or S.L. 2017-119 for stream debris removal may be transferred to the Hurricane Florence Disaster Recovery Fund and used to fund removal of stream debris deposited by Hurricane Florence. The Department will track and submit a quarterly report to the Fiscal Research Division on funds transferred under the authority granted by this subsection.

COMMERCIAL FISHING ASSISTANCE

SECTION 2.7.(a) Funds allocated by this act for commercial fishing assistance shall be used to reimburse persons holding a Standard Commercial Fishing License, a Retired Standard Commercial Fishing License, or a North Carolina Resident Shellfish License for all or part of the period from September 1, 2018, through November 30, 2018, for reductions in landings demonstrated from trip data ticket or other verified landing compared with average landings over a prior comparable period determined by the Division of Marine Fisheries.

1 **SECTION 2.7.(b)** The Division may issue emergency and temporary rules to
2 implement this section and may use up to two and one-half percent (2.5%) of the funds allocated
3 to it by this act for administrative costs, including no more than three temporary positions.

4 **STUDY DERELICT AND ABANDONED VESSELS**

5 **SECTION 2.8.** The Wildlife Resources Commission shall recommend legislation,
6 including appropriate funding levels, needed (i) to facilitate the identification of owners or other
7 responsible persons for abandoned or derelict vessels for the purpose of requiring those persons
8 to take responsibility for their vessels and (ii) in cases where no responsible owner may be found,
9 to provide the State with the authority to expeditiously remove or otherwise dispose of the
10 abandoned and derelict vessels. In developing its recommendations, the Commission shall
11 consult with a technical working group that includes the Division of Coastal Management of the
12 Department of Environmental Quality, the North Carolina Coastal Federation, the National
13 Oceanic and Atmospheric Administration Marine Debris program, marine salvage industry
14 experts, commercial and recreational boat owners, and other interested stakeholders. The
15 Commission shall provide its recommendations no later than March 1, 2019, to the chairs of the
16 House Environment Committee; the House Appropriations, Agriculture and Natural and
17 Economic Resources Committee; the Senate Agriculture/Environment/Natural Resources
18 Committee; the Senate Appropriations Committee on Agriculture, Natural, and Economic
19 Resources; and the Fiscal Research Division.

20 **EXPAND USES FOR CERTAIN WATER RESOURCES FUNDING – HURRICANE**
21 **MITIGATION**

22 **SECTION 2.9.** Section 13.9 of S.L. 2018-5 reads as rewritten:

23 **"SECTION 13.9.(a)** Of the funds appropriated in this act to the Department of
24 Environmental Quality, Division of Water Resources, the sum of five million dollars
25 (\$5,000,000) shall be used to provide a grant-in-aid to Resource Institute, Inc., for the purpose of
26 working with ~~coastal local governments~~ local governments on Topsail Island and engineering
27 firms to ~~explore opportunities for the development and implementation of emerging techniques~~
28 that can extend the useful life of beach nourishment projects, develop, plan, or implement projects
29 intended to mitigate the impacts of future hurricanes on Topsail Island.

30 **"SECTION 13.9.(b)** On or before October 1, 2019, Resource Institute, Inc., shall submit a
31 report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic
32 Resources and the Fiscal Research Division. The report shall contain at least all of the following:

- 33 (1) A list of participating local governments and engineering firms and other
34 partners in ~~the project~~ projects funded under this section.
35 (2) A list of projects funded on Topsail Island, including a summary of the costs
36 and the scope of the project.
37 ~~(2)~~(3) A summary of the emerging techniques developed and implemented as a result
38 of the efforts of the collaboration between local governments, engineering
39 firms, and Resource Institute, Inc.
40 ~~(3)~~(4) Documentation of the impact on the resilience of beach nourishment projects
41 and the number of beach nourishment projects assisted."

42 **EXPAND INFRASTRUCTURE FUND ELIGIBILITY**

43 **SECTION 2.10.** Notwithstanding any provision of S.L. 2018-136 or the Committee
44 Report described in Section 6.1 of that act to the contrary, funds provided to The Golden L.E.A.F.
45 (Long-Term Economic Advancement Foundation), Inc., and used to provide grants to local
46 governments to repair and replace infrastructure, vehicles and equipment, and facilities may be
47 used to provide grants for similar purposes to organizations exempt from federal income tax
48 under section 501(c)(3) of the Internal Revenue Code. Golden L.E.A.F. may also provide grants
49 to private nonprofit organizations and established religious organizations to repair and replace
50 places of worship damaged or destroyed by flooding caused by Hurricane Florence.

