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GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2019

SESSION LAW 2020-78

SENATE BILL 681

AN ACT ENACTING AGENCY POLICY DIRECTIVES FOR THE 2019-2021 FISCAL BIENNIUM, CONSISTENT WITH CERTAIN POLICY DIRECTIVES IN RATIFIED HOUSE BILL 966 OF THE 2019 REGULAR SESSION; MODIFYING STAFFING IN THE OFFICE OF RECOVERY AND RESILIENCY; AND CLARIFYING THAT PARTIES TO AN INTERGOVERNMENTAL SUPPORT AGREEMENT WITH A MAJOR MILITARY INSTALLATION THAT OPERATES A PSAP MAY USE 911 FUNDS FOR NEXT GENERATION 911 SYSTEM COMPATIBILITY.

The General Assembly of North Carolina enacts:

PART I. GENERAL PROVISIONS

EDUCATION LOTTERY FUND

SECTION 1.1. G.S. 18C-164(b1) reads as rewritten:

"(b1) Net revenues credited to the Education Lottery Fund shall be appropriated in an amount equal to the amount appropriated from the Education Lottery ~~Fund in the Current Operations and Capital Improvements Appropriations Act of 2017.~~ Fund."

PART II. PUBLIC INSTRUCTION

ELIMINATE REPORT TO SUPERINTENDENT ON THE ADOPTED SCHEDULE OF FEES

SECTION 2.1.(a) G.S. 115C-47(6) reads as rewritten:

"(6) To Regulate Fees, Charges and Solicitations. – Local boards of education shall adopt rules and regulations governing solicitations of, sales to, and fund-raising activities conducted by, the students and faculty members in schools under their jurisdiction, and no fees, charges, or costs shall be collected from students and school personnel without approval of the board of education as recorded in the minutes of said board; provided, this subdivision shall not apply to such textbooks fees as are determined and established by the State Board of Education. ~~All schedules of fees, charges and solicitations approved by local boards of education shall be reported to the Superintendent of Public Instruction.~~ The local board of education shall publish a schedule of fees, charges, and solicitations approved by the local board on the local school administrative unit's Web site by October 15 of each school year and, if the schedule is subsequently revised, within 30 days following the revision."

SECTION 2.1.(b) This section applies beginning with the 2020-2021 school year.

AUTHORIZE THE NC CTE EDUCATION FOUNDATION TO ADMINISTER CERTAIN GRANTS

SECTION 2.2.(a) G.S. 115C-64.15 reads as rewritten:

"§ 115C-64.15. North Carolina Education and Workforce Innovation Commission.

...

(d) The Commission shall develop and administer the Education and Workforce Innovation Program, as established under G.S. 115C-64.16, in collaboration with the North Carolina Career and Technical Education Foundation, Inc., and make awards of grants under the Program.

(d1) The Commission shall develop and administer, in coordination with the State Board of Education and the Superintendent of Public Instruction, and in collaboration with the North Carolina Career and Technical Education Foundation, Inc., the Career and Technical Education Grade Expansion Program, as established under G.S. 115C-64.17, and shall make awards of grants under the Program.

(d2) The North Carolina Career and Technical Education Foundation, Inc., shall serve as a grant administrator by providing assistance and support to grantees for initiating, expanding, improving, and promoting career and technical education initiatives.

(e) The ~~Commission~~ Commission, in consultation with the North Carolina Career and Technical Education Foundation, Inc., shall publish a report on the Education and Workforce Innovation Program and the Career and Technical Education Grade Expansion Program on or before April 30 of each year. The report shall be submitted to the Joint Legislative Education Oversight Committee, the State Board of Education, the State Board of Community Colleges, and the Board of Governors of The University of North Carolina. The report shall include at least all of the following information:

(1) An accounting of how funds and personnel resources were utilized for each program and their impact on student achievement, retention, and employability.

(2) Recommended statutory and policy changes.

(3) Recommendations for improvement of each program.

(4) For the Career and Technical Education Grade Expansion Program, recommendations on increasing availability of grants after the first two years of the program to include additional local school administrative units or providing additional grants to prior recipients."

SECTION 2.2.(b) G.S. 115C-64.17(c) reads as rewritten:

"(c) Selection of Recipients. – For the 2017-2018 fiscal year, the Commission shall accept applications for a grant until November 30, 2017. For subsequent fiscal years that funds are made available for the Program, the Commission shall accept applications for a grant until August 1 of each year. The Commission shall consult with the North Carolina Career and Technical Education Foundation, Inc., to select recipients in a manner that considers diversity among the pool of applicants, including geographic location, location of industries in the area in which a local school administrative unit is located, and the size of the student population served by the unit, in order to award funds to the extent possible to grant recipients that represent different regions and characteristics of the State. The Commission shall recommend recipients of the grants to the State Board of Education. The State Board, upon consultation with the Superintendent of Public Instruction, shall approve the recipients of grant awards."

SECTION 2.2.(c) This section shall apply to the administration of grant programs on or after the date this act becomes law.

BROADEN CERTAIN CHARTER SCHOOL ENROLLMENT PRIORITIES

SECTION 2.3.(a) G.S. 115C-218.45(f) reads as rewritten:

"(f) The charter school may give enrollment priority to any of the following:

(1) Siblings of currently enrolled students who were admitted to the charter school in a previous year. For the purposes of this section, the term "siblings" includes any of the following who reside in the same household: half siblings, stepsiblings, and children residing in a family foster home.

(1a) Siblings who apply to the charter school for admission beginning in the same school year, such as when a sibling was not initially admitted due to grade level capacity.

(2) Siblings of students who have completed the highest grade level offered by that school and who were enrolled in at least four grade levels offered by the charter school or, if less than four grades are offered, in the maximum number of grades offered by the charter school.

(2a) A student who was enrolled in a preschool program operated by the charter school in the prior year.

(3) Limited to no more than fifteen percent (15%) of the school's total enrollment, unless granted a waiver by the State Board of Education, the following:

a. Children of ~~the school's full-time employees.~~ persons (i) employed full time by the charter school or (ii) working full time in the daily operation of the charter school, including children of persons employed by an education management organization or charter management organization for the charter school.

b. Children of the charter school's board of directors.

(4) A student who was enrolled in the charter school within the two previous school years but left the school (i) to participate in an academic study abroad program or a competitive admission residential program or (ii) because of the vocational opportunities of the student's parent.

(5) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level.

(6) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level and both of the charter schools have an enrollment articulation agreement to accept students or are governed by the

same board of directors.

(7) A student who was enrolled in another charter school in the State in the previous school year."

SECTION 2.3.(b) This section is effective when it becomes law and applies beginning with the 2020-2021 school year.

EXPAND SCHOOLS THAT LEAD PILOT PROGRAM

SECTION 2.4. Section 7.25(a) of S.L. 2018-5 reads as rewritten:

"**SECTION 7.25.(a)** Program; Purpose. – Of the funds appropriated to the Department of Public Instruction by this act for the Schools That Lead Pilot Program (Program), the Department shall contract with Schools That Lead, Inc., to provide professional development to teachers and principals in up to ~~60~~ 75 schools, beginning with the 2018-2019 school year and ending in the 2020-2021 school year. The selected schools shall be charter schools or schools under the authority of a local school administrative unit. Professional development services shall be offered to teachers and principals in grades K-12. The Superintendent of Public Instruction, in consultation with Schools That Lead, Inc., shall determine which schools are eligible to participate in the Program. At a minimum, the Program shall offer services to three cohorts of schools, as follows:

(1) High schools working to increase on-time graduation.

(2) Middle schools working to prepare students to succeed in high school by reducing the likelihood of retention in the ninth grade for multiple school years.

(3) Elementary schools working to reduce the number of students with early warning indicators of course failures, absences, and discipline."

ARTS EDUCATION GRADUATION REQUIREMENT

SECTION 2.5.(a) The State Board of Education shall modify the State graduation requirements to include one required credit in arts education to be completed by each student at any time in grades six through 12.

The State Board of Education shall implement the arts education graduation requirement beginning with students entering the sixth grade in 2022. The State Board shall include an exemption from the arts education graduation requirement for students transferring into a North Carolina public school beginning in the ninth grade or later, if such requirement would prevent a student from graduating with the graduation cohort to which the student was assigned when transferring.

SECTION 2.5.(b) The State Board of Education shall do the following:

(1) Establish procedures and a time line for a phased-in implementation of the arts education graduation requirement.

(2) Establish the minimum criteria to meet the arts education graduation requirement.

(3) By December 15, 2022, report to the Joint Legislative Education Oversight Committee on the following:

a. The statewide implementation of the three interdependent components of comprehensive arts education (arts education, arts integration, and arts exposure).

b. The graduation requirement set forth in subsection (a) of this section.

ADVANCED TEACHING ROLES CHANGES

SECTION 2.6.(a) Effective June 30, 2021, the following session laws are repealed:

(1) Section 8.7 of S.L. 2016-94.

(2) Subsection (a) of Section 7.11 of S.L. 2017-57.

(3) Subsections (a) and (b) of Section 7.15 of S.L. 2017-57.

(4) Section 7.9 of S.L. 2018-5.

(5) Section 2.6 of S.L. 2018-97.

SECTION 2.6.(b) Article 20 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-311. Teacher compensation models and advanced teaching roles.**

(a) Purpose. – The State Board of Education shall establish a program (program) to develop advanced teaching roles and organizational models that link teacher performance and professional growth to salary increases for classroom teachers in selected local school administrative units. For the purposes of this section, a classroom teacher is a teacher who works in the classroom providing instruction at least seventy percent (70%) of the instructional day and who is not instructional support personnel. The purpose of the program shall be to do the following:

(1) Allow highly effective classroom teachers to teach an increased number of students by assuming accountability for additional students, by becoming a lead classroom teacher accountable for the student performance of all of the students taught by teachers on that lead classroom teacher's team, or by leading a larger effort in the school to implement new instructional models to improve school-wide performance.

(2) Enable local school administrative units to provide salary supplements to classroom teachers in advanced teaching roles. Selection of an advanced teaching role classroom teacher and award of related salary supplements shall be made on the basis of demonstrated effectiveness and additional responsibilities.

(3) Enable local school administrative units to create innovative compensation models that focus on classroom teacher professional growth that lead to measurable improvements in student outcomes.

(4) Utilize local plans to establish organizational changes related to compensation in order to sustain evidence-based teaching practices that have the capacity to be replicated throughout the State.

(b) Request for Proposal. – By September 15, 2020, and annually thereafter, the State Board of Education shall issue a Request for Proposal (RFP) for the program. Local boards of education shall submit their proposals by October 15. The RFP shall require that proposals include the following information at a minimum:

(1) Description of the program structure, including both of the following:

a. The process for teacher advancement based on performance, professional growth, or the specific teacher roles assumed by the teacher.

b. Plans for how the local school administrative unit will utilize and train classroom teachers in advanced teaching roles. These plans shall draw a direct correlation between the proposed use and training of classroom teachers in advanced teaching roles and improved student outcomes.

(2) Descriptions of the advanced teaching roles, including minimum qualifications for the positions that shall include at least two of the following:

a. Advanced certifications, such as National Board for Professional Teaching Standards Certification, or a master's degree in the area in which the classroom teacher is licensed and teaching.

b. A rating of at least accomplished on each of the Teacher Evaluation Standards 1-5 on the North Carolina Teacher Evaluation instrument.

c. Evidence that the teacher has an average Education Value-Added Assessment System (EVAAS) student growth index score from the three previous school years of 1.5 or greater and no individual EVAAS student growth index score below zero.

d. Equivalent demonstrated mastery of teaching skills as required by the new local compensation model.

(3) Job responsibilities that include at least one of the following:

a. Teaching an increased number of students and being accountable for their performance as the teacher of record for those students.

b. Becoming a lead classroom teacher among a group of teachers and participating in EVAAS according to a model developed by the Department of Public Instruction. The model shall be published and explained on the Department's Web site no later than August 1, 2020, and, thereafter, within 30 days of any change made to the model.

c. Leading a school-wide effort to implement data-driven instructional models that include blended learning environments, utilizing digital learning and resources, and focusing on methods of improvement for school-wide performance issues.

d. Providing in-house professional development or functioning as an instructional content area coach or a coach in another professional development area following the completion of certification training. The training shall ensure that the professional development or coaching the teacher provides is faithfully implemented in the classroom.

(4) Description of how the local school administrative unit will inform all employees and the public on the criteria and selection for the advanced teaching roles, the continued eligibility requirements for the advanced teaching roles, and how the individuals selected for the advanced teaching roles will be evaluated.

(5) Description of how the local school administrative unit will inform all employees and the public on the criteria for movement on the proposed new local compensation model.

(6) The process for the voluntary relinquishment of an advanced teaching role, including the associated additional duties. Voluntary relinquishment of the advanced teaching role shall not be considered a demotion under Part 3 of Article 22 of Chapter 115C of the General Statutes.

(7) Salary supplement information including the following:

a. The amount of the salary supplements that will be provided to those selected for the advanced teaching roles. The supplements may be up to thirty percent (30%) of the State teacher salary schedule.

b. A statement by the local school administrative unit that the salary supplements will be paid as a supplement to the classroom teacher's regular salary and not be included in the average salary calculation used for budgeting State allotments.

c. A statement by the local school administrative unit that if a classroom teacher in an advanced teaching role (i) fails to maintain the minimum criteria established for the position, (ii) is not successfully performing the additional duties associated with the advanced teaching role, or (iii) voluntarily relinquishes the advanced teaching role, the teacher shall only be paid the salary applicable to that individual on the State teacher salary schedule and any other local supplements that would otherwise apply to the classroom teacher's compensation.

d. Loss of an advanced teaching role shall not be considered a demotion under Part 3 of Article 22 of Chapter 115C of the General Statutes.

e. The amount of the salary supplements at all levels of the proposed new compensation model in relation to the State teacher salary schedule.

(8) The implementation plan, including the number of schools in the local school administrative unit that will have advanced teaching roles and any new proposed compensation model, the number of advanced teaching roles at each of those schools, the number of students whose teacher of record will be a teacher in an advanced teaching role, and the number of teachers overall who would be eligible for the proposed new compensation model.

(9) Plans for long-term financial sustainability once any grant money that may be awarded to the local school administrative unit is no longer available. This plan shall include a description of how the unit intends to provide supplemental compensation for teachers in an advanced teaching role without grant money.

