

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 805  
Committee Substitute Favorable 8/13/15  
Senate Commerce Committee Substitute Adopted 6/24/16  
Senate Appropriations/Base Budget Committee Substitute Adopted 6/30/16  
Fifth Edition Engrossed 6/30/16

Short Title: Measurability Assessments/Budget Tech. Corr.

(Public)

Sponsors:

Referred to:

April 15, 2015

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FOR MEASURABILITY ASSESSMENTS OF STATE PROGRAMS;  
3 TO PROVIDE FOR CERTAIN COUNTY SERVICES ON THE TRUST LANDS OF THE  
4 EASTERN BAND OF THE CHEROKEE INDIANS; AND TO MAKE TECHNICAL,  
5 CLARIFYING, AND OTHER MODIFICATIONS TO THE CURRENT OPERATIONS AND  
6 CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 2016.

7 The General Assembly of North Carolina enacts:

8  
9 **PART I. MEASURABILITY ASSESSMENT**

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

12 **"Chapter 143E.**

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

14 **"§ 143E-1. Title.**

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

17 **"§ 143E-2. Request for measurability assessment.**

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

21 **"§ 143E-3. Definition of measurability assessment.**

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

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

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

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

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



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

(c) The assessor must submit a written report containing the results of the measurability assessment to the Program Evaluation Division at a time and in a format required by the Program Evaluation Division.

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

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

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

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

**PART II. GENERAL PROVISIONS**

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

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

**Current Operations – General Fund FY 2016-2017**

**EDUCATION**

...

University of North Carolina – Board of Governors

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

**AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES**

...

Department of Commerce

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

1	Department of Natural and Cultural Resources	
2	Natural and Cultural Resources	14,718,687,14,784,124
3	Roanoke Island Commission	0

4  
5 ...

6  
7 **GENERAL GOVERNMENT**

8		
9	Department of Administration	5,405,307,5,344,028
10	...	
11	General Assembly	7,806,816,7,868,095
12	...."	

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

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

20         **SECTION 2.3.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
21 6.25(a)(1) of S.L. 2015-241, as amended by Section 6.4 of House Bill 1030, 2015 Regular  
22 Session, reads as rewritten:

23             "(1) Abolish all positions that have been vacant for more than 12 months as of April  
24             17, 2015, and as of ~~April 17, 2016,~~ April 30, 2016, other than those positions  
25             required to exist as part of the State's maintenance of effort requirements related  
26             to a federal grant that cannot be addressed with other State funds, or for which  
27             the Director of the Budget provides an exception, in the Director's sole  
28             discretion. This requirement shall apply regardless of the source of funding for  
29             affected positions."

30         **SECTION 2.4.(a)** G.S. 1E-2 reads as rewritten:

31 **"§ 1E-2. County services.**

32         A county is not compelled to provide services on lands held in trust by the United States for  
33         the Eastern Band of Cherokee ~~Indians~~ Indians, except for public health or human services  
34         traditionally provided by county agencies and not otherwise assumed by the Eastern Band of  
35         Cherokee Indians, unless there is an agreement between the Eastern Band of Cherokee Indians and  
36         the county describing each party's ~~responsibilities and any compensation for services~~  
37         ~~provided.~~ responsibilities. The agreement must be approved by the ~~Tribal Council of the Eastern~~  
38         ~~Band of Cherokee Indians~~ and signed by the Principal Chief of the Eastern Band of Cherokee  
39         Indians on behalf of the Eastern Band of Cherokee Indians and must be signed by the ~~chair of the~~  
40         ~~board of county commissioners on behalf of the county~~ county manager or delegated department  
41         head. The agreement may be effective for a definite period of time or an indefinite period of time,  
42         as specified in the agreement."

43         **SECTION 2.4.(b)** This section becomes effective August 1, 2016.

44  
45 **PART III. INFORMATION TECHNOLOGY**

46         **SECTION 3.1.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
47 7.7(a) of that act reads as rewritten:

48         **"SECTION 7.7.(a)** The Department of Information Technology shall create a cybersecurity  
49         apprenticeship program to provide training, apprenticeships, and career-based opportunities for  
50         disabled veterans within the State. Opportunities may be offered to qualifying veterans who have

1 at least a ten percent (10%) disability rating as established by the United States Department of  
2 Veterans Administration Affairs."