51 **JUDICIAL BRANCH DISASTER OPERATIONS**

1 **SECTION 2.12.(a)** G.S. 7A-64(b) reads as rewritten:

2 "(b) The Director of the Administrative Office of the Courts may provide this assistance
3 only upon a showing by the requesting district attorney supported by ~~facts, that~~ facts that at least
4 one of the following circumstances apply:

- 5 (1) Criminal cases have accumulated on the dockets of the superior or district
6 courts of the district beyond the capacity of the district attorney and the district
7 attorney's full-time assistants to keep the dockets reasonably ~~current;~~ current.
8 (2) The overwhelming public interest warrants the use of additional resources for
9 the speedy disposition of cases involving drug offenses, domestic violence, or
10 other offenses involving a threat to public ~~safety;~~ safety.
11 (3) There is a conflict of interest.
12 (4) A county within the jurisdiction of the requesting district attorney is subject
13 to a disaster declaration by the Governor pursuant to G.S. 166A-19.3(3)."

14 **SECTION 2.12.(b)** G.S. 7A-130 reads as rewritten:

15 **"§ 7A-130. Creation of district court division and district court districts; seats of court.**

16 (a) The district court division of the General Court of Justice is hereby created. It consists
17 of various district courts organized in territorial districts. The numbers and boundaries of the
18 districts are as provided by G.S. 7A-133. The district court shall sit in the county seat of each
19 county, and at such additional places in each county as the General Assembly may authorize,
20 except that sessions of court are not required at an additional seat of court unless the chief district
21 judge and the Administrative Officer of the Courts concur in a finding that the facilities are
22 adequate.

23 (b) Notwithstanding subsection (a) of this section, when exigent circumstances exist
24 within a judicial district, sessions of district court may be conducted at a location outside a county
25 seat by order of the chief district court judge of a county, with the prior approval of the location
26 and facilities by the Administrative Officer of the Courts and after consultation with the clerk of
27 superior court and county officials of the county. An order entered under this subsection shall be
28 filed in the office of the clerk of superior court in the county and posted at the courthouse within
29 the county seat and notice shall be posted in other conspicuous locations."

30 **SECTION 2.12.(c)** G.S. 7A-146 reads as rewritten:

31 **"§ 7A-146. Administrative authority and duties of chief district judge.**

32 The chief district judge, subject to the general supervision of the Chief Justice of the Supreme
33 Court, has administrative supervision and authority over the operation of the district courts and
34 magistrates in his district. These powers and duties include, but are not limited to, the following:

- 35 ...
- 36 (9) Assigning magistrates ~~during an emergency when~~ during an emergency when exigent circumstances exist
37 to temporary duty outside the county of their residence but within that district
38 pursuant to the policies and procedures prescribed under G.S. 7A-343(11);
39 and, upon the request of a chief district judge of ~~an adjoining another~~ an adjoining another district
40 and upon the approval of the Administrative Officer of the Courts, to
41 temporary duty in the district of the requesting chief district judge pursuant to
42 the policies and procedures prescribed under G.S. 7A-343(11).

43 "

44 **SECTION 2.12.(d)** G.S. 7A-343 reads as rewritten:

45 **"§ 7A-343. Duties of Director.**

46 The Director is the Administrative Officer of the Courts, and the Director's duties include all
47 of the following:

- 48 ...
- 49 (11) Prescribe policies and procedures for the assignment and compensation of
50 magistrates performing temporary duty outside their county of residence

1 ~~during an emergency, when exigent circumstances exist,~~ as provided for in
2 G.S. 7A-146(9).
3 "

4 **REQUIRE DIRECTOR OF THE BUDGET TO DEVELOP PLAN FOR REPLENISHING**
5 **THE SAVINGS RESERVE**

6 **SECTION 2.13.** The Director of the Budget shall develop a five-year plan beginning
7 in the 2019-2020 fiscal year for the replenishment of seven hundred fifty-six million five hundred
8 thousand dollars (\$756,500,000) transferred from the Savings Reserve to the Hurricane Florence
9 Disaster Recovery Fund. The Director of the Budget shall submit the plan required under this
10 section by March 1, 2019, to the chairs of the House of Representatives Committee on
11 Appropriations, the Senate Appropriations/Base Budget Committee, and the Fiscal Research
12 Division.