(10) A description of how the local school administrative unit could partner with local educator preparation programs, institutions of higher education, or community colleges to improve teacher effectiveness and student outcomes.

(c) Selection by State Board of Education. – By December 15, 2020, and annually thereafter, the State Board of Education shall review proposals and select local school administrative units to participate in the program, beginning in the subsequent school year, in accordance with the following criteria:

(1) Selected local school administrative units must meet minimum criteria established by the State Board of Education consistent with this section.

(2) The State Board shall prioritize the award of available State funds for the following categories of local school administrative units:

a. Up to five units with an average daily membership from the previous school year of 4,000 or fewer students.

b. Up to five units with an average daily membership from the previous school year of between 4,001 and 20,000 students.

c. Up to five units with an average daily membership from the previous school year of 20,001 or more students.

(3) The State Board shall approve the proposal of any local school administrative unit that is submitted by October 15, 2020, if the following criteria are met:

a. The local school administrative unit is participating in an approved advanced teaching roles program pursuant to Section 8.7 of S.L. 2016-94 in the 2020-2021 school year.

b. The application of a local school administrative unit is not inconsistent with this section.

(d) Advanced Teaching Roles Designation. – Any local board of education that is selected to participate in the program pursuant to subsection (c) of this section shall designate participating schools within the unit as "Advanced Teaching Roles" schools. Advanced Teaching Roles schools shall receive class size flexibility subject to subsection (i) of this section and budget flexibility subject to subsection (j) of this section.

(e) Material Revisions of Plans. – Material revisions of a plan submitted to the State Board of Education by a local board of education with at least one Advanced Teaching Roles school shall be made only upon the approval of the State Board of Education.

(f) Renewal and Termination. – The initial selected local school administrative units shall implement their approved plans beginning with the 2021-2022 school year. Every five years after a local school administrative unit begins implementing its plan, the State Board of Education shall review the unit to ensure it is complying with its approved plan. After the review, the State Board may, in its discretion, renew or terminate the plan of any local school administrative unit that fails to meet criteria established by the State Board in accordance with this section and the Advanced Teaching Roles designation of any school within that unit. Throughout the program, a local school administrative unit shall provide any information or access requested by (i) the State Board of Education or (ii) the independent research organization selected by the State Board of Education to evaluate the program pursuant to this section.

(g) Term; Use of Grant Funds. – Any funds awarded to a local school administrative unit pursuant to this section shall be subject to availability and awarded for a term of up to three years, in the discretion of the State Board. A local school administrative unit shall not be eligible to receive funding for more than one term. Funds awarded to local school administrative units shall be used for any of the following:

(1) Development of advanced teaching role plans.

(2) Development of professional development courses for teachers in advanced teaching roles that lead to improved student outcomes.

(3) Transition costs associated with designing and implementing advanced teaching role models. Transition costs may include employing staff members or contractors to assist with design and implementation of the plan.

(4) Development of the design and implementation of compensation plans that focus on teacher professional growth and student outcomes and the transition costs associated with designing and implementing new compensation plans, including employing staff members or contractors to assist with design and implementation of the plan.

(h) Program Evaluation. – The State Board of Education shall evaluate how the advanced teaching roles and new compensation plans have accomplished, at a minimum, the following:

(1) Improvement in the quality of classroom instruction and increases in school-wide growth or the growth of teachers who are mentored or impacted by a teacher in an advanced teaching role.

(2) An increase in the attractiveness of teaching.

(3) Recognition, impact, and retention of high-quality classroom teachers.

(4) Assistance to and retention of beginning classroom teachers.

(5) Improvement in and expansion of the use of technology and digital learning.

(6) Improvement in school culture based on school climate survey results.

The State Board shall contract with an independent research organization to perform this evaluation in the first two years of the program and provide reports on October 15, 2021, and October 15, 2022. Beginning October 15, 2023, and annually thereafter, the State Board shall perform the evaluation and provide the report. The State Board shall provide any report required in accordance with this subsection to the offices of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee.

(i) Class Size Flexibility. – Notwithstanding G.S. 115C-301, with the approval of the State Board of Education, Advanced Teaching Roles schools selected to participate in the program may exceed the maximum class size requirements for kindergarten through third grade during the term of up to three years in which State funds are awarded to the local school administrative unit where the school is located. At the conclusion of the term, any class size flexibility approved for an Advanced Teaching Roles school pursuant to this subsection shall expire.

(j) Budget Flexibility. – Subject to the budget flexibility limitations identified in G.S. 115C-105.25(b), the State Board of Education shall authorize local boards of education participating in the program to use any available State funds to provide salary supplements to classroom teachers in an advanced teaching role as long as the local school administrative unit complies with policies of the State Board of Education, federal law, and any State programs with specific restrictions on the use of funds, including bonus and grant programs."

SECTION 2.6.(c) G.S. 115C-105.25(e) reads as rewritten:

"(e) No later than December 1 of each year, the Department of Public Instruction shall collect the information reported by local school administrative units pursuant to subsection (c) of this section and report the aggregated information, including available data from the two previous fiscal years, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division. The report shall also include information on the use of the budget flexibility provided to Advanced Teaching Roles schools pursuant to G.S. 115C-311(j)."

PART III. THE UNIVERSITY OF NORTH CAROLINA SYSTEM

UNC REPORT ON STATE BUDGET ALLOCATIONS AND POLICIES

SECTION 3.1. G.S. 116-11 is amended by adding the following new subdivision to read:

"(9b) The Board of Governors shall report by February 1 of each year to the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House of Representatives Appropriations Subcommittee on Education, and the Fiscal Research Division on the actions and adjustments necessary to its budgetary policies, regulations, and standards resulting from the Current Operations Appropriations Act for the administration and operation of The University of North Carolina and the distribution of State and federal funds to constituent institutions. The report shall include at least the following information for each constituent institution:

a. Guidelines related to State salaries of University of North Carolina employees, including range, median, and mean of faculty salaries at the institution.

b. Budget allocations and reductions, including for operating expenses and specific programs.

c. Distribution of additional State allocations for enrollment funding.

d. Use of State funds and budget flexibility.

e. Availability of federal funds.

f. Tuition and fees.

g. Composition of the student population at the institution, including headcount enrollment and full-time student enrollment for both undergraduate and graduate students, and aggregate data on residency status, median household income, gender, race, and ethnicity.

h. Student retention and graduation rates.

i. Postsecondary educational attainment rate at the institution, including comparison to statewide data.

j. A comparison to prior fiscal year expenditures and appropriations."

UNC SYSTEM OFFICE/CREATE SEARCHABLE DATABASE OF MILITARY CREDIT EQUIVALENCIES

SECTION 3.2. The University of North Carolina System Office, in collaboration with the North Carolina Community College System through the Military Credit Advisory Council, shall create a searchable database of military credit equivalencies to better serve military-affiliated students and to complete the initial phase of military credit evaluations.

PART III-A. UNIVERSITY/STATE EDUCATION ASSISTANCE AUTHORITY

NEED-BASED SCHOLARSHIPS FOR PRIVATE INSTITUTIONS/DEPENDENTS OF VETERANS AND ACTIVE DUTY MILITARY

SECTION 3A.1.(a) G.S. 116-281(3) reads as rewritten:

"(3) The student must 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.

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.

d. Be the dependent relative of a veteran who is abiding in North Carolina while sharing an abode with the veteran and the dependent relative provides the eligible private postsecondary institution a letter of intent to establish residency in North Carolina.

e. Be the dependent relative of an active duty member of the Armed Forces who is abiding in North Carolina incident to active military duty while sharing an abode with the active duty member."

SECTION 3A.1.(b) This section applies beginning with the award of scholarships for the 2021-2022 academic year.

PART IV. HEALTH AND HUMAN SERVICES

PART IV-A. AGING AND ADULT SERVICES

AUTHORIZATION FOR SECRETARY OF DHHS TO RAISE THE MAXIMUM NUMBER OF STATE-COUNTY SPECIAL ASSISTANCE IN-HOME PAYMENTS

SECTION 4A.1.(a) Notwithstanding the provisions of G.S. 108A-47.1 or any other provision of law to the contrary, and within existing appropriations for State-County Special Assistance, the Secretary of the Department of Health and Human Services may waive the fifteen percent (15%) cap on the number of Special Assistance in-home payments, as the Secretary deems necessary.

SECTION 4A.1.(b) This section expires on June 30, 2021.

PART IV-B. CENTRAL MANAGEMENT AND SUPPORT

ELIMINATION OF UNNECESSARY AND REDUNDANT REPORTS

SECTION 4B.1.(a) Eliminate Report on Expansion of Controlled Substances Reporting System Monitoring Capacity. – G.S. 90-113.73A(b) is repealed.

SECTION 4B.1.(b) Eliminate Report on Coordination of Diabetes Programs. – G.S. 130A-221.1(b) is repealed.

SECTION 4B.1.(c) Eliminate Report on Department's Coordination of Chronic Care Initiatives. – G.S. 130A-222.5(3) is repealed.

NC MEDASSIST/EXPAND ALLOWABLE USES OF CORONAVIRUS RELIEF FUNDS

SECTION 4B.2.(a) If House Bill 1023 of the 2019 Regular Session becomes law, then Section 3.3(33) of S.L. 2020-4, as enacted in Section 1.1(d) of that act, reads as rewritten:

"(33) $1,500,000 to the Department of Health and Human Services to provide a grant to NC MedAssist, a nonprofit corporation, to offset increased costs for providing prescription assistance services during the COVID-19 pandemic to individuals who are indigent or ~~uninsured.~~ uninsured and other costs allowed pursuant to federal guidance."

SECTION 4B.2.(b) This section is effective when it becomes law.

PART IV-C. CHILD DEVELOPMENT AND EARLY EDUCATION

SMART START INITIATIVES

SECTION 4C.1. G.S. 143B-168.12(d) reads as rewritten:

"(d) The North Carolina Partnership for Children, Inc., shall make a report no later than December 1 of each year to the ~~General Assembly~~ Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division of the General Assembly that shall include the following:

(1) A description of the program and significant services and initiatives.

(2) A history of Smart Start funding and the previous fiscal year's expenditures.

(3) The number of children served by type of service.

(4) The type and quantity of services provided.

(5) The results of the previous year's evaluations of the Initiatives or related programs and services.

(6) A description of significant policy and program changes.

(7) Any recommendations for legislative action."

PART IV-D. HEALTH BENEFITS

MEDICAID ELIGIBILITY

SECTION 4D.1. Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-54.3A. Eligibility categories and income thresholds.**

The Department shall provide Medicaid coverage for individuals in accordance with federal statutes and regulations and specifically shall provide coverage for the following populations:

(1) Families, children under the age of 21, pregnant women, and individuals who are aged, blind, or disabled, who are medically needy, subject to the following annual income levels after meeting the applicable deductible:

Family Size	Income Level
1	$2,904
2	3,804
3	4,404
4	4,800
5	5,196
6	5,604
7	6,000
8	6,300
9	6,504
10	6,900
11	7,200
12	7,596
13	8,004
14	8,400
each additional family member	add $396

(2) Families and children under the age of 21, subject to the following annual income levels:

Family Size	Income Level
1	$5,208
2	6,828
3	8,004

4	8,928
5	9,888
6	10,812
7	11,700
8	12,432
9	13,152
10	14,028
each additional family member	add $936

(3) Children under the age of 6 with family incomes equal to or less than two hundred ten percent (210%) of the federal poverty guidelines.

(4) Children aged 6 through 18 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines.

(5) Children under the age of 19 who are receiving foster care or adoption assistance under Title IV-E of the Social Security Act, without regard to income.

(6) Children in the legal custody of State-sponsored foster care who are under the age of 21 and ineligible for Title IV-E assistance, without regard to income.

(7) Independent foster care adolescents ages 18, 19, and 20, as defined in 42 U.S.C. § 1396d(w)(1), without regard to income.

(8) Former foster care children under the age of 26 in accordance with 42 U.S.C. § 1396a(a)(10)(A)(i)(IX), without regard to income.

(9) Adoptive children with special or rehabilitative needs, regardless of the adoptive family's income.

(10) Pregnant women with incomes equal to or less than one hundred ninety-six percent (196%) of the federal poverty guidelines. Coverage for pregnant women eligible under this subdivision include only services related to pregnancy and to other conditions determined by the Department as conditions that may complicate pregnancy.

(11) Men and women of childbearing age with family incomes equal to or less than one hundred ninety-five percent (195%) of the federal poverty guidelines. Coverage for the individuals described in this subdivision shall be limited to coverage for family planning services.

(12) Women who need treatment for breast or cervical cancer and who are defined in 42 U.S.C. § 1396a(a)(10)(A)(ii)(XVIII).

(13) Aged, blind, or disabled individuals, as defined in Subpart F of Part 435 of Subchapter C of Chapter IV of Title 42 of the Code of Federal Regulations, with incomes equal to or less than one hundred percent (100%) of the federal poverty guidelines.

(14) Beneficiaries receiving supplemental security income under Title XVI of the Social Security Act.

(15) Workers with disabilities, as provided in G.S. 108A-66.1.

(16) Qualified working disabled individuals, as provided in G.S. 108A-67.

(17) Qualified Medicare beneficiaries with incomes equal to or less than one hundred percent (100%) of the federal poverty guidelines. Coverage for the individuals described in this subdivision shall be limited to payment of Medicare premiums and deductibles and coinsurance for Medicare-covered services.

(18) Specified low-income Medicare beneficiaries with incomes equal to or less than one hundred twenty percent (120%) of the federal poverty guidelines. Coverage for the individuals described in this subdivision shall be limited to payment of Medicare Part B premiums.

(19) Qualifying individuals who are Medicare beneficiaries and who have incomes equal to or less than one hundred thirty-five percent (135%) of the federal poverty guidelines may be covered within funds available for the Limited Medicare-Aid Capped Enrollment program. Coverage for the individuals described in this subdivision shall be limited to payment of Medicare Part B premiums.

(20) Recipients of an optional State supplementation program provided in accordance with 42 U.S.C. § 1382e.

(21) Individuals who meet eligibility criteria under a Medicaid waiver approved by the Centers for Medicare and Medicaid Services and authorized by an act of the General Assembly, within funds available for the waiver.

(22) Refugees, in accordance with 8 U.S.C. § 1522.

(23) Qualified aliens subject to the five-year bar for means tested public assistance under 8 U.S.C. § 1613 and undocumented aliens, only for emergency services under 8 U.S.C. § 1611."