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

8 **SECTION 3.2.(b)** If House Bill 1030, 2015 Regular Session, becomes law, then,  
9 notwithstanding any provision of that act to the contrary, a total of three and one-half FTE vacant  
10 positions are eliminated within the Department of Information Technology IT Reserve, and the  
11 operating expenses in the IT Restructuring Fund within the Department of Information  
12 Technology are reduced by one hundred twenty-six thousand seven hundred eighty-three dollars  
13 (\$126,783) in recurring funds.

#### 14 **PART IV. EDUCATION**

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

#### 17 **"CERTAIN COMMUNITY COLLEGE PROJECT FUNDS**

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

22 **SECTION 4.1.(b)** Notwithstanding any other provision of law, if House Bill 1030,  
23 2015 Regular Session, becomes law, the sum of three million four hundred thousand dollars  
24 (\$3,400,000) appropriated by that act to the North Carolina Community Colleges System Office  
25 for the 2016-2017 fiscal year to be allocated to the Gaston Community College Center for  
26 Advanced Manufacturing shall be allocated to the Gaston College Center for Advanced  
27 Manufacturing.

28 **SECTION 4.2.** If House Bill 1030, 2015 Regular Session, becomes law, then,  
29 notwithstanding any other provision of law, the sum of two hundred fifty thousand dollars  
30 (\$250,000) in nonrecurring funds for marketing the NC Promise Tuition "Buy Down" Program at  
31 Elizabeth City State University shall be allocated to Budget Code 16010 rather than Budget Code  
32 16086.

33 **SECTION 4.3.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
34 11.9 of S.L. 2015-241, as amended by Section 11A.4 of House Bill 1030, 2015 Regular Session,  
35 reads as rewritten:

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

42 ...

43 **"SECTION 11.9.(j)** Reporting Requirements for Grant Recipients. – Recipients of grants  
44 under the program shall submit an annual report to the nonprofit corporation contracting with the  
45 Authority, beginning in the third year of the grant, with any information requested by the nonprofit  
46 corporation. Whenever practicable and within a reasonable amount of time, grant recipients shall  
47 also make all materials developed as part of the program and with grant funds publically available  
48 to contribute to the broader sharing of promising practices. Materials shall not include personally  
49 identifiable information regarding individuals involved or associated with the program, including,  
50 without limitation, applicants, participants, supervisors, evaluators, faculty, and staff, without their  
51

1 prior written consent. The nonprofit corporation shall work with recipients and local school  
2 administrative units, as needed, to enable the collection, analysis, and evaluation of at least the  
3 following relevant data, within necessary privacy constraints:

- 4 (1) Student achievement in eligible schools.
- 5 (2) The percentage of program completers who are placed as school leaders within  
6 three years in the State.
- 7 (3) The percentage of program completers rated proficient or above on school  
8 leader evaluation and support systems.
- 9 (4) The percentage of program completers that are school leaders who have  
10 remained employed in a North Carolina public school for two or more years of  
11 initial placement.

12 ...

13 **"SECTION 11.9.(l)** Evaluation and Revision of Program. – The nonprofit corporation  
14 administering the program shall provide the State Board of Education and the Joint Legislative  
15 Education Oversight Committee with the data collected in accordance with subsection (j) of this  
16 section on an annual basis. By September 15, 2021, the State Board of Education, in coordination  
17 with the Board of Governors of The University of North Carolina, shall revise, as necessary, the  
18 licensure requirements for school administrators and the standards for approval of school  
19 administrator preparation programs after evaluating the data collected from the grant recipients,  
20 including the criteria used in selecting grant recipients and the outcomes of program completers.  
21 The State Board of Education shall report to the Joint Legislative Education Oversight Committee  
22 by November 15, 2021, on any changes made to the licensure requirements for school  
23 administrators and the standards for approval of school administrator preparation programs in  
24 accordance with this section.