13 **REVISE AUDITING REQUIREMENTS FOR HURRICANES MATTHEW AND**
14 **FLORENCE**

15 **SECTION 2.14.(a)** Section 5.8 of S.L. 2018-136 reads as rewritten:

16 "SECTION 5.8.(a) Beginning January 1, 2019, the Office of Recovery and Resiliency
17 (Office) shall provide separate quarterly reports to the Director of the Budget, the standing
18 Appropriations Committees of the Senate and the House of Representatives, and the Fiscal
19 Research Division on the use of State-disaster recovery and assistance funds expended from the
20 Hurricane Florence Recovery Fund-Fund and from the State Emergency Response and Disaster
21 Relief Fund for Hurricane Matthew. The separate reports shall summarize oversight activities
22 and the results achieved as well as all of the following:

- 23 (1) Expenditures by program and by source of funds.
- 24 (2) Expenditures required to receive federal grants.
- 25 (3) Federal funding provided to the State to refund certain federally related
26 spending.
- 27 (4) Actual and projected State spending data including time lines and milestones.
- 28 (5) State spending data classified by disaster phase to include preparedness,
29 response, mitigation, and recovery.
- 30 (6) Total State spending data by agency and by program.
- 31 (7) Total State spending by program and county, where practicable.
- 32 (8) Location and job responsibilities of all time-limited State positions created
33 under this act or paid for with federal funds received as a result of Hurricane
34 Florence.

35 "SECTION 5.8.(b) In addition to the quarterly reports required under subsection (a) of this
36 section and beginning January 1, 2020, the Office shall provide annual reports that compile the
37 information contained in the quarterly reports. The annual reports shall be submitted to the
38 entities required under subsection (a) of this section.

39 "SECTION 5.8.(c) Each report required by this section shall include information about all
40 funds expended or encumbered pursuant to this act or any other act providing funds to address
41 the impacts of Hurricanes Matthew and Florence, regardless of which State agency or non-State
42 entity administers the funds. Non-State entities that administer or receive any funds appropriated
43 in this act shall assist and fully cooperate with the Office of Recovery and Resiliency in meeting
44 the Office's obligations under this section."

45 **SECTION 2.14.(b)** Section 5.8 of S.L. 2016-124, Section 6 of S.L. 2017-119, and
46 subsection 5.6(g) of S.L. 2018-5 are repealed.

47 **SECTION 2.14.(c)** Section 5.19 of S.L. 2018-136 reads as rewritten:

48 "SECTION 5.19. The State Auditor shall conduct a preliminary financial-and-performance
49 audit of the Hurricane Florence Disaster Recovery Fund created in Section 3.1 of S.L. 2018-134
50 (Fund) no later than ~~March 1, 2019~~October 1, 2019, March 1, 2021, and every two years
51 thereafter. The State Auditor shall conduct ~~additional periodic financial-and-performance~~ audits

1 of the Fund ~~and a~~ every three years with the first performance audit due no later than March 1,
2 2020. A final financial and performance audit as requested by the Director of the Budget and the
3 General Assembly shall be conducted once all funds are expended, or by March 1, 2025,
4 whichever first occurs."

6 CONSOLIDATE CDBG-DR FUNCTIONS

7 SECTION 2.15.(a) Section 5.7(a) of S.L. 2018-136 reads as rewritten:

8 "SECTION 5.7.(a) The Office of Recovery and Resiliency (Office) is created in the
9 Department of Public Safety. The Office shall execute multi-year recovery and resiliency projects
10 and administer funds provided by the Community Development Block Grant Disaster Recovery
11 ~~program.~~ program for Hurricanes Florence and Matthew. The Secretary may reassign up to 15
12 existing positions of the Division of Emergency Management to the Office. In addition, the
13 Secretary may create up to 30 new three-year time-limited positions. The reassigned positions
14 assigned to the Office shall retain the employment status of the positions at the time of the
15 reassignment after implementation of this act is completed. The three-year time-limited positions
16 created in this section shall be temporary positions and are exempt from the provision of the State
17 Human Resources Act, Chapter 126 of the General Statutes, except Articles 6 and 7 of that
18 Chapter. The Office will provide general disaster recovery coordination and public information;
19 citizen outreach and application case management; audit, finance, compliance, and reporting on
20 disaster recovery funds; and program and construction management services. The Office shall
21 also contract for services from vendors specializing in housing, construction, and project
22 management services."