ANNUAL ISSUANCE OF MEDICAID IDENTIFICATION CARDS

SECTION 4D.2. The Department of Health and Human Services (Department) shall issue Medicaid identification cards to recipients on an annual basis with updates as needed. The Department shall adopt rules, or amend any current rules relating to Medicaid identification cards, to implement this section. No later than February 1, 2021, the Department shall submit a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice confirming the adoption or amendment of rules in accordance with this section.

VOLUME PURCHASE PLANS AND SINGLE SOURCE PROCUREMENT

SECTION 4D.3. The Department of Health and Human Services, Division of Health Benefits, may, subject to the approval of a change in the State Medicaid Plan, contract for services, medical equipment, supplies, and appliances by implementation of volume purchase plans, single source procurement, or other contracting processes in order to improve cost containment.

LME/MCO OUT-OF-NETWORK AGREEMENTS

SECTION 4D.4.(a) Effective until coverage under tailored plans described under G.S. 108D-60 begins, the Department of Health and Human Services shall ensure that local management entities/managed care organizations (LME/MCOs) utilize out-of-network agreements between a single provider of behavioral health or intellectual and developmental disability (IDD) services and the LME/MCO to ensure access to care in accordance with 42 C.F.R. § 438.206(b)(4). These out-of-network agreements shall contain standardized elements developed in consultation with all LME/MCOs, reduce administrative burden on providers of behavioral health and IDD services, and comply with all requirements of State and federal laws.

SECTION 4D.4(b) LME/MCOs shall use an out-of-network agreement in lieu of a comprehensive provider contract when all of the following conditions are met:

(1) The services requested are medically necessary and cannot be provided by a provider in the LME/MCO's closed provider network.

(2) The behavioral health or IDD services provider's site of service delivery is located outside of the geographical catchment area of the LME/MCO, and either (i) the LME/MCO is not accepting applications for membership into its closed provider network or (ii) the provider does not wish to apply for membership in the LME/MCO's closed provider network.

(3) The behavioral health or IDD services provider is not excluded from participation in the Medicaid program, the NC Health Choice program, or any other State or federal health care program.

(4) The behavioral health or IDD provider is serving no more than two enrollees of the LME/MCO.

SECTION 4D.4.(c) An LME/MCO shall not restrict its number of out-of-network agreements to provide inpatient hospitalization services unless the services could be provided by a provider in the LME/MCO's closed provider network and the out-of-network provider is unwilling to enter into a network agreement with the LME/MCO.

SECTION 4D.4.(d) An LME/MCO shall not restrict its number of out-of-network agreements for other behavioral health and IDD services to foster children and "independent foster care adolescents," ages 18, 19, and 20, as defined in 42 U.S.C. § 1396d(w)(1) if the person is already receiving such services from such provider, though the services could be provided by a provider in the LME/MCO's closed provider network.

SECTION 4D.4.(e) Any provider enrolled in the North Carolina Medicaid program that provides services pursuant to an out-of-network agreement shall be considered a network provider for purposes of Chapter 108D of the General Statutes only as it relates to enrollee grievances and appeals for those services.

SECTION 4D.4.(f) This section is effective when it becomes law.

LME/MCO INTERGOVERNMENTAL TRANSFERS

SECTION 4D.5.(a) The local management entities/managed care organizations (LME/MCOs) shall make intergovernmental transfers to the Department of Health and Human Services, Division of Health Benefits (DHB), in an aggregate amount of eighteen million twenty-eight thousand two hundred seventeen dollars ($18,028,217) for the 2020-2021 fiscal year. The due date and frequency of the intergovernmental transfers required by this section shall be determined by DHB. The amount of the intergovernmental transfer that each individual LME/MCO is required to make in the 2020-2021 fiscal year shall be as follows:

Alliance Behavioral Healthcare	$2,994,453
Cardinal Innovations Healthcare	$4,032,586
Eastpointe	$1,701,156
Partners Behavioral Health Management	$1,914,860
Sandhills Center	$1,978,939
Trillium Health Resources	$3,119,822
Vaya Health	$2,286,401

SECTION 4D.5.(b) In the event that any county disengages from an LME/MCO and realigns with another LME/MCO during the 2019-2021 fiscal biennium, DHB shall have the authority to reallocate the amount of the intergovernmental transfer that each affected LME/MCO is required to make under subsection (a) of this section, taking into consideration the change in catchment area and covered

population, provided that the aggregate amount of the transfers received from all LME/MCOs in each year of the fiscal biennium are achieved.

SECTION 4D.5.(c) If DHB does not make the additional capitation payment associated with the Medicaid risk reserve to an LME/MCO in any given month, then the intergovernmental transfer required to be made by that LME/MCO under subsection (a) of this section shall be reduced on a pro rata basis and the aggregate amount to be collected by DHB in the corresponding fiscal year shall be adjusted accordingly.

PART IV-E. MENTAL HEALTH/DEVELOPMENTAL DISABILITIES/SUBSTANCE ABUSE SERVICES

FUNDS FOR LOCAL INPATIENT PSYCHIATRIC BEDS OR BED DAYS

SECTION 4E.1. Reporting by Department. – By no later than December 1, 2020, and by no later than December 1, 2021, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on all of the following:

(1) A uniform system for beds or bed days purchased during the preceding fiscal year from (i) funds appropriated to the Department for the 2019-2021 fiscal biennium under S.L. 2019-242 and Section 11F.3 of S.L. 2017-57 that are designated for this purpose, (ii) existing State appropriations, and (iii) local funds.

(2) An explanation of the process used by the Department to ensure that, except as otherwise provided in Section 11F.3 of S.L. 2017-57, local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, along with the number of medically indigent individuals served by the purchase of these beds or bed days.

(3) The amount of funds used to pay for facility-based crisis services, along with the number of individuals who received these services and the outcomes for each individual.

(4) The amount of funds used to pay for nonhospital detoxification services, along with the number of individuals who received these services and the outcomes for each individual.

(5) Other Department initiatives funded by State appropriations to reduce State psychiatric hospital use.

REPORT ON USE OF FUNDS TO PURCHASE INPATIENT ALCOHOL AND SUBSTANCE USE DISORDER TREATMENT SERVICES

SECTION 4E.2. The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall report annually, beginning September 1, 2020, and ending on September 1, 2026, on the implementation of the use of funds to purchase inpatient alcohol and substance use disorder treatment services required by Section 12F.12 of S.L. 2015-241, as amended by Section 11F.4 of S.L. 2017-57. The report shall be submitted to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division with the following information for the prior fiscal year and the two preceding fiscal years, for each Alcohol and Drug Abuse Treatment Center (ADATC):

(1) The number of beds in operation.

(2) The number of bed days.

(3) The total amount of receipts, the amount of those receipts that were received from local management entities/managed care organizations, and the amount of those receipts that were received from all other sources.

(4) Cost of operation of the ADATC, with personnel and staffing costs reported separately from all other costs.

(5) The ADATC's profit or loss.

PART IV-F. PUBLIC HEALTH

EXPAND COMPOSITION OF CHILD FATALITY TASK FORCE

SECTION 4F.1.(a) G.S. 7B-1402 reads as rewritten:

"§ 7B-1402. Task Force – creation; membership; vacancies.

(a) There is created the North Carolina Child Fatality Task Force within the Department of Health and Human Services for budgetary purposes only.

(b) The Task Force shall be composed of ~~35~~ 36 members, ~~11~~ 12 of whom shall be ex officio members, four of whom shall be appointed by the Governor, 10 of whom shall be appointed by the Speaker of the House of Representatives, and 10 of whom shall be appointed by the President Pro Tempore of the Senate. The ex officio members other than the Chief Medical Examiner ~~shall be nonvoting members and~~ may designate representatives from their particular departments, divisions, or offices to represent them on the Task Force. In making appointments or designating representatives, appointing authorities and ex officio members shall use best efforts to select members or representatives with sufficient knowledge and experience to effectively contribute to the issues examined by the Task Force and, to the extent possible, to reflect the geographical, political, gender, and racial diversity of this State. The members shall be as follows:

(1) The Chief Medical ~~Examiner;~~ Examiner.

(2) The Attorney ~~General;~~ General.

(3) The Director of the Division of Social ~~Services;~~ Services.

(4) The Director of the State Bureau of ~~Investigation;~~ Investigation.

(5) The Director of the ~~Division of~~ Maternal and Child Health Section of the Department of Health and Human ~~Services;~~ Services.

(6) The chair of the Council for Women and Youth ~~Involvement;~~ Involvement.

(7) The Superintendent of Public ~~Instruction;~~ Instruction.

(8) The Chairman of the State Board of ~~Education;~~ Education.

(9) The Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse ~~Services;~~ Services.

(10) The Secretary of the Department of Health and Human ~~Services;~~ Services.

(11) The Director of the Administrative Office of the ~~Courts;~~ Courts.

(11a) The Director of the Juvenile Justice Section, Division of Adult Correction and Juvenile Justice, Department of Public Safety.

(12) A director of a county department of social services, appointed by the Governor upon recommendation of the President of the North Carolina Association of County Directors of Social ~~Services;~~ Services.

(13) A representative from a Sudden Infant Death Syndrome or safe infant sleep counseling and education program, appointed by the Governor upon recommendation of the Director of the ~~Division of~~ Maternal and Child Health Section of the Department of Health and Human ~~Services;~~ Services.

(14) A representative from the ~~North Carolina Child Advocacy Institute,~~ NC Child, appointed by the Governor upon recommendation of the President of the ~~Institute;~~ organization.

(15) A director of a local department of health, appointed by the Governor upon the recommendation of the President of the North Carolina Association of Local Health ~~Directors;~~ Directors.

(16) A representative from a private group, other than ~~the North Carolina Child Advocacy Institute,~~ NC Child, that advocates for children, appointed by the Speaker of the House of Representatives upon recommendation of private child advocacy ~~organizations;~~ organizations.

(17) A pediatrician, licensed to practice medicine in North Carolina, appointed by the Speaker of the House of Representatives upon recommendation of the North Carolina Pediatric ~~Society;~~ Society.

(18) A representative from the North Carolina League of Municipalities, appointed by the Speaker of the House of Representatives upon recommendation of the ~~League;~~ League.

(18a) A representative from the North Carolina Domestic Violence Commission, appointed by the Speaker of the House of Representatives upon recommendation of the Director of the ~~Commission;~~ Commission.

(19) One public member, appointed by the Speaker of the House of ~~Representatives;~~ Representatives.

(20) A county or municipal law enforcement officer, appointed by the President Pro Tempore of the Senate upon recommendation of organizations that represent local law enforcement ~~officers;~~ officers.

(21) A district attorney, appointed by the President Pro Tempore of the Senate upon recommendation of the President of the North Carolina Conference of District ~~Attorneys;~~ Attorneys.

(22) A representative from the North Carolina Association of County Commissioners, appointed by the President Pro Tempore of the Senate upon recommendation of the ~~Association;~~ Association.

(22a) A representative from the North Carolina Coalition Against Domestic Violence, appointed by the President Pro Tempore of the Senate upon recommendation of the Executive Director of the ~~Coalition;~~ Coalition.

(23) One public member, appointed by the President Pro Tempore of the ~~Senate; and~~ Senate.

(24) Five members of the Senate, appointed by the President Pro Tempore of the Senate, and five members of the House of Representatives, appointed by the Speaker of the House of Representatives.

(c) All members of the Task Force are voting members. Vacancies in the appointed membership shall be filled by the appointing officer who made the initial appointment. Terms shall be two years. The members shall elect a chair who shall preside for the duration of the chair's term as member. In the event a vacancy occurs in the chair before the expiration of the chair's term, the members shall elect an acting chair to serve for the remainder of the unexpired term."

SECTION 4F.1.(b) This section becomes effective August 1, 2020.

PART IV-G. SOCIAL SERVICES

ENHANCE PERMANENCY INNOVATION INITIATIVE

SECTION 4G.1. G.S. 131D-10.9B(a) reads as rewritten:

"(a) There is created the Permanency Innovation Initiative Fund that will support a demonstration project with services provided by Children's Home Society of North Carolina to (i) improve permanency outcomes for children living in foster care through reunification with parents, providing placement or guardianship with other relatives, or adoption, (ii) improve engagement with biological relatives of children in or at risk of entering foster care, and (iii) reduce costs associated with maintaining children in foster care. In implementing these goals, the Permanency Innovation Initiative Fund shall support the following strategies:

...

(3) Permanency Training Services, which are services delivered by Children's Home Society of North Carolina to ~~enhance the readiness of~~ support county departments of social services to implement the permanency strategies under subdivision (2) of this ~~subsection~~ subsection, advance permanency-focused services for children in the legal custody of county departments of social services, and provide training ~~services to support the delivery of the services.~~ and support services to caregivers and family members who are supporting the permanency goal of children in the legal custody of county departments of social services."

SUCCESSFUL TRANSITION/FOSTER CARE YOUTH

SECTION 4G.2. The Foster Care Transitional Living Initiative Fund shall continue to fund and support transitional living services that demonstrate positive outcomes for youth, attract significant private sector funding, and lead to the development of evidence-based programs to serve the at-risk population described in this section. The Fund shall continue to support a demonstration project with services provided by Youth Villages to (i) improve outcomes for youth ages 17-21 years who transition from foster care through implementation of outcome-based Transitional Living Services, (ii) identify cost-savings in social services and juvenile and adult correction services associated with the provision of Transitional Living Services to youth aging out of foster care, and (iii) take necessary steps to establish an evidence-based transitional living program available to all youth aging out of foster care. In continuing to implement these goals, the Foster Care Transitional Living Initiative Fund shall support the following strategies:

(1) Transitional Living Services, which is an outcome-based program that follows the Youth Villages Transitional Living Model. Outcomes on more than 7,000 participants have been tracked since the program's inception. The program has been evaluated through an independent randomized controlled trial. Results indicate that the Youth Villages Transitional Living Model had positive impacts in a variety of areas, including housing stability, earnings, economic hardship, mental health, and intimate partner violence in comparison to the control population.

(2) Public-Private Partnership, which is a commitment by private-sector funding partners to match at least twenty-five percent (25%) of the funds appropriated to the Foster Care Transitional Living Initiative Fund for the 2019-2021 fiscal biennium for the purposes of providing Transitional Living Services through the Youth Villages Transitional Living Model to youth aging out of foster care.