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

31 **"SECTION 11.9.(n)** ~~Beginning with the 2016-2017 fiscal year, of the funds appropriated for~~  
32 ~~this program, the sum of five hundred thousand dollars (\$500,000) shall be allocated each fiscal~~  
33 ~~year to the State Education Assistance Authority to award grants to selected recipients. Beginning~~  
34 ~~with the 2016-2017 fiscal year and for each subsequent fiscal year, of the funds appropriated for~~  
35 this program, the sum of three hundred thousand dollars (\$300,000) shall be allocated to the State  
36 Education Assistance Authority to contract with the nonprofit corporation selected pursuant to  
37 subsection (e) of this section to establish and administer the program, and the State Education  
38 Assistance Authority may use up to five percent (5%) of those funds for administrative costs. The  
39 remaining funds appropriated for a fiscal year for this program shall be allocated to the State  
40 Education Assistance Authority to award grants to selected recipients."

41 **SECTION 4.4.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
42 10.14(c) of S.L. 2015-241, as amended by Section 10.2 of House Bill 1030, 2015 Regular Session,  
43 reads as rewritten:

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

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

1           "(1) An amount equal to the average per pupil allocation for average daily  
2 membership from the local school administrative unit allotments in which the  
3 school is located for each child attending the lab school, except for the  
4 allocation for children with ~~disabilities and disabilities~~, for the allocation for  
5 children with limited English ~~proficiency-proficiency~~, and for the allocation for  
6 transportation services."  
7

## 8 **PART V. HEALTH AND HUMAN SERVICES**

9           **SECTION 5.1.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
10 12A.8(c) of that act reads as rewritten:

11           "**SECTION 12A.8.(c)** Calculation of Initial Payment of Funds. – Following CMS approval of  
12 the reclassification of Cape Fear Valley Medical Center to a rural ~~hospital and notwithstanding~~  
13 ~~subsection (a) of this section~~, hospital, the Center shall provide documentation to OSBM of its  
14 actual lost Medicare payments for the period commencing from the application filing date, as  
15 defined in 42 C.F.R. 412.103(b)(5), and ending on the date CMS approves the Center's  
16 reclassification request. OSBM shall certify computations of the Center's actual lost Medicare  
17 payments and apply the calculations specified in subsection (a) of this section to determine any  
18 retroactive amounts due to Cape Fear Valley Medical Center under this section. Any retroactive  
19 payment determined to be due to Cape Fear Valley Medical Center shall be paid to the Center  
20 within 30 days after OSBM certifies the amount of any retroactive amounts due to the Center  
21 under this section."

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

### 24 **"CRITICAL MEDICAID POSITIONS**

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

29           **SECTION 5.2.(b)** Notwithstanding any other provision of law, if House Bill 1030,  
30 2015 Regular Session, becomes law, the sum of one million one hundred fifty thousand dollars  
31 (\$1,150,000) appropriated by that act to the Department of Health and Human Services, Division  
32 of Medical Assistance, for the 2016-2017 fiscal year to be transferred to the Division of Health  
33 Benefits shall not be transferred to the Division of Health Benefits but shall be used to fund  
34 critical positions in the Division of Medical Assistance.

35           **SECTION 5.3.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
36 12C.7(e) of that act reads as rewritten:

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

45           **SECTION 5.4.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
46 12B.4(a) of that act reads as rewritten:

47           "**SECTION 12B.4.(a)** As the objective of the NC Pre-K program is to provide high-quality  
48 educational experiences to enhance school readiness for eligible four-year-olds, the Department of  
49 Health and Human Services, Division of Child Development and Early Education, in consultation  
50 with the Department of Public Instruction, shall study the costs and effectiveness associated with

1 funding slots for the NC Pre-K program. In conducting the study, the Division shall review and  
2 determine the following:

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

18 **SECTION 5.5.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
19 12H.3A(a) of that act reads as rewritten:

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

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

32 **SECTION 5.7.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
33 12G.4(b) of that act reads as rewritten:

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

- 40 (1) A description of the activities conducted pursuant to the agreement.
- 41 (2) Price and cost information.
- 42 (3) The nature and scope of its activities pursuant to the agreement through  
43 ~~September 30, 2017~~, the date the agreement expires and the likely effect of those  
44 activities.
- 45 (4) A summary of activities and any market impact from the date the agreement  
46 expires through September 30, 2017.
- 47 (5) Any additional information requested by the Department or the Attorney  
48 General."

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



1 "§ 143B-139.6A. Secretary's responsibilities regarding availability of early intervention  
2 services.