23 SECTION 2.15.(b). Section 5.11 of S.L. 2016-124 reads as rewritten:

24 "SECTION 5.11.(a) Notwithstanding any other provision of law, all Community
25 Development Block Grant Disaster Recovery Program funds received by the Department of
26 Commerce in response to the declarations and executive orders described in Section 3.1 of this
27 act shall be transferred to the ~~Emergency Management Division~~ Office of Recovery and
28 Resiliency of the Department of Public Safety.

29 "SECTION 5.11.(b) The ~~Emergency Management Division~~ Office of Recovery and
30 Resiliency shall assist the Department of Commerce in fulfilling any reporting requirements
31 arising from receipt of the Disaster Recovery Program funds described in subsection (a) of this
32 section."
33

34 PART III. APPLICABILITY, SCOPE, LIMITATIONS

35 SECTION 3.1. Unless otherwise provided, Section 1.3 of this act applies to the North
36 Carolina counties designated under a major disaster declaration by the President of the United
37 States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.

38 SECTION 3.2. Sections 4.2, 4.3, 5.18, 5.21, 5.22, 5.23, 5.24, and 6.1 of S.L.
39 2018-136 apply to this act and are incorporated by reference.

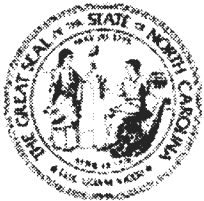
40 SECTION 3.3. Section 5.24 of S.L. 2018-136 reads as rewritten:

41 "SECTION 5.24. If a person's home is relocated or purchased with funds from the Hazard
42 Mitigation Grant Program or the State Acquisition and Relocation Fund, the ~~State Emergency~~
43 ~~Response and Disaster Relief~~ Hurricane Florence Disaster Recovery Fund is subrogated to the
44 person's rights under any insurance coverage for the damage to the home, and any monies
45 received from the insurance coverage shall be paid to the ~~State Emergency Response and Disaster~~
46 ~~Relief~~ Hurricane Florence Disaster Recovery Fund. The Division of Emergency Management
47 shall ensure that those potentially affected by this section are notified of, and adhere to, its
48 requirements."
49

50 PART IV. EFFECTIVE DATE

1 SECTION 4.1. Except as otherwise provided, this act is effective when it becomes
2 law.





HOUSE BILL 1108: PED/Inmate Pharmacy Purchasing/Monitoring.

2017-2018 General Assembly

Committee: House Appropriations
Introduced by: Reps. Horn, Davis
Analysis of: Filed Edition

Date: November 28, 2018
Prepared by: Kory Goldsmith
Staff Attorney

OVERVIEW: *The Joint Legislative Program Evaluation Oversight Committee directed the Program Evaluation Division to examine the efficiency and economy of inmate healthcare. This bill focuses on pharmaceutical-related expenditures for inmates, which totaled \$72.7 million in Fiscal Year 2016-17, an 88% (\$33.9 million) increase from five years ago.*

[As introduced, this bill was identical to S825, as introduced by Sen. B. Jackson, which is currently in an unknown committee.]

Section 1: Directs the University of North Carolina Health Care System (UNCHCS) to modify and expand its 340B program to provide for the purchasing of inmate medications for HIV/AIDS and Hepatitis C in cooperation with the Department of Public Safety (DPS). To facilitate the partnership, DPS shall transfer twenty five thousand dollars (\$25,000) to UNCHCS to fund a legal consultant to assist with program design and spend seven thousand dollars (\$7,000) annually for program auditing as required by U.S. Health Resources and Services Administration (HRSA). UNCHCS and DPS Health Services are to report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Fiscal Research Division.

Section 2: Directs DPS Health Services to revise its medication administration protocol to require supplies of certain medications worth more than \$1,000 to be designated as Direct Observation Therapy. DPS Health Services is to report to the Joint Legislative Oversight Committee on Justice and Public Safety on this change in policy.