(3) Impact Measurement and Evaluation, which are services funded through private partners to provide independent measurement and evaluation of the impact the Youth Villages Transitional Living Model has on the youth served, the foster care system, and on other programs and services provided by the State which are utilized by former foster care youth.

(4) Advancement of Evidence-Based Process, which is the implementation and ongoing evaluation of the Youth Villages Transitional Living Model for the purposes of establishing the first evidence-based transitional living program in the nation. To establish the evidence-based program, additional randomized controlled trials may be conducted to advance the model.

PART V. AGRICULTURE AND CONSUMER SERVICES

DACS REPORT CHANGES

SECTION 5.1.(a) G.S. 19A-62(c) reads as rewritten:

"(c) Report. – In March of each year, the Department must report to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division. The report must contain information regarding all revenues and expenditures of the Spay/Neuter Account."

SECTION 5.1.(b) G.S. 19A-69 reads as rewritten:

"§ 19A-69. Report.

The Department shall report annually to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division no later than March 1. The report shall contain information regarding all revenues and expenditures of the Animal Shelter Support Fund."

SECTION 5.1.(c) G.S. 106-744(i) reads as rewritten:

"(i) The Advisory Committee shall report no later than October 1 of each year to the ~~Joint Legislative Commission on Governmental Operations,~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Environmental Review Commission, ~~and the House of Representatives and Senate Appropriations Subcommittees on Natural and Economic Resources~~ the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources regarding the activities of the Advisory Committee, the agriculture easements purchased, and agricultural projects funded during the previous fiscal year."

SECTION 5.1.(d) G.S. 106-747(f) reads as rewritten:

"(f) Reports. – The Committee shall report on its activities conducted to implement this section, including any findings, recommendations, and legislative proposals, to the North Carolina Military Affairs ~~Commission and~~ Commission, the Agriculture and Forestry Awareness Study ~~Commission~~ Commission, and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources beginning September 1, 2017, and annually thereafter, until such time as the Committee completes its work."

SECTION 5.1.(e) G.S. 106-755.1(14) reads as rewritten:

"(14) By September 1 of each year, to report to the ~~House of Representatives Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations,~~ chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on the activities of the Council, the status of the wine and grape industry in North Carolina and the United States, progress on the development and implementation of the State Viticulture Plan, and any contracts or agreements entered into by the Council for research, education, or marketing."

SECTION 5.1.(f) G.S. 106-887(i) reads as rewritten:

"(i) The Department shall report no later than October 1 of each year to the ~~Joint Legislative Commission on Governmental Operations, the House and Senate Appropriations Subcommittees on Natural and Economic Resources,~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, and the Environmental Review Commission on the Department's management activities at DuPont State Recreational Forest during the preceding fiscal year and plans for management of DuPont State Recreational Forest for the upcoming fiscal year."

SECTION 5.1.(g) G.S. 106-911 reads as rewritten:

"§ 106-911. Annual report on wildfires.

No later than October 1 of each year, beginning October 1, 2012, the Commissioner shall submit a written report on wildfires in the State to the chairs of the ~~House Appropriations Subcommittee on Natural and Economic Resources and the Senate Appropriations Committee on Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations,~~ Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division of the General Assembly. The report shall include the following information for all major or project wildfires during the prior fiscal year:

...."

SECTION 5.1.(h) G.S. 106-1029(b)(3) and (5) read as rewritten:

"(3) Establish in November prior to those sessions in which the General Assembly considers the State budget, the estimated total assessment that will be collectible in the next budget period and so inform the ~~General Assembly;~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources.

...

(5) By January 15 of each odd-numbered year, report to the ~~General Assembly~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on the number of acres reforested, type of owners assisted, geographic distribution of funds, the amount of funds ~~encumbered~~ encumbered, and other matters. The report shall include the information by forestry district and statewide and shall be for the two fiscal years prior to the date of the report."

SECTION 5.1.(i) Section 11.1 of S.L. 2012-142 is codified as G.S. 106-915 and reads as rewritten:

"§ 106-915. B.R.I.D.G.E. Youthful Offenders Program; annual report.

(a) The Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall give priority to the B.R.I.D.G.E. Youthful Offenders Program operated in cooperation with the North Carolina Forest Service when assigning youthful offenders from the ~~Western Youth Institution~~ Foothills Correctional Institution to work programs.

(b) The North Carolina Forest Service shall submit an annual report on the B.R.I.D.G.E. Youthful Offenders Program no later than October 1 of each year beginning October 1, 2012, to the Fiscal Research Division, the ~~Chairs of the House Appropriations Subcommittee on Natural and Economic Resources and the Senate Appropriations Committee on Natural and Economic Resources, the Chairs of the House Appropriations Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety, the Joint Legislative Commission on Governmental Operations,~~ chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Justice and Public Safety, the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety, and the Joint Legislative Oversight Committee on Justice and Public Safety. The report shall include the following information for the prior fiscal year:

...."

SECTION 5.1.(j) Section 13.7(b) of S.L. 2013-360 is codified as G.S. 106-590 and reads as rewritten:

"§ 106-590. Annual report on funds allocated to the North Carolina Agricultural Foundation, Inc.

~~North Carolina Agricultural Foundation – FFA Foundation (hereinafter "FFA Foundation")~~ The North Carolina Agricultural Foundation, Inc., shall do the following if the Department of Agriculture and Consumer Services allocates funds to ~~the entity:~~ it for programs of the North Carolina Future Farmers of America Association:

(1) By September 1 of each year, and more frequently as requested, report to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.

(2) Provide to the Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement."

FARMLAND PRESERVATION FUND CODES

SECTION 5.2. It is the intent of the General Assembly to consolidate all fund balances related to the Agricultural Development and Farmland Preservation Trust Fund within the Land Preservation and Trust Investment Fund (General Fund Code: 63701-6208) for the 2021-2022 fiscal year and to (i) direct the Office of State Budget and Management to close the Farmland Preservation Special Fund (General Fund Code: 23700-2108) and (ii) redirect the current transfer from the Agriculture General Fund (Code: 13700) from the Farmland Preservation Special Fund to the Land Preservation and Trust Investment Fund.

PART VI. COMMERCE

COMMERCE REPORT CHANGE

SECTION 6.1. G.S. 143B-434.01(b) reads as rewritten:

"(b) Plan. – The Secretary shall review and update the existing Plan on or before April 1 of each year. The Plan shall cover a period of four years and each annual update shall extend the time frame by one year so that a four-year plan is always in effect. The Secretary shall provide copies of the Plan and each annual update to the ~~Governor and the Joint Legislative Commission on Governmental Operations.~~ Governor, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Economic Development and Global Engagement Oversight Committee. The Plan shall encompass all of the components set out in this section."

GOLDEN LEAF FOUNDATION CODIFICATION AND REPORT CHANGES

SECTION 6.2.(a) Chapter 143 of the General Statutes is amended by adding a new Article 74A, to be entitled "Golden LEAF Foundation." Section 1 of S.L. 1999-2 is codified as G.S. 143-710, to be entitled "Golden LEAF Foundation." Section 2(c) of S.L. 1999-2, as amended by Section 15.10A(a) of S.L. 2013-360, is codified as G.S. 143-711, to be entitled "Board of directors." Section 3 of S.L. 1999-2 is codified as G.S. 143-712, to be entitled "Articles of incorporation; reporting." Section 4 of S.L. 1999-2 is repealed. Section 5 of S.L. 1999-2 is codified as G.S. 143-711(b). Section 6 of S.L. 1999-2, as amended by Section 6.11(d) of S.L. 2011-145, Section 7(b) of S.L. 2011-391, and Section 6.4(b) of S.L. 2013-360, is codified as G.S. 143-713, to be entitled "Use of funds."

SECTION 6.2.(b) Article 74A of Chapter 143 of the General Statutes, as enacted by subsection (a) of this section, reads as rewritten:

"Article 74A.

"Golden LEAF Foundation.

"§ 143-710. Golden LEAF Foundation.

The creation of the nonprofit corporation Golden LEAF (Long-term Economic Advancement Foundation), Inc., ("Golden LEAF Foundation") pursuant to subparagraph VI.A.1 of the Consent Decree and Final Judgment entered in that action of 98 CVS 14377 on December 21, 1998, is ~~hereby~~ approved for the purposes and on the terms and conditions set forth in subparagraph VI.A.1 of the Consent Decree and Final Judgment.

"§ 143-711. Board of directors.

(a) The General Assembly also approves the provisions in the Consent Decree concerning the governance of the ~~nonprofit corporation~~ Golden LEAF Foundation by 15 directors holding staggered, four-year terms, five directors to be appointed by the Governor of the State of North Carolina, one of whom shall be the ~~chair~~ Chair of the Rural Infrastructure Authority created in G.S. 143B-472.128, or the ~~chair's~~ Chair's designee, five by the President Pro Tempore of the North Carolina Senate, and five by the Speaker of the North Carolina House of Representatives; and that the Governor shall appoint the first Chair among ~~his~~ the Governor's appointees, and the directors shall elect their own Chair from among their number for subsequent terms. Members of the General Assembly ~~may~~ shall not be appointed to serve on the board of directors while serving in the General Assembly.

(b) It is the intent of the General Assembly that the Governor, Speaker of the House of Representatives, and President Pro Tempore of the Senate, in appointing directors to the ~~nonprofit corporation,~~ Golden LEAF Foundation, shall, in their sole discretion, include among their appointments representatives of tobacco production, tobacco manufacturing, tobacco-related employment, health, and economic development interests, with each appointing authority selecting at least two directors from these interests. It is also the intent of the General Assembly that the appointing authorities, in appointing directors, shall appoint members that represent the geographic, gender, and racial diversity of the State.

"§ 143-712. Articles of incorporation; reporting.

The Attorney General shall draft articles of incorporation for the ~~nonprofit corporation~~ Golden LEAF Foundation to enable the ~~nonprofit corporation~~ Golden LEAF Foundation to carry out its mission as set out in the Consent Decree. The articles of incorporation shall provide for the following:

(1) Consultation; reporting. – The ~~nonprofit corporation~~ Golden LEAF Foundation shall consult with the Joint Legislative Commission on Governmental Operations ~~("Commission")~~ prior to the ~~corporation's~~ board of directors (i) adopting bylaws and (ii) adopting the annual operating budget. The ~~nonprofit corporation~~ Golden LEAF Foundation shall also report on its programs and activities to the ~~Commission~~ Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Economic Development and Global Engagement Oversight Committee on or before ~~March 1~~ September 15 of each fiscal year and more frequently as requested by ~~the Commission.~~ any of these entities. The report shall include ~~information on the activities and accomplishments during the fiscal year, itemized expenditures during the fiscal year, planned activities and goals for at least the next 12 months, and itemized anticipated expenditures for the next fiscal year.~~ all of the following information:

a. Grants made in the prior fiscal year, including the amount, term, and purpose of the grant.

b. Outcome data collected by the Golden LEAF Foundation, including the number of jobs created.

c. Cumulative grant data by program and by county.

d. Unaudited actual administrative expenses and grants made in the prior fiscal year.

e. Current fiscal year budget, planned activities, and goals for the current fiscal year.

The ~~nonprofit corporation~~ Golden LEAF Foundation shall also ~~annually~~ provide to the ~~Commission~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Joint Legislative Economic Development and Global Engagement Oversight Committee an itemized report of its administrative expenses ~~and copies of its annual report and tax return information.~~ for the previous fiscal year by September 15 of each year, a copy of its annual audited financial statement for the previous fiscal year within 30 days of having received an audit report from an independent auditor, and a copy of its annual federal income tax return for the previous fiscal year within 30 days of filing.

(2) Public records; open meetings. – The ~~nonprofit corporation~~ Golden LEAF Foundation is subject to the Open Meetings Law as provided in Article 33C of Chapter 143 of the General Statutes and the Public Records Act as provided in Chapter 132 of the General Statutes. The ~~nonprofit corporation~~ Golden LEAF Foundation shall publish at least annually a report, available to the public and filed with the ~~Joint Legislative Commission on Governmental Operations,~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Joint Legislative Economic Development and Global Engagement Oversight Committee, of every expenditure or distribution in furtherance of the public charitable purposes of the ~~nonprofit corporation.~~ Golden LEAF Foundation.

(3) Transfer of assets. – The ~~nonprofit corporation may~~ Golden LEAF Foundation shall not dispose of assets pursuant to G.S. 55A-12-02 without the approval of the General Assembly.

(4) Charter repeal. – The charter of the ~~nonprofit corporation~~ Golden LEAF Foundation may be repealed at any time by the ~~legislature~~ General Assembly pursuant to Article VIII, Section 1 of the North Carolina Constitution. The ~~nonprofit corporation may~~ Golden LEAF Foundation shall not amend its articles of incorporation without the approval of the General Assembly.

(5) Dissolution. – The ~~nonprofit corporation~~ Golden LEAF Foundation may be dissolved pursuant to Chapter 55A of the General Statutes, by the General Assembly, or by the Court pursuant to the Consent Decree. Upon dissolution, all unencumbered assets and funds of the ~~nonprofit corporation,~~ Golden LEAF Foundation, including the right to receive future ~~funds pursuant to Section 2 of this act,~~ funds, are transferred to the Settlement Reserve Fund established pursuant to G.S. 143-16.4.

"§ 143-713. Use of funds.

(a) The funds under the Master Settlement Agreement, which is incorporated into the Consent Decree, shall be credited to the Settlement Reserve Fund.

(b) Any monies paid into the North Carolina State Specific Account from the Disputed Payments Account on account of the Non-Participating Manufacturers that would have been transferred to ~~The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc.,~~ the Golden LEAF Foundation shall be deposited in the Settlement Reserve Fund."

SECTION 6.2.(c) G.S. 105-113.4C reads as rewritten:

"§ 105-113.4C. Enforcement of Master Settlement Agreement Provisions.

The Master Settlement Agreement between the states and the tobacco product manufacturers, incorporated by reference into the consent decree referred to in ~~S.L. 1999-2,~~ G.S. 143-710, requires each state to diligently enforce Article 37 of Chapter 66 of the General Statutes. The Office of the Attorney General and the Secretary of Revenue shall perform the following responsibilities in enforcing Article 37:

...."

COMMERCE NONPROFITS/REPORTING REQUIREMENTS

SECTION 6.3.(a) The entities listed in subsection (b) of this section shall do the following for each year that State funds are expended:

(1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources; the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources; the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources; and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.