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

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

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

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

23 **SECTION 5.9.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
24 12A.8(b) of S.L. 2015-241, as amended by Section 12A.5 of House Bill 1030, 2015 Regular  
25 Session, reads as rewritten:

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

- 29 ...
- 30 (4) A process that awards grants to nonprofits that have the capacity to provide  
31 services on a statewide basis and that support any of the following State health  
32 and wellness initiatives:
- 33 ...
- 34 n. ~~A~~Effective beginning the 2017-2018 fiscal year, a program that  
35 provides year-round sports training and athletic competition for children  
36 and adults with disabilities.

37 ...."

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

## 40 PART VI. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

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

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

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

49 "(f) Water column leases to perpetual franchises may be transferred only with ~~a~~the  
50 superincumbent perpetual franchise for the remainder of the term of the lease at the same rental  
51

1 rate and term as set forth in subsection (d) of this section and so long as notice of the transfer is  
2 provided to the Secretary as required by G.S. 113-202(k)."

3 **SECTION 6.2.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then,  
4 notwithstanding any provision of that act to the contrary, the revised net appropriation for all  
5 programs in the Rural Economic Development Division for the 2016-2017 fiscal year shall be  
6 twenty-three million eight hundred fifty-seven thousand nine hundred seventy-three dollars  
7 (\$23,857,973).

8 **SECTION 6.2.(b)** If House Bill 1030, 2015 Regular Session, becomes law, then,  
9 notwithstanding any provision of that act to the contrary, the three hundred thirty-six thousand  
10 dollars (\$336,000) in recurring funds for Community Planners for Prosperity Zones for the  
11 2016-2017 fiscal year shall be allocated to Fund Code 1620 instead of Fund Code 1534.

12 **SECTION 6.3.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
13 13.4(a) of that act reads as rewritten:

14 "**SECTION 13.4.(a)** Of the funds appropriated to the Department of Agriculture and  
15 Consumer Services, the sum of two hundred fifty thousand dollars (\$250,000) for the 2016-2017  
16 fiscal year shall be used to create a program to reimburse small food retailers for expenditures  
17 related to enhancing access to healthy foods in areas that qualify as food desert zones according to  
18 the Economic Research Service of the United States Department of Agriculture. For the purposes  
19 of this section, a small food retailer is defined as a business that is a small retail outlet, including  
20 corner stores, convenience stores, cooperatives, and bodegas, of no more than 3,000 heated square  
21 feet that sells a limited selection of foods and other products. Funds may be used to reimburse  
22 small food retailers for the purchase and installation of refrigeration equipment, display shelving,  
23 and other equipment necessary for stocking nutrient-dense foods, including fresh vegetables and  
24 fruits, whole grains, nuts, seeds, beans and legumes, low-fat dairy products, lean meats, and  
25 seafood. The Department may retain up to ten percent (10%) of the funds allocated pursuant to  
26 this section for administrative costs associated with the healthy food small retailer program."

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

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

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

45 **SECTION 6.6.** If House Bill 1030, 2015 Regular Session, becomes law, then,  
46 notwithstanding any provision of that act to the contrary, the seventy-five thousand dollars  
47 (\$75,000) in nonrecurring funding to supplement the Forest Development Fund shall be allocated  
48 to Fund Code 1990 instead of Fund Code 1510.

49  
50 **PART VII. JUSTICE AND PUBLIC SAFETY**

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

5           **SECTION 7.2.** If House Bill 1030, 2015 Regular Session, becomes law, the  
6 Department of Public Safety shall not eliminate position number 60070228. The Department shall  
7 instead identify another vacant position at the same salary level to eliminate in Fund Code  
8 1100-Division of Administration.

9           **SECTION 7.3.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
10 8.26(n) of S.L. 2015-241 reads as rewritten:

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

14           **SECTION 7.4.** If House Bill 1030, 2015 Regular Session, becomes law, then the  
15 funds appropriated in that act to the Department of Public Safety for renovation of the National  
16 Guard Tarheel Challenge Academy gym on the Salemburg campus shall be transferred to a capital  
17 code and used for the construction of a new multipurpose facility.

## 18 19 **PART VIII. GENERAL GOVERNMENT**

20           **SECTION