Section 3: Directs DPS to collect additional data on medications lost during the inmate transfer process, establish internal oversight, controls, and audit activities to limit such losses, and report to the Joint Legislative Oversight Committee on Justice and Public Safety.

Section 4: Directs DPS Health Services to contract with statewide retail pharmacies for local purchasing of limited quantities of medications and develop a data collection and oversight mechanism to ensure adherence to the short-supply policy for local medication purchases. DPS Health Services is to report to the Joint Legislative Oversight Committee on Justice and Public Safety on efforts to award this contract.

EFFECTIVE DATE: This act is effective July 1, 2019.

Kory Goldsmith
Director



Legislative Drafting
(919) 733-6660



**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

H

1

HOUSE BILL 1108*

Short Title: PED/Inmate Pharmacy Purchasing/Monitoring. (Public)

Sponsors: Representatives Horn and Davis (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations

November 29, 2018

A BILL TO BE ENTITLED
AN ACT TO MODIFY INMATE PHARMACY PURCHASING AND MONITORING, AS
RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION
OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

**MODIFICATION AND EXPANSION OF 340B PROGRAM TO PROVIDE FOR THE
PURCHASING OF CERTAIN INMATE MEDICATIONS**

SECTION 1.(a) The University of North Carolina Health Care System (hereinafter "UNCHCS") in cooperation with the Department of Public Safety, Health Services Section (hereinafter "DPS Health Services") shall modify its 340B program regarding its qualification as a Disproportionate Share Hospital. In collaboration with DPS Health Services, UNCHCS shall acquire the necessary approval, if any, from the United States Health Resources and Services Administration (hereinafter "HRSA") to provide inmate medications to inmates with HIV/AIDS and Hepatitis C. UNCHCS and DPS Health Services shall also enter into a Memorandum of Understanding, modifying and creating policies and procedures to guide the processes by which these medications will be obtained. UNCHCS and DPS Health Services shall use telemedicine and the existing infectious disease clinics already housed at Central Prison Healthcare Complex to treat offenders.

SECTION 1.(b) To facilitate implementation of subsection (a) of this section, the Office of State Budget and Management shall transfer the sum of twenty-five thousand dollars (\$25,000) for the 2018-2019 fiscal year from DPS to UNCHCS to fund a legal consultant to assist with program design. In addition, seven thousand dollars (\$7,000) of DPS Health Services' annual operating budget shall be allocated for program auditing as required by HRSA. It is the intent of the General Assembly that the recurring expenditure for program auditing shall be offset by the savings achieved from 340B participation. In addition, UNCHCS and DPS Health Services shall develop a plan for obtaining additional medications through the 340B program including drugs for treating cancer, neurological conditions, rheumatic diseases, and other costly medical conditions.

SECTION 1.(c) Beginning October 1, 2019, and quarterly thereafter until a 340B program is in operation for purchasing HIV/AIDS and Hepatitis C medications, UNCHCS and DPS Health Services shall report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Fiscal Research Division on planned actions and accomplishments related to implementing subsections (a) and (b) of this section.



* H 1 1 0 8 - V - 1 *

SECTION 1.(d) Part 2 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-707.5 Annual reports on medication.

Beginning July 1, 2020, and annually thereafter, the University of North Carolina Health Care System and the Department of Public Safety, Health Services Section shall jointly report to the Joint Legislative Oversight Committee on Justice and Public Safety on annual savings achieved from purchasing inmate medications through a 340B program for Disproportionate Share Hospitals as well as any activities conducted or planned to maintain and expand the number of medications purchased through the program."

REVISION TO MEDICATION ADMINISTRATION PROTOCOL

SECTION 2. The DPS Health Services Section shall revise its policies and procedures to reflect that any supply of a prescription for the treatment of conditions other than HIV with a per-supply value of one thousand dollars (\$1,000) or more be designated as Direct Observation Therapy. The Department shall report to the Joint Legislative Oversight Committee on Justice and Public Safety by October 1, 2019, regarding the revised policies and procedures.

COLLECTION OF DATA ON MEDICATIONS LOST DURING INMATE TRANSFER AND ESTABLISHMENT OF INTERNAL CONTROLS TO LIMIT THESE LOSSES

SECTION 3.(a) Part 2 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-707.6. Medication losses related to inmate transfer.