(2) Provide to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources; the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources; the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources; and the Fiscal Research Division a copy of the entity's annual audited financial statement within 30 days of issuance of the statement.

SECTION 6.3.(b) The following entities shall comply with the requirements of subsection (a) of this section:

(1) North Carolina Biotechnology Center.

(2) High Point Market Authority.

(3) RTI International.

PART VII. ENVIRONMENTAL QUALITY

SEPTAGE MANAGEMENT PROGRAM PERMITTING TIME LINE AMENDMENTS

SECTION 7.1. G.S. 130A-291.1(e2) reads as rewritten:

"(e2) A properly completed application for a permit and the annual fee under this section are due by ~~1 January~~ December 15 of each year. The Department shall mail a notice of the annual fees to each permitted septage management firm and each individual who operates a septage treatment or disposal facility prior to ~~1 November~~ October 1 of each calendar year. A late fee in the amount equal to fifty percent (50%) of the annual permit fee under this section shall be submitted when a properly completed application and annual permit fee are not submitted by ~~1 January~~ January 1 following the ~~1 November~~ October 1 notice. The clear proceeds of civil penalties collected pursuant to this subsection shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

DEQ REPORT CHANGES

SECTION 7.2.(a) Section 15.6(b) of S.L. 1999-237, as amended by Section 4.21 of S.L. 2017-10, reads as rewritten:

"Section 15.6.(b) The Department of Environmental Quality and the Office of State Budget and Management shall report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources the amount and the source of the funds used pursuant to subsection (a) of this section ~~within 30 days of the expenditure of these funds.~~ on or before April 15 of each year and shall include this information in the status of solid waste management report required to be submitted pursuant to G.S. 130A-309.06(c)."

SECTION 7.2.(b) G.S. 130A-309.06(c) reads as rewritten:

"(c) The Department shall report to the Environmental Review Commission and the Fiscal Research Division on or before ~~January 15~~ April 15 of each year on the status of solid waste management efforts in the State. The report shall ~~include:~~ include all of the following:

...

(17) ~~A report~~ Reports on the Inactive Hazardous Waste Response Act of 1987 pursuant to ~~G.S. 130A-310.10(a).~~ G.S. 130A-310.10.

...

(20) A report on the use of funds for Superfund cleanups and inactive hazardous site cleanups."

SECTION 7.2.(c) G.S. 130A-294(i) reads as rewritten:

"(i) The Department shall include in the status of solid waste management report required to be submitted ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) a report on the implementation and cost of the hazardous waste management program. The report shall include an evaluation of how well the State and private parties are managing and cleaning up hazardous waste. The report shall also include recommendations to the Governor, State agencies, and the General Assembly on ways to: improve waste management; reduce the amount of waste generated; maximize resource recovery, reuse, and conservation; and minimize the amount

of hazardous waste which must be disposed of. The report shall include beginning and ending balances in the Hazardous Waste Management Account for the reporting period, total fees collected pursuant to G.S. 130A-294.1, anticipated revenue from all sources, total expenditures by activities and categories for the hazardous waste management program, any recommended adjustments in annual and tonnage fees which may be necessary to assure the continued availability of funds sufficient to pay the State's share of the cost of the hazardous waste management program, and any other information requested by the General Assembly. In recommending adjustments in annual and tonnage fees, the Department may propose fees for hazardous waste generators, and for hazardous waste treatment facilities that treat waste generated on site, which are designed to encourage reductions in the volume or quantity and toxicity of hazardous waste. The report shall also include a description of activities undertaken to implement the resident inspectors program established under G.S. 130A-295.02. In addition, the report shall include an annual update on the mercury switch removal program that shall include, at a minimum, all of the following:

...."

SECTION 7.2.(d) G.S. 130A-309.64(e) reads as rewritten:

"(e) The Department shall include in the report to be delivered to the Environmental Review Commission ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) a description of the implementation of the North Carolina Scrap Tire Disposal Act under this Part for the fiscal year ending the preceding June 30. The description of the implementation of the North Carolina Scrap Tire Disposal Act shall include a list of the recipients of grants under subsection (a) of this section and the amount of each grant for the previous 12-month period. The report also shall include the amount of funds used to clean up nuisance sites under subsection (d) of this section."

SECTION 7.2.(e) G.S. 130A-309.85 reads as rewritten:

"§ 130A-309.85. Reporting on the management of white goods.

The Department shall include in the report to be delivered to the Environmental Review Commission ~~on or before 15 January of each year~~ pursuant to G.S. 130A-309.06(c) a description of the management of white goods in the State for the fiscal year ending the preceding 30 June. The description of the management of white goods shall include the following information:

...."

SECTION 7.2.(f) G.S. 130A-309.140(a) reads as rewritten:

"(a) The Department shall include in the status of solid waste management report required to be submitted ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) a report on the recycling of discarded computer equipment and televisions in the State under this Part. The report must include an evaluation of the recycling rates in the State for discarded computer equipment and televisions, a discussion of compliance and enforcement related to the requirements of this Part, and any recommendations for any changes to the system of collection and recycling of discarded computer equipment, televisions, or other electronic devices."

SECTION 7.2.(g) G.S. 130A-310.10 reads as rewritten:

"§ 130A-310.10. Annual reports.

(a) The Secretary shall include in the status of solid waste management report required to be submitted ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) a report on inactive hazardous sites that includes at least the following:

(1) The Inactive Hazardous Waste Sites Priority List.

(2) A list of remedial action plans requiring State funding through the Inactive Hazardous Sites Cleanup Fund.

(3) A comprehensive budget to implement these remedial action plans and the adequacy of the Inactive Hazardous Sites Cleanup Fund to fund the cost of ~~said~~ these plans.

(4) A prioritized list of sites that are eligible for remedial action under CERCLA/SARA together with recommended remedial action plans and a comprehensive budget to implement ~~such~~ these plans. The budget for implementing a remedial action plan under CERCLA/SARA shall include a statement as to any appropriation that may be necessary to pay the State's share of ~~such~~ the plan.

(5) A list of sites and remedial action plans undergoing voluntary cleanup with Departmental approval.

(6) A list of sites and remedial action plans that may require State funding, a comprehensive budget if implementation of these possible remedial action plans is required, and the adequacy of the Inactive Hazardous Sites Cleanup Fund to fund the possible costs of ~~said~~ these plans.

(7) A list of sites that pose an imminent hazard.

(8) A comprehensive budget to develop and implement remedial action plans for sites that pose imminent hazards and that may require State funding, and the adequacy of the Inactive Hazardous Sites Cleanup Fund.

(8a) Repealed by Session Laws 2015-286, s. 4.7(f), effective October 22, 2015.

(9) Any other information requested by the General Assembly or the Environmental Review Commission.

(a1) On or before ~~October 1~~ April 15 of each year, the Department shall report to each member of the General Assembly who has an inactive hazardous substance or waste disposal site in the member's district. This report shall include the location of each inactive hazardous substance or waste disposal site in the member's district, the type and amount of hazardous substances or waste known or believed to be located on each of these sites, the last action taken at each of these sites, and the date of that last action. The Department shall include this information in the status of solid waste management report required to be submitted pursuant to G.S. 130A-309.06(c).

(b) Repealed by Session Laws 2001-452, s. 2.3, effective October 28, 2001."

SECTION 7.2.(h) G.S. 130A-310.40 reads as rewritten:

"§ 130A-310.40. Legislative reports.

The Department shall include in the status of solid waste management report required to be submitted ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) an evaluation of the effectiveness of this Part in facilitating the remediation and reuse of existing industrial and commercial properties. This evaluation shall include any recommendations for additional incentives or changes, if needed, to improve the effectiveness of this Part in addressing ~~such~~ these properties. This evaluation shall also include a report on receipts by and expenditures from the Brownfields Property Reuse Act Implementation Account."

SECTION 7.2.(i) G.S. 143-215.104U(a) reads as rewritten:

"(a) The Secretary shall include in the status of solid waste management report required to be submitted ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) a report on at least the following:

...."

SECTION 7.2.(j) Section 14.22(j) of S.L. 2013-360 reads as rewritten:

"**SECTION 14.22.(j)** This section authorizes a Long Term Dredging Memorandum of Agreement with the U.S. Army Corps of Engineers which may last beyond the current fiscal biennium and which shall provide for all of the following:

(1) Prioritization of projects through joint consultation with the State, applicable units of local government, and the U.S. Army Corps of Engineers.

(2) Compliance with G.S. 143-215.73F. Funds in the Shallow Draft Navigation Channel Dredging Fund shall be used in accordance with that section.

(3) Annual reporting by the Department on the use of funds provided to the U.S. Army Corps of Engineers under the Long Term Dredging Memorandum of Agreement. These reports shall be made to the ~~Joint Legislative Commission on Governmental Operations,~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, and the Office of State Budget and Management and shall include all of the following:

a. A list of all projects commenced.

b. The estimated cost of each project.

c. The date that work on each project commenced or is expected to commence.

d. The date that work on each project was completed or is expected to be completed.

e. The actual cost of each project."

INVESTMENT FLEXIBILITY AND RETAINED EARNINGS FOR RIPARIAN BUFFER RESTORATION FUND AND RETAINED EARNINGS FOR ECOSYSTEM RESTORATION FUND

SECTION 7.3.(a) G.S. 147-69.2(a) reads as rewritten:

"(a) This section applies to funds held by the State Treasurer to the credit of each of the following:

...

(17n) The Riparian Buffer Restoration Fund.

...."

SECTION 7.3.(b) G.S. 147-69.2(d) reads as rewritten:

"(d) The State Treasurer may invest funds deposited pursuant to subdivisions (17i), (17j), ~~and (17k)~~ (17k), (17*l*), and (17n) of subsection (a) of this section in any of the investments authorized under subdivisions (1) through (6) and subdivision (8) of subsection (b) of this section. The State Treasurer may require a minimum deposit, up to one hundred thousand dollars ($100,000), and may assess a reasonable fee, not to exceed 15 basis points, as a condition of participation pursuant to this subsection. Fees assessed by the State Treasurer may be used to defray the costs of administering the funds and expenditures authorized under this section. Funds deposited pursuant to this subsection shall remain the funds of the North Carolina Conservation Easement Endowment Fund, the Conservation Grant Fund, the Ecosystem Restoration Fund, the Riparian Buffer Restoration Fund, or the Wildlife Endowment Fund, as applicable, and

interest or other investment income earned thereon shall be prorated and credited to the North Carolina Conservation Easement Endowment Fund, the Conservation Grant Fund, the Ecosystem Restoration Fund, the Riparian Buffer Restoration Fund, or the Wildlife Endowment Fund on the basis of the amounts contributed to the respective Funds, figured according to sound accounting principles."

CONSERVATION GRANT FUND CHANGES

SECTION 7.4.(a) G.S. 113A-235(a) is recodified as G.S. 113A-235(a1), and G.S. 113A-232(c) is recodified as G.S. 113A-235(a).

SECTION 7.4.(b) G.S. 113A-232, as amended by subsection (a) of this section, reads as rewritten:

"§ 113A-232. Conservation Grant Fund.

(a) Fund Created. – The Conservation Grant Fund is created within the Department of Environmental Quality. The Fund shall be administered by the Department. ~~The purpose of the Fund is to stimulate the use of conservation easements, to improve the capacity of private nonprofit land trust organizations to successfully accomplish conservation projects, to better equip real estate related professionals to pursue opportunities for conservation, to increase landowner participation in land and water conservation, and to provide an opportunity to leverage private and other public monies for conservation easements.~~

(a1) Fund Purpose. – The purpose of the Conservation Grant Fund is to stimulate the use of conservation easements, to steward properties held by deed or conservation easement by the State, to improve the capacity of private nonprofit land trust organizations to successfully accomplish conservation projects, to better equip real estate related professionals to pursue opportunities for conservation, to increase landowner participation in land and water conservation, and to provide an opportunity to leverage private and other public funds for conservation easements.

(b) Fund Sources. – The Conservation Grant Fund shall consist of any ~~monies~~ funds appropriated to it by the General Assembly and any ~~monies~~ funds received from public or private sources. Unexpended ~~monies~~ funds in the Fund that were appropriated from the General Fund by the General Assembly shall revert at the end of the fiscal year unless the General Assembly otherwise provides. Unexpended ~~monies~~ funds in the Fund from other sources shall not revert and shall remain available for expenditure in accordance with this Article.

(c1) Grant Eligibility. – ~~State~~ Conservation properties, as described in G.S. 113A-235, State conservation land management agencies, local government conservation land management agencies, and private nonprofit land trust organizations are eligible to receive grants from the Conservation Grant Fund. Private nonprofit land trust organizations must be certified under ~~section~~ Section 501(c)(3) of the Internal Revenue Code to aid in managing the land.

(d) Use of Revenue. – Revenue ~~in~~ and investment income generated by the Conservation Grant Fund may be used only for the following purposes:

(1) The ~~administrative~~ costs of the Department in administering the ~~Fund.~~ Fund and stewardship program operations.

(2) ~~Conservation grants~~ Expenses related to grants, contracts, and agreements made in accordance with this ~~Article.~~ Article, including any of the following:

a. Reimbursement for total or partial transaction costs for a donation of real property or an interest in real property from an individual or corporation, when the Department determines either of the following:

1. The donor has insufficient financial ability to pay all costs or insufficient taxable income to allow these costs to be included in the donated value.

2. The donor has insufficient tax burdens to allow these costs to be offset by charitable deductions.

b. Management support, including initial baseline inventory and planning.

c. Monitoring compliance of conservation easements, the related use of riparian buffers, natural areas, and greenways, and the presence of ecological integrity.

d. Education and studies on conservation properties, including information materials intended for landowners and education for staff and volunteers.

e. Stewardship of conservation properties.

f. Transaction costs for recipients, including legal expenses, closing and title costs, and unusual direct costs, such as overnight travel.

g. Administrative costs.

h. Award of grants under G.S. 113A-234.

i. Legal expenses incurred in protecting and seeking remedies for damages to Department-held conservation properties.

j. Acquisition of conservation properties and easements.

(3) To establish an endowment account, the interest from which will be used for a purpose described in ~~G.S. 113A-233(a).~~ this subsection. The principal of this account shall not be used for the purchase of real property or an interest in real property."

SECTION 7.4.(c) G.S. 113A-233 is repealed.

SECTION 7.4.(d) G.S. 113A-234 reads as rewritten:

"§ 113A-234. Administration of grants.

(a) Grant Procedures and Criteria. – The Secretary of the Department of Environmental Quality shall establish the procedures and criteria for awarding grants from the Conservation Grant Fund. The criteria shall focus grants on those areas, approaches, and techniques that are likely to provide the optimum positive effect on environmental protection. The Secretary shall make the final decision on the award of grants and shall announce the award publicly in a timely manner.

...."

SECTION 7.4.(e) G.S. 113A-235, as amended by subsection (a) of this section, reads as rewritten:

"§ 113A-235. Conservation ~~easements.~~ properties eligible for funding.

(a) Property Eligibility. – In order for real property or an interest in real property to be ~~the subject of~~ eligible for a grant under this ~~Article,~~ Article as a conservation property, the real property or interest in real property must meet all of the following conditions:

(1) Possess or have a high potential to possess ecological value.

(2) Be reasonably ~~restorable.~~ restorable, previously restored, or a high-quality preservation.

(3) Be useful for one or more of the following purposes:

a. Public beach access or use.

b. Public access to public waters or trails.

c. Fish and wildlife conservation.

d. Forestland or farmland conservation.

e. Watershed ~~protection.~~ protection or improvement.

f. Conservation of natural areas, as that term is defined in G.S. 143B 135.254(3).

g. Conservation of predominantly natural parkland.

(4) Be ~~donated~~ purchased on behalf of, donated, or assigned in perpetuity to and accepted by the State, a local government, or a body that is both organized to receive and administer lands for conservation purposes and qualified to receive charitable contributions under G.S. 105 130.9. Land required to be dedicated pursuant to local governmental regulation or ordinance and dedications made to increase building density levels permitted under a regulation or ordinance do not qualify.

(a1) Acquisition and Protection of Conservation ~~Easements.~~ Properties. – Ecological systems and appropriate public use of these systems may be protected through conservation easements, including conservation agreements under Article 4 of Chapter 121 of the General Statutes, the Conservation and Historic Preservation Agreements Act, and conservation easements under the Conservation Reserve Enhancement Program. The Department may acquire conservation properties and easements by purchase, gift, or assignment, in accordance with G.S. 146-22. The Department of Environmental Quality shall work cooperatively with State and local agencies and qualified nonprofit organizations to monitor compliance with conservation easements and conservation agreements and to ensure the continued viability of the protected ecosystems. Soil and water conservation districts established under Chapter 139 of the General Statutes may acquire easements under the Conservation Reserve Enhancement Program by purchase or gift.

...."

PART VIII. NATURAL AND CULTURAL RESOURCES

STATE LIAISON OFFICER FOR FEDERAL LAND AND WATER CONSERVATION FUND

SECTION 8.1. G.S. 143B-50.1(c), as amended by Section 4(c) of S.L. 2019-20, reads as rewritten:

"(c) Federal Assistance. – The Department, with the approval of the Governor, may apply for and accept grants from the federal government and its agencies and from any foundation, corporation, association, or individual, and may comply with the terms, conditions, and limitations of the grant, in order to accomplish any of the purposes of the Department. Grant funds shall be expended pursuant to the State Budget Act. The Director of the Department's Division of Parks and Recreation ~~shall be designated as having the authority and responsibility to accept and administer~~ is designated as the State liaison officer with respect to funding through the federal Land and Water Conservation Fund or any successor fund established for similar purposes, and the Secretary may designate additional personnel to assist the Director in the responsibilities imposed by this subsection."

DNCR REPORT CHANGES

SECTION 8.2.(a) Part 1 of Article 2 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-53.10. Annual report on fees.

The Department of Natural and Cultural Resources shall submit a report by October 15 of each year to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on fees charged in the previous fiscal year at all historic sites, museums, aquariums, and State parks and at the North Carolina Zoological Park and the U.S.S. North Carolina Battleship. The report shall include all of the following:

(1) For each site, the amount and type of fees charged.

(2) For each site, the total amount collected by type of fee and how the funds were expended.

(3) Visitor information for each site, including a breakdown of fee-paying visitors and visitors whose fees were waived, such as visitors in school groups.

(4) Any fee changes and a justification for any increases or decreases.

(5) Number of days the site was open to visitors.

(6) Plans, if known, to change fees in the upcoming year."

SECTION 8.2.(b) G.S. 121-7.3 reads as rewritten:

"§ 121-7.3. Admission and related activity fees and operating hours.

The Department of Natural and Cultural Resources may charge a reasonable admission and related activity fee to the Roanoke Island Festival Park and any historic site or museum administered by the Department. Admission and related activity fees collected under this section are receipts of the Department and shall be deposited in the appropriate special fund. The revenue collected pursuant to this section shall be used only for the individual site or venue where the receipts were generated. The Secretary may adopt rules necessary to carry out the provisions of this section. The Department is exempt from the requirements of Chapter 150B of the General Statutes and G.S. 12-3.1 when adopting, amending, or repealing rules for operating hours and admission fees or related activity fees at the Roanoke Island Festival Park, historic sites, and museums. ~~The Department shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on the amount and purpose of a fee change within 30 days following its effective date.~~"

SECTION 8.2.(c) G.S. 143B-71 reads as rewritten:

"§ 143B-71. Tryon Palace Commission – creation, ~~powers~~ powers, and duties.

There is hereby created the Tryon Palace Commission of the Department of Natural and Cultural Resources with the power and duty to adopt, ~~amend~~ amend, and rescind rules and regulations concerning the restoration and maintenance of the Tryon Palace complex, and with other powers and duties as provided in Article 2 of Chapter 121 of the General ~~Statutes of North Carolina,~~ Statutes, including the authority to charge reasonable admission and related activity fees. The Commission is exempt from the requirements of Chapter 150B of the General Statutes and G.S. 12-3.1 when adopting, amending, or repealing rules for operating hours and admission fees or related activity fees at Tryon Palace Historic Sites and Gardens. ~~The Commission shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on the amount and purpose of a fee change within 30 days following its effective date.~~"

NATURAL HERITAGE PROGRAM ADMINISTRATION AND FUND CORRECTION

SECTION 8.3.(a) G.S. 143B-135.272(b) reads as rewritten:

"(b) Fees collected under this section are receipts of the Department of Natural and Cultural Resources and shall be deposited in the ~~Clean Water Management Trust Fund~~ special fund for the purpose of supporting the operations of the Natural Heritage Program."

SECTION 8.3.(b) Part 42 of Article 2 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-135.273. Administration of the Conservation Tax Credit program.

All duties and responsibilities related to stewardship and oversight of properties and interests for which tax credits were granted under the Conservation Tax Credit program for tax years beginning before January 1, 2014, and previously given to the Department of Environmental Quality or its predecessors are transferred to the Department of Natural and Cultural Resources. The Department of Natural and Cultural Resources shall exercise the duties and responsibilities transferred by this section through the Natural Heritage Program."

REPEAL OBSOLETE ONE MILLION ACRES PROGRAM

SECTION 8.4.(a) G.S. 113A-240(a) and (b) are recodified as G.S. 143B-135.230(a) and (c), respectively.

SECTION 8.4.(b) G.S. 143B-135.230, as amended by subsection (a) of this section, reads as rewritten:

"§ 143B-135.230. Purpose.

(a) It is the intent of the General Assembly to ~~continue to~~ support and accelerate the State's programs of land conservation and ~~protection,~~ protection and farmland and open space preservation and coordination to find means to assure and increase funding for

these programs, to support the long-term management of conservation lands acquired by the State, and to improve the coordination, efficiency, and implementation of the various State and local land protection programs operating in North Carolina.

(b) It is the further intent of the General Assembly that moneys from the Fund created under this Part shall be used to help finance projects that enhance or restore degraded surface waters; protect and conserve surface waters, including drinking supplies, and contribute toward a network of riparian buffers and greenways for environmental, educational, and recreational benefits; provide buffers around military bases to protect the military mission; acquire land that represents the ecological diversity of North Carolina; and acquire land that contributes to the development of a balanced State program of historic properties.

(c) It is the further intent of the General Assembly that the State's lands should be protected in a manner that minimizes any adverse impacts on the ability of local governments to carry out their broad mandates."

SECTION 8.4.(c) Article 17 of Chapter 113A of the General Statutes, as amended by subsection (a) of this section, is repealed.

REPORT ON ATTRACTIONS MARKETING

SECTION 8.5.(a) The Department of Natural and Cultural Resources shall study and report on the marketing of the North Carolina Zoological Park, the North Carolina Aquariums, and the North Carolina State Museum of Natural Sciences (the "State Attractions"), including marketing conducted on behalf of the State Attractions by affiliated or independent support or friends organizations. As part of its report, the Department shall assess and provide the following for the 2018-2019 and 2019-2020 fiscal years:

(1) All public and private funds spent on marketing the State Attractions, including a breakdown of funding source and the particular marketing uses for the funds from each source.

(2) Identification of new or innovative marketing techniques of the State Attractions that could be utilized but currently lack funding.

(3) The scope and effectiveness of cooperative or collaborative marketing activities with other State agencies or with the nonprofit corporation with which the Department of Commerce contracts pursuant to G.S. 143B-431.01(b).

(4) An explanation of measures of effectiveness or reach that are used to evaluate current marketing programs, as well as effectiveness or reach data generated by those measures.

SECTION 8.5.(b) The Department shall provide its report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division no later than October 15, 2020.

PART IX. WILDLIFE RESOURCES COMMISSION

OUTDOOR HERITAGE AMENDMENT

SECTION 9.1. G.S. 126-5(c1) reads as rewritten:

"(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

...

(36) Employees of the Outdoor Heritage Advisory Council."

WRC REPORT CHANGE

SECTION 9.2. G.S. 143-250 reads as rewritten:

"§ 143-250. Wildlife Resources Fund.

...

All moneys credited to the Wildlife Resources Fund shall be made available to carry out the intent and purposes of this Article in accordance with plans approved by the North Carolina Wildlife Resources Commission, and all ~~such~~ of these funds are ~~hereby~~ appropriated, reserved, set ~~aside~~ aside, and made available until expended, for the enforcement and administration of this Article, ~~Chapter 75A, Article 1, and Chapter 113, Subchapter IV of the General Statutes of North Carolina.~~ Article 1 of Chapter 75A of the General Statutes, and Subchapter IV of Chapter 113 of the General Statutes. No later than October 1 of each year, the Wildlife Resources Commission shall report to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on the expenditures from the Wildlife Resources Fund during the fiscal year that ended the previous July 1 of that year and on the planned expenditures for the current fiscal year.

...."

HABITAT OPTIMIZATION PLAN

SECTION 9.3. The Wildlife Resources Commission and the North Carolina Forest Service shall coordinate with the United States Forest Service to formulate a plan to optimize habitats to reverse declines in wildlife populations on State lands managed by the North Carolina Forest Service and federal lands in the State managed by the United States Forest Service. The Commission and the North Carolina Forest Service shall report regarding this plan to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources no later than July 1, 2021.

PART X. ADMINISTRATIVE OFFICE OF THE COURTS

TECHNICAL CORRECTION TO RECENTLY ENACTED HUMAN TRAFFICKING LANGUAGE

SECTION 10.1.(a) Section 4(c) of S.L. 2019-158 is repealed.

SECTION 10.1.(b) G.S. 15A-151.5(a) reads as rewritten:

"(a) Notwithstanding any other provision of this Article, the Administrative Office of the Courts shall make all confidential files maintained under G.S. 15A-151 electronically available to all prosecutors of this State if the criminal record was expunged on or after July 1, 2018, under any of the following:

...

(7a) G.S. 15A-145.9. Expunction of records of certain offenses committed by human trafficking victims.

...."

SECTION 10.1.(c) This section is retroactively effective December 1, 2019.

DISTRICT ATTORNEYS/NO TRANSFER OF FUNDS AND STUDY FEASIBILITY OF OFFICE OF PROSECUTORIAL SERVICES

SECTION 10.2.(a) No Transfer of Funds. – For the 2020-2021 fiscal year, no funds may be transferred from Fund Code 12000-1600 (Office – District Attorney) without the consent of the Conference of District Attorneys as communicated by the Conference's Executive Director to the Administrative Office of the Courts.

SECTION 10.2.(b) Study. – The School of Government at the University of North Carolina at Chapel Hill (School of Government), in consultation with the Conference of District Attorneys, the Administrative Office of the Courts, the Office of Indigent Defense Services, and any other stakeholders the School of Government deems relevant, shall study the feasibility and cost of creating an Office of Prosecutorial Services. The study shall compare North Carolina's judicial branch structure to that of other states in terms of organizational placement of prosecutorial services within the context of the unified court system and shall also determine the necessary resources and costs required to make an Office of Prosecutorial Services viable as an independent agency. The School of Government shall submit the report required under this subsection by April 1, 2021, to the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety.

PART XI. JUSTICE

EXPAND CRIMINAL JUSTICE FELLOWS PROGRAM ELIGIBILITY

SECTION 11.1.(a) G.S. 17C-20 reads as rewritten:

"§ 17C-20. Definitions.

As used in this Article, the following definitions apply:

...

(5) Eligible county. – A county with a population of less than ~~75,000~~ 125,000 according to the latest federal decennial ~~census.~~ census or a county designated as a development tier one area pursuant to G.S. 143B-437.08, or both.

...."

SECTION 11.1.(b) This section is effective when it becomes law and applies to Criminal Justice Fellows Program recipients selected on or after that date.

PART XII. PUBLIC SAFETY

INMATE CONSTRUCTION PROGRAM

SECTION 12.1. Article 3 of Chapter 148 of the General Statutes is amended by adding a new section to read:

"§ 148-32.3. Inmate Construction Program.

Notwithstanding any other provision of law, but subject to the provisions of this Article, the State Construction Office may utilize inmates in the custody of the Division of Adult Correction of the Department of Public Safety through the Inmate Construction Program for repair and renovation projects on State-owned facilities, with priority given to Department of Public Safety construction projects. State agencies utilizing the Inmate Construction Program shall reimburse the Division of Adult Correction of the Department of Public Safety for the cost of transportation, custody, and wages for the inmate crews."

NO TRANSFER OF POSITIONS TO OTHER STATE AGENCIES

SECTION 12.2.(a) Notwithstanding any other provision of law, and except as otherwise provided in subsection (b) of this section, the Office of State Budget and Management shall not transfer any positions, personnel, or funds from the Department of Public Safety to any other State agency during the 2020-2021 fiscal year unless the transfer was included in the base budget for that fiscal year.