(a) The Health Services Section shall collect data on medication losses that occur during inmate transfer. The collection methods shall provide, at a minimum, for all of the following:

- (1) A mechanism to easily summarize medication losses across all identified reasons for the loss.
- (2) Information on the prison from which an inmate was transferred.
- (3) Identification of custody officials involved in the transfer.

(b) The Department shall develop internal controls related to the oversight of medications lost during inmate transfers based on the data collected under subsection (a) of this section. In addition, the Department's Internal Audit unit shall establish an internal oversight function to investigate any medication losses valued at greater than two hundred dollars (\$200.00).

(c) The Department shall also establish disciplinary actions for staff who are found to be responsible for inmate medication losses during transfer. The Health Services Section shall be responsible for addressing disciplinary actions for DPS Health Services prison staff who are found to be responsible for medications lost during inmate transfers and shall refer incidents involving custody staff to the appropriate unit for action."

SECTION 3.(b) DPS shall initiate an internal audit of its processes for transporting medications during inmate transfer. The audit shall examine all medication losses incurred during Fiscal Year 2018–2019 and shall include recommendations to improve controls and promote accountability for medication losses. DPS shall submit the audit to the Joint Legislative Oversight Committee on Justice and Public Safety by December 1, 2019.

CONTRACT WITH STATEWIDE RETAIL PHARMACIES, DATA COLLECTION, AND OVERSIGHT MECHANISM

SECTION 4.(a) Part 2 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-707.7. Contract for limited use of local purchase of inmate pharmacy needs.

(a) By October 31, 2019, the Health Services Section shall award a statewide contract to a private pharmacy for local purchases of limited quantities of medicine and require prison health

1 services staff to use this pharmacy except under extenuating circumstances and with the written
2 approval of the Director of Central Pharmacy.

3 (b) The Health Services Section shall obtain monthly electronic invoices of prescriptions
4 filled by each prison from the vendor chosen under subsection (a) of this section and shall develop
5 a mechanism to collect information on purchases made outside the contract. At a minimum, the
6 following information shall be collected for each prescription: (i) the inmate's prison, (ii) the
7 requesting provider, (iii) the medication requested, (iv) the quantity of the medication requested,
8 and (v) the total value of the prescription.

9 (c) The Department shall establish a formal oversight mechanism to ensure prescriptions
10 written by providers to be filled at local pharmacies do not exceed the quantities specified in the
11 Department's policy. The Health Services Section central office shall be responsible for
12 implementing the oversight function, shall use the data collected under subsections (a) and (b) of
13 this section to implement the function, and shall implement corrective and disciplinary actions
14 as needed."

15 **SECTION 4.(b)** The Department shall report to the Joint Legislative Oversight
16 Committee on Justice and Public Safety by November 1, 2019, on its efforts to award the contract
17 required under subsection (a) of this section.

18 **SECTION 5.** This act becomes effective July 1, 2019.





**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1108***

AMENDMENT NO. 1
(to be filled in by
Principal Clerk)

H1108-ABC-53 [v.6]

Page 1 of 2

Amends Title [YES]
Filed Edition

Date Nov 29, 2018

Representative

Horn

moves to amend the bill on page 1, lines 2-4 by rewriting the lines to read:
"AN ACT TO MODIFY INMATE PHARMACY PURCHASING AND MONITORING.";

and on page 1, line 7, through page 2, line 9, by rewriting the lines to read:

"PURCHASING OF CERTAIN INMATE MEDICATIONS

SECTION 1.(a) The Legislative Services Commission through the Legislative Services Office shall contract for a consultant with expertise in the United States Health Resources and Services Administration (HRSA) 340B program to prepare a proposal for the HRSA-compliant purchasing of inmate medications through a Disproportionate Share Hospital (DSH), including but not limited to the University of North Carolina Health Care System (UNCHCS). In developing the proposal, UNCHCS and the Department of Public Safety, Health Services Section (DPS Health Services), shall provide the consultant any data or documents determined necessary by the consultant to prepare the proposal. The proposal shall include, but not be limited to, mechanisms for the purchasing of drugs for treating HIV/AIDS, Hepatitis C, cancer, neurological conditions, rheumatic diseases, and other costly medical conditions. In addition, the proposal shall include methods to implement purchasing using a DSH's current on- or off-site clinics, current DPS clinics, as well as telemedicine. The consultant shall submit the proposal, including any proposed legislation necessary for implementation, to the Legislative Service Office and the Joint Legislative Oversight Committee on Justice and Public Safety on or before May 1, 2019.