SECTION 12.2.(b) This section shall not apply to consolidation of information technology positions into the Department of Information Technology pursuant to G.S. 143B-1325.

CAITLYN'S COURAGE, INC./CORRECT ENTITY GRANTING FUNDS

SECTION 12.3.(a) If House Bill 1023, 2019 Regular Session, becomes law, then Section 3.3(54) of S.L. 2020-4, as enacted in Section 1.1(d) of that act, reads as rewritten:

"(54) $3,500,000 to the ~~Administrative Office of the Courts~~ Department of Public Safety, Division of Administration (Budget Code: 14550; Fund Code: 1100), to be used as a grant for Caitlyn's Courage, Inc., in accordance with Section 4.2C of this act."

SECTION 12.3.(b) If House Bill 1023, 2019 Regular Session, becomes law, then Section 4.2C(b) of S.L. 2020-4, as enacted by Section 1.1(e) of that act, reads as rewritten:

"**SECTION 4.2C.(b)** The funds allocated in subdivision (54) of Section 3.3 of this act to the ~~Administrative Office of the Courts~~ Department of Public Safety, Division of Administration, shall be used to provide a grant to Caitlyn's Courage, Inc., to conduct domestic violence prevention pilot programs (pilot programs) in at least nine judicial districts, three of which shall have small district court caseloads, three of which shall have medium district court caseloads, and three of which shall have large district court caseloads. Caitlyn's Courage, Inc., shall consult and collaborate with the Administrative Office of the Courts and with the Chief District Court Judges of each of the selected judicial districts when developing pilot program implementation plans for each judicial district."

SECTION 12.3.(c) This section is effective when it becomes law.

PSAP FUNDING CHANGES

SECTION 12.4.(a) G.S. 143B-1406 reads as rewritten:

"§ 143B-1406. Fund distribution to PSAPs.

...

(d) Use of Funds. – A PSAP that receives a distribution from the 911 Fund may not use the amount received to pay for the lease or purchase of real estate, cosmetic remodeling of emergency dispatch centers, hiring or compensating telecommunicators, or the purchase of mobile communications vehicles, ambulances, fire engines, or other emergency vehicles. Distributions received by a PSAP may be used only to pay for the following:

(1) The lease, purchase, or maintenance of:

a. Emergency telephone equipment, including necessary computer hardware, software, and database provisioning.

b. Addressing, provided that addressing shall not be paid following the earlier of July 1, 2021, or compliance with G.S. 143B-1406(e1).

c. Telecommunicator furniture.

d. Dispatch equipment located exclusively within a building where a PSAP or back-up PSAP is located, excluding the costs of base station transmitters, towers, microwave links, and antennae used to dispatch emergency call information from the PSAP or back-up PSAP.

e. Emergency medical, fire, and law enforcement pre-arrival instruction software.

(1a) Any costs incurred by a city or county that operates a PSAP to comply with the terms of an intergovernmental support agreement if all of the following apply:

a. The city or county, or both, have an intergovernmental support agreement under 10 U.S. Code Section 2679, with a major military installation as defined in G.S. 143-215.115 that operates a PSAP.

b. The intergovernmental support agreement permits the parties to serve as a back-up PSAP or secondary PSAP for each other's 911 system.

c. The costs aid the PSAP operated by the city or county to establish and maintain the maximum amount of next generation 911 system compatibility with the PSAP operated by the major military installation.

(2) Repealed by Session Laws 2019-200, s. 7(f), effective August 21, 2019.

(3) Expenditures for in-State training of 911 personnel regarding the maintenance and operation of the 911 system. Allowable training expenses include the cost of transportation, lodging, instructors, certifications, improvement programs, quality assurance training, training associated with call taking, and emergency medical, fire, or law enforcement procedures, and training specific to managing a PSAP or supervising PSAP staff. Training outside the State is not an eligible expenditure unless the training is unavailable in the State or the PSAP documents that the training costs are less if received out-of-state. Training specific to the receipt of 911 calls is allowed only for intake and related call taking quality assurance and improvement. Instructor certification costs and course required prerequisites, including physicals, psychological exams, and drug testing, are not allowable expenditures.

(4) Charges associated with the service supplier's 911 service and other service supplier recurring charges. The PSAP providing 911 service is responsible to the communications service provider for all 911 installation, service, equipment, operation, and maintenance charges owed to the communications service provider. A PSAP may contract with a communications service provider on terms agreed to by the PSAP and the provider. Service supplier 911 service and other recurring charges supplanted by the State ESInet costs paid by the Board shall not be paid from distributions to PSAPs following the earlier of July 1, 2021, or compliance with G.S. 143B-1406(e1).

...

(i) Application to Major Military Installations. – If a PSAP is a party to an intergovernmental support agreement under 10 U.S. Code Section 2679 which includes a PSAP operated by a major military installation, as defined in G.S. 143-215.115, the 911 Board shall treat the population of the major military installation as part of the population of the PSAP and shall treat the intergovernmental support agreement under 10 U.S. Code Section 2679 as an interlocal agreement under sub-subdivision (a)(3)e. of this section for purposes of funding any city or county that is a party to the intergovernmental support agreement under the funding formula under subdivision (a)(3) of this section."

SECTION 12.4.(b) This section is effective when it becomes law and applies to distributions for the 2020-2021 fiscal year and subsequent fiscal years.

OFFICE OF RECOVERY AND RESILIENCY TEMPORARY POSITIONS ADJUSTMENT

SECTION 12.5. Section 5.7(a) of S.L. 2018-136 reads as rewritten:

"**CREATION OF OFFICE OF RECOVERY AND RESILIENCY/GRANTS**

"**SECTION 5.7.(a)** The Office of Recovery and Resiliency (Office) is created in the Department of Public Safety. The Office shall execute multi-year recovery and resiliency projects and administer funds provided by the Community Development Block Grant Disaster Recovery program. The Secretary may reassign up to 15 existing positions of the Division of Emergency Management to the Office. In addition, the Secretary may create ~~up to 30~~ new three-year time-limited positions. The reassigned positions assigned to the Office shall retain the employment status of the positions at the time of the reassignment after implementation of this act is completed. The three-year time-limited positions created in this section shall be temporary positions and are exempt from the provision of the State Human Resources Act, Chapter 126 of the General Statutes, except Articles 6 and 7 of that Chapter. The Office will provide general disaster recovery coordination and public information; citizen outreach and application case management; audit, finance, compliance, and reporting on disaster recovery funds; and program and construction management services. The Office shall also contract for services from vendors specializing in housing, construction, and project management services."

PART XIII. ADMINISTRATION

PROCUREMENT SIMPLIFICATION AND INCREASED ACCOUNTABILITY

SECTION 13.1.(a) G.S. 143-52.1 reads as rewritten:

"**§ 143-52.1. Award recommendations; State Purchasing Officer action.**

(a) Award Recommendation. – When the dollar value of a contract to be awarded under Article 3 of Chapter 143 of the General Statutes exceeds the benchmark established pursuant to G.S. 143-53.1, an award recommendation shall be submitted to the State Purchasing Officer for approval or other action. The State Purchasing Officer shall promptly notify the agency or institution making the recommendation, or for which the purchase is to be made, of the action taken.

(b) through (d) Repealed by Session Laws 2013-234, s. 4, effective July 3, 2013.

(e) Reporting. – The State Procurement Officer shall provide a monthly report of all contract awards greater than ~~twenty-five thousand dollars ($25,000)~~ the benchmark established under G.S. 143-53.1 approved through the Division of Purchase and Contract to the Cochairs of the Joint Legislative Committee on Governmental Operations. The report shall include the amount of the award, the award recipient, the using agency, and a short description of the nature of the award."

SECTION 13.1.(b) G.S. 143-53 reads as rewritten:

"**§ 143-53. Rules.**

(a) The Secretary of Administration may adopt rules governing the following:

(1) Prescribing the routine and procedures to be followed in canvassing bids and awarding contracts, and for reviewing decisions made pursuant thereto, and the decision of the reviewing body shall be the final administrative review. The Division of Purchase and Contract shall review and decide a protest on a contract valued at ~~twenty-five thousand dollars ($25,000) or more.~~ an amount that exceeds the benchmark established under G.S. 143-53.1. The Secretary shall adopt rules or criteria governing the review of and decision on a protest on a contract ~~of less than twenty-five thousand dollars ($25,000)~~ valued at or below the benchmark established under G.S. 143-53.1 by the agency that awarded the contract.

...

(5) Prescribing conditions under which purchases and contracts for the purchase, installment or lease-purchase, rental or lease of goods and services may be entered into by means other than competitive bidding, including, but not limited to, negotiation, reverse

auctions, and acceptance of electronic bids. Notwithstanding the provisions of subsections (a) and (b) of this section, any waiver of competition for the purchase, rental, or lease of goods and services is subject to prior review by the Secretary, if the expenditure exceeds ~~ten thousand dollars ($10,000).~~ the benchmark established under G.S. 143-53.1. The Division may levy a fee, not to exceed one dollar ($1.00), for review of each waiver application.

...."

SECTION 13.1.(c) G.S. 143-53.1 reads as rewritten:

"§ 143-53.1. Setting of benchmarks; increase by Secretary.

(a) On and after July 1, 2014, the procedures prescribed by G.S. 143-52 with respect to competitive bids and the bid value benchmark authorized by G.S. 143-53(a)(2) with respect to rule making by the Secretary of Administration for competitive bidding shall promote compliance with the principles of procurement efficiency, transparency, and fair competition to obtain the State's business. For State departments, institutions, and agencies, except the President of The University of North Carolina or a special responsibility constituent institution of The University of North Carolina and community colleges, the benchmark shall not be greater than one hundred thousand dollars ($100,000). For the President of The University of North Carolina or a special responsibility constituent institution of The University of North Carolina, the benchmark prescribed in this section is as provided in G.S. 116-31.10. For community colleges, the benchmark prescribed in this section is as provided in G.S. 115D-58.14.

...."

SECTION 13.1.(d) G.S. 143-57 reads as rewritten:

"§ 143-57. Purchases of articles in certain emergencies.

In case of any emergency or pressing need arising from unforeseen causes including but not limited to delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work, the Secretary of Administration shall have power to obtain or authorize obtaining in the open market any necessary supplies, materials, equipment, printing or services for immediate delivery to any department, institution or agency of the State government. A report on the circumstances of such emergency or need and the transactions thereunder shall be made a matter of record promptly thereafter. If the expenditure exceeds ~~ten thousand dollars ($10,000),~~ the benchmark established under G.S. 143-53.1, the report shall also be made promptly thereafter to the Division of Purchase and Contract."

SECTION 13.1.(e) This section is effective when it becomes law and applies to contracts entered into on or after that date.

DEPARTMENT OF ADMINISTRATION/UPDATE E-PROCUREMENT SYSTEM

SECTION 13.2. For purposes of updating the E-Procurement System (hereinafter "System"), the Department of Administration shall do all of the following:

(1) Provide a detailed report on the replacement of the State's E-Procurement System to include:

a. Description of the project including scope and System enhancements.

b. Interface capability with the Office of the State Controller's financial system replacement and other agency ERPs.

c. Activities undertaken to date to update the System.

d. Itemized expenditures to date and itemized costs anticipated to complete project.

e. Project implementation time line and milestones completed.

f. Compliance with G.S. 143B-1340 (Information Technology Projects and Management).

(2) No later than October 1, 2020, submit the report to the Joint Legislative Oversight Committee on General Government and the Joint Legislative Oversight Committee on Information Technology.

PART XIV. BUDGET AND MANAGEMENT

PLAN FOR RESULTS FIRST BENEFIT-COST ANALYSIS OF DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS

SECTION 14.1. By January 15, 2021, the Office of State Budget and Management (OSBM) shall submit to the Joint Legislative Oversight Committee on General Government, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division a plan to conduct, as part of North Carolina's Results First project, a benefit-cost analysis of all Department of Health and Human Services (Department) programs funded by State appropriations. OSBM shall include in the plan required by this section (i) an inventory of all Department programs funded by State appropriations and (ii) an estimate of the cost to conduct the Results First benefit-cost analysis for each Department program funded by State appropriations. The Department shall cooperate with the OSBM in OSBM's development of the plan required by this section.

PART XV. CONTROLLER

OVERPAYMENTS AUDIT

SECTION 15.1.(a) During the 2019-2021 fiscal biennium, receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors shall be deposited in Special Reserve Account 24172 as required by G.S. 147-86.22(c).

SECTION 15.1.(b) Of the funds appropriated in the Special Reserve Account 24172 for the 2020-2021 fiscal year, two hundred fifty thousand dollars ($250,000) of these funds may be used by the Office of the State Controller for data processing, debt collection, or e-commerce costs.

SECTION 15.1.(c) The State Controller shall report annually to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited into Special Reserve Account 24172 and the disbursement of that revenue.

PART XVI. INDUSTRIAL COMMISSION

INDUSTRIAL COMMISSION USE ELECTRONIC MAIL TO SEND DECISIONS

SECTION 16.1.(a) G.S. 143-293 reads as rewritten:

"§ 143-293. Appeals to Court of Appeals.

Either the claimant or the State may, within 30 days after receipt of the decision and order of the full Commission, to be sent by ~~registered or certified~~ registered, certified, or electronic mail, but not thereafter, appeal from the decision of the Commission to the Court of Appeals. Such appeal shall be for errors of law only under the same terms and conditions as govern appeals in ordinary civil actions, and the findings of fact of the Commission shall be conclusive if there is any competent evidence to support them. The appellant shall cause to be prepared a statement of the case as required by the rules of the Court of Appeals. A copy of this statement shall be served on the respondent within 45 days from the entry of the appeal taken; within 20 days after such service, the respondent shall return the copy with ~~his~~ the respondent's approval or specified amendments endorsed or attached; if the case be approved by the respondent, it shall be filed with the clerk of the Court of Appeals as a part of the record; if not returned with objections within the time prescribed, it shall be deemed approved. The ~~chairman~~ chair of the Industrial Commission shall have the power, in the exercise of ~~his~~ the chair's discretion, to enlarge the time in which to serve statement of case on appeal and exceptions thereto or counterstatement of case.

If the case on appeal is returned by the respondent with objections as prescribed, or if a countercase is served on appellant, the appellant shall immediately request the ~~chairman~~ chair of the Industrial Commission to fix a time and place for settling the ~~case before him.~~ case. If the appellant delays longer than 15 days after the respondent serves ~~his~~ the countercase or exceptions to request the ~~chairman~~ chair to settle the case on appeal, and delays for such period to ~~mail~~ mail, as provided in this section, the case and countercase or exceptions to the ~~chairman,~~ chair, then the exceptions filed by the respondent shall be allowed; or the countercase served ~~by him~~ shall constitute the case on appeal; but the time may be extended by agreement of counsel.

The ~~chairman~~ chair shall forthwith notify the attorneys of the parties to appear before ~~him~~ the chair for that purpose at a certain time and place, which time shall not be more than 20 days from the receipt of the request. At the time and place stated, the ~~chairman~~ chair of the Industrial Commission or ~~his~~ the chair's designee shall settle and sign the case and deliver a copy to the attorneys of each party. The appellant shall within five days thereafter file it with the clerk of the Court of Appeals, and if ~~he~~ the appellant fails to do so the respondent may file ~~his~~ the respondent's copy.

No appeal bond or supersedeas bond shall be required of State departments or agencies."

SECTION 16.1.(b) This section becomes effective July 1, 2020, and applies to decisions and orders sent on or after that date.

PART XVII. MILITARY AND VETERANS AFFAIRS

DMVA/MILITARY PRESENCE STABILIZATION FUND

SECTION 17.1.(a) G.S. 143B-1217 reads as rewritten:

"§ 143B-1217. Military Presence Stabilization Fund.

(a) The Military Presence Stabilization Fund is established as a special fund in the Department of Military and Veterans Affairs. Funds in the Military Presence Stabilization Fund shall be used to fund actions designed to make the State less vulnerable to closure pursuant to federal Base Realignment and Closure and related initiatives. The North Carolina Military Affairs Commission shall approve the use of the Fund for this purpose.

(b) Notwithstanding the provisions of G.S. 143B-1214 and subsection (a) of this section, funds appropriated to the Military Presence Stabilization Fund may be used for the following purposes:

(1) Unless otherwise authorized by the General Assembly, up to two hundred twenty-five thousand dollars ($225,000) to provide grants to local communities or military installations for actual project expenses. Grant funds shall not be used to pay for lobbying the General Assembly, salaries, travel, or other administrative costs. The North Carolina Military Affairs Commission shall establish guidelines for applying for these grants.

(2) Administrative expenses and reimbursements for members of the North Carolina Military Affairs Commission.

(3) Federal advocacy and lobbying support.

(4) Updates to strategic planning analysis and strategic plan.

(5) Economic impact analyses.

(6) Public-public/public-private (P4) initiatives.

(7) Identification and implementation of innovative measures to increase the military value of installations.

(8) Fully fund a position at the North Carolina Economic Development Center.

(c) The North Carolina Military Affairs Commission shall report to the Joint Legislative Oversight Committee on General Government no later than February 15 of each year on expenditures from the Military Presence Stabilization Fund."

SECTION 17.1.(b) The Department of Military and Veterans Affairs shall pay expenses authorized by this section and approved by the North Carolina Military Affairs Commission within 30 days of receiving a request from the Commission that payment be made. Notwithstanding the 30-day time period provided for in this subsection, the Department shall make payment on a contract or grant awarded by the Commission no later than the date payment is due according to the terms of the contract or grant, and the Commission shall not be required to request that the Department make the contract or grant payment. The chair may authorize a member of the Commission's Executive Steering Group or another representative to make a request for payment. Upon receipt of a request for payment, the Department shall issue a written acknowledgment of the request to the Commission or duly authorized representative and shall, once payment has been made, provide proof of payment to the Commission or duly authorized representative.

VETERANS AFFAIRS COMMISSION/AWARDING OF SERVICE MEDALS

SECTION 17.2. G.S. 143B-1220 reads as rewritten:

"§ 143B-1220. Veterans' Affairs Commission – creation, powers and duties.

There is hereby created the Veterans' Affairs Commission of the Department of Military and Veterans Affairs. The Veterans' Affairs Commission shall have the following functions and duties, as delegated by the Secretary of Military and Veterans Affairs:

...

(3) To promulgate rules and regulations concerning the awarding of scholarships for children of North Carolina veterans as provided by this Article. The Commission shall make rules and regulations consistent with the provisions of this Article. All rules and regulations not inconsistent with the provisions of this Chapter heretofore adopted by the State Board of Veterans' Affairs shall remain in full force and effect unless and until repealed or superseded by action of the Veterans' Affairs Commission. All rules and regulations adopted by the Commission shall be enforced by the Department of Military and Veterans Affairs; and

~~(4) To promulgate rules concerning the awarding of the North Carolina Services Medal to all veterans who have served in any period of war as defined in 38 U.S.C. § 101. The award shall be self-financing; those who wish to be awarded the medal shall pay a fee to cover the expenses of producing the medal and awarding the medal. All rules adopted by the Commission with respect to the North Carolina Services Medal shall be implemented and enforced by the Department of Military and Veterans Affairs; and~~

(5) To advise the Secretary on any matter the Secretary may refer to it."

DMVA/TECHNICAL AMENDMENT TO DELETE OBSOLETE LANGUAGE FROM STATUTE REGULATING SCHOLARSHIPS

SECTION 17.3. G.S. 143B-1225 reads as rewritten:

"§ 143B-1225. Scholarship.

(a) A scholarship granted pursuant to this Part shall consist of the following benefits in either a State or private educational institution:

...

(4) No educational assistance shall be afforded a child under this Part after the end of an eight-year period beginning on the date the scholarship is first awarded. ~~Those persons who have been granted a scholarship under this Part prior to the effective date of this act shall be entitled to the remainder of their period of scholarship eligibility if used prior to August 1, 2010.~~ Whenever a child is enrolled in an educational institution and the period of entitlement ends while enrolled in a term, quarter or semester, such period shall be extended to the end of such term, quarter or semester, but not beyond the entitlement limitation of four academic years.

...."

ESTABLISH NORTH CAROLINA VETERANS CEMETERY TRUST FUND

SECTION 17.4.(a) There is established the North Carolina Veterans Cemeteries Trust Fund (hereinafter "Fund"), a special fund within the Department of Military and Veterans Affairs. The Fund shall be maintained as a special fund and shall be administered by the Department to carry out the provisions of this section. Interest accruing from the monies in the Fund shall be credited to the Fund. The Fund shall consist of the following sources of funding:

(1) All interest and investment earnings received on monies in the Fund.

(2) Any other funds, as directed by the General Assembly.

SECTION 17.4.(b) The funds in the Fund shall be allowed to accumulate until they have generated sufficient interest earnings to maintain the State's veterans' cemeteries once they have reached full capacity. The interest earnings in the Fund shall be used to maintain existing veterans' cemeteries once they have reached full capacity, but the principal shall not be spent. The interest earnings in the Fund shall not be used to open new veterans' cemeteries. The Veterans Affairs Commission shall have sole authority to approve the use of the Fund for the purposes authorized in this subsection, and they shall, in exercising that authority, act without direction from or supervision of the Secretary.

PART XVIII. STATE AUDITOR

OFFICE OF STATE AUDITOR REPORTING

SECTION 18.1. G.S. 147-64.6 reads as rewritten:

"§ 147-64.6. Duties and responsibilities.

...

(b) The duties of the Auditor are independently to examine into and make findings of fact on whether State agencies:

...

(6) Are adhering to statutory requirements that include conditions precedent, classifications, and similar eligibility or qualifying standards to assure that statutory intent is carried out while the requirements are in effect.

(c) The Auditor ~~shall be~~ is responsible for the following acts and activities:

...

(22) Verification audits for compliance with statutory requirements, with or without advance notice to the organization or State agency being audited, which may be initiated at the discretion of the Auditor or as requested by the Governor or General Assembly.

...

(e) Access to Records. – The Auditor may examine the accounts and records of any organization or State agency relating to a verification audit for compliance with a statutory condition precedent, classification, or other similar eligibility or qualifying standard."

PART XIX. INFORMATION TECHNOLOGY

MODIFY APPROVAL AND USE OF FEES FOR CERTAIN AGENCY TRANSACTION METHODS

SECTION 19.1.(a) G.S. 66-58.12 reads as rewritten:

"§ 66-58.12. Agencies may provide access to services through electronic and digital transactions; fees authorized.

...

(c) The fee imposed under subsection (b) of this section must be approved by the ~~Office of State Budget and Management, in consultation with the~~ State Chief Information ~~Officer and the Joint Legislative Commission on Governmental Operations.~~ Officer. The revenue derived from the fee must be credited to a nonreverting agency reserve account. The funds in the account may be expended only for e-commerce initiatives and projects approved by the State Chief Information ~~Officer, in consultation with the Joint Legislative Oversight Committee on Information Technology.~~ Officer. For purposes of this subsection, the term "public agencies" does not include a county, unit, special district, or other political subdivision of government. The State Chief Information Officer shall report any fees imposed under subsection (b) of this section and expenditures for e-commerce initiatives and projects to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Oversight Committee on Information Technology.

(d) This section does not apply to the Judicial Department."

SECTION 19.1.(b) G.S. 147-86.22 reads as rewritten:

"§ 147-86.22. Statewide accounts receivable program.

...

(b) Electronic Payment. – Notwithstanding the provisions of G.S. 147-86.20 and G.S. 147-86.21, this subsection applies to debts owed a community college, a local school administrative unit, an area mental health, developmental disabilities, and substance abuse authority, and the Administrative Office of the Courts, and to debts payable to or through the office of a clerk of superior court or a magistrate, as well as to debts owed to other State agencies as defined in G.S. 147-86.20.

The State Controller shall establish policies that allow accounts receivable to be payable under certain conditions by electronic payment. These policies shall be established with the concurrence of the State Treasurer. In addition, any policies that apply to debts payable to or through the office of a clerk of superior court or a magistrate shall be established with the concurrence of the Administrative

Officer of the Courts. The Administrative Officer of the Courts may also establish policies otherwise authorized by law that apply to these debts as long as those policies are not inconsistent with the Controller's policies.

A condition of payment by electronic payment is receipt by the appropriate State agency of the full amount of the account receivable owed to the State agency. A debtor who pays by electronic payment may be required to pay any fee or charge associated with the use of electronic payment. Fees associated with processing electronic payments may be paid out of the General Fund and Highway Fund if the payment of the fee by the State is economically beneficial to the State and the payment of the fee by the State has been approved by the State Controller and State Treasurer.

The State Controller and State Treasurer shall consult with the Joint Legislative Commission on Governmental Operations before establishing policies that allow accounts receivable to be payable by electronic payment and before authorizing fees associated with electronic payment to be paid out of the General Fund and Highway Fund. ~~A State agency must also consult with the Joint Legislative Commission on Governmental Operations before implementing any program to accept payment under the policies established pursuant to this subsection.~~

A payment of an account receivable that is made by electronic payment and is not honored by the issuer of the card or the financial institution offering electronic funds transfer does not relieve the debtor of the obligation to pay the account receivable.

...."

CYBERSECURITY PROCUREMENT BIDDING REQUIREMENTS

SECTION 19.2.(a) G.S. 143B-1350(i) reads as rewritten:

"(i) Exceptions. – In addition to permitted waivers of competition, the requirements of competitive bidding shall not apply to information technology contracts and procurements:

(1) In cases of pressing need or emergency arising from a security incident.

(2) In the use of master licensing or purchasing agreements governing the Department's acquisition of proprietary intellectual property.

(3) In the procurement of cybersecurity and infrastructure security products, consistent with Best Value procurement principles as provided in G.S. 143-135.9."

SECTION 19.2.(b) This section is effective when it becomes law and applies to product procurement occurring on or after that date.

CJLEADS REPORT CHANGE

SECTION 19.3. Section 6A.4 of S.L. 2011-145, as amended by S.L. 2011-391, reads as rewritten:

"**SECTION 6A.4.(a)** The ~~Office of the State Controller, in cooperation with the~~ State Chief Information ~~Officer,~~ Officer shall:

...

"**SECTION 6A.4.(b)** The ~~Office of the State Controller~~ State Chief Information Officer shall administer CJLEADS with the assistance of a Leadership Council consisting of:

...

"**SECTION 6A.4.(e)** Agencies shall use existing resources and shall not charge the ~~Office of the State Controller~~ Department of Information Technology to provide required support for CJLEADS.

...."

PART XX. SALARIES AND BENEFITS

REPORT ON USE OF LAPSED SALARY FUNDS

SECTION 20.1. Until otherwise provided by the General Assembly, the Office of State Budget and Management (OSBM) in conjunction with State agencies, as defined in G.S. 143C-1-1(d)(24), shall report on the use of lapsed salary funds at the end of each fiscal year. State agencies shall report to the OSBM on the use of lapsed salary, including all of the following:

(1) The total amount of accrued lapsed salary funds by funding source.

(2) The total number of full-time equivalent positions comprising the lapsed salary funds.

(3) The total expenditure of lapsed salaries by purpose.

(4) The legal authorization to expend lapsed salary funds.

The OSBM shall report by October 1 of each year on the use of lapsed salary funds to the Joint Legislative Oversight Committees on Health and Human Services, Education, Justice and Public Safety, Transportation, Information Technology, General Government, and Agriculture and Natural and Economic Resources and the Fiscal Research Division.

PART XXI. CAPITAL

MOUNTAIN ISLAND EDUCATIONAL FOREST VISITOR CENTER

SECTION 21.1. The North Carolina Forest Service within the Department of Agriculture and Consumer Services shall rename the Visitor and Interpretive Center at Mountain Island Educational State Forest "The Laura Shidal Visitor and Interpretive Center at Mountain Island Educational State Forest."

PART XXII. MISCELLANEOUS

MOST TEXT APPLIES ONLY TO THE 2019-2021 FISCAL BIENNIUM

SECTION 22.1. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2019-2021 fiscal biennium, the textual provisions of this act apply only to the 2019-2021 fiscal biennium.

EFFECT OF HEADINGS

SECTION 22.2. The headings to the Parts, subparts, and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a Part or subpart.

SEVERABILITY CLAUSE

SECTION 22.3. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

EFFECTIVE DATE

SECTION 22.4. Except as otherwise provided, this act becomes effective July 1, 2020.

In the General Assembly read three times and ratified this the 26th day of June, 2020.

s/ Philip E. Berger

President Pro Tempore of the Senate

s/ Tim Moore

Speaker of the House of Representatives

s/ Roy Cooper

Governor

Approved 5:33 p.m. this 1st day of July, 2020

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