SECTION 1.(b) The Director of the Budget shall increase the budget of the ~~Legislative Services Commission~~ from the Unappropriated Balance Remaining in S.L. 2018-5, Sec. 2.2(a) by twenty-five thousand dollars (\$25,000) for the 2018-19 fiscal year to provide for costs associated with contracting with the consultant described in Section 1.(a) of this act.";

and on page 2, line 49 through page 3, line 2 by rewriting the lines to read:

"(a) The Health Services Section shall adopt a statewide reimbursement for local purchases of limited quantities of medicine. The statewide reimbursement rate shall be based on the State Employees Health Insurance Plan reimbursement rate for prescription drugs. Any pharmacy willing to accept the statewide reimbursement rate shall have the right to participate in the plan";

General Assembly
North Carolina State Health Plan for Teachers and State Employees



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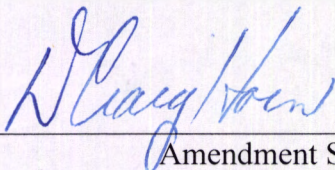
**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1108***

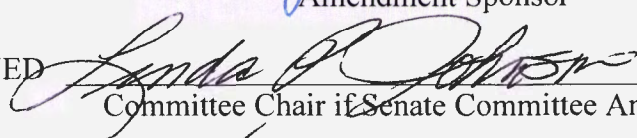
AMENDMENT NO. 1
(to be filled in by
Principal Clerk)

H1108-ABC-53 [v.6]

Page 2 of 2

- 1 and on page 3, line 18 by rewriting the line to read:
2 "SECTION 5. This act is effective when it becomes law."
3
4

SIGNED 
Amendment Sponsor

SIGNED 
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

APPROPRIATIONS COMMITTEE REPORT

Representative Nelson Dollar, Senior Chair

Representative Dean Arp, Co-Chair

Representative Justin P. Burr, Co-Chair

Representative John Faircloth, Co-Chair

Representative Linda P. Johnson, Co-Chair

Representative Donny Lambeth, Co-Chair

Representative Chuck McGrady, Co-Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB 1108

PED/Inmate Pharmacy Purchasing/Monitoring.

Draft Number: H1108-PCS10537-BC-52

Serial Referral: None

Recommended Referral: None

Long Title Amended: Yes

Floor Manager: Horn

TOTAL REPORTED: 1



* C M R 8 7 1 - V - 1 *



VISITOR REGISTRATION SHEET

HOUSE APPROPRIATIONS COMMITTEE

11-29-18

Name of Committee

Date

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Danice Baum	TRAUTMAN SANDERS
Amber HAMIS	ISU/PC
Richard Bostic	NC SBA
Adam Prodenore	NCACC
Kasengbinstony	Golden Leaf
Kari Boursness	BFS
Rick Zechini	Williamson Miller
Korey Kizer	NCRA
Hyh John	NCACC
Lanier Hodgson	UNC Health Care
Drew Moritz	UNC System



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Paul Sherman	NC FB
John Lacey	NC DEQ
Joy Adams	NC DOT
Susanna Davis	NC DPS
Merri Catlett	NC DPS
Al Davis	NC DPS
Tonya Hoan	OSHR
Bradford Sneed	NC DOT
Will Robinson	TNC
M. V. James	ACP
Ashtel Girdler	WRC



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11/29/18

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Salie James	Governor's office
Charlie Penick	OSBM
Kristin Walker	OSBM
Johna Park	Bohannon - Hest
Lex Jones	DNCR
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Robert Wilson	
Jenna Calderon	PENC
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Brynn Helling	Helling Group Inc.
Matt Gross	DHHS
Jamaica Pfister	CHS
Brian Lewis	New FRAME
Shye David	newframe
Jason Gagner	newframe



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Aaron Myers	NCICU
She Ann Forrest	NCMS
Starnes	OST
Scott Laster	KGANC
Sarah McDermott	KGANC
"THE" baby	JP
Greg Andeck	ANC
Logan Martin	Benchmark
Tarrah Callahan	CCSR
PAIGIE COOK	CCSR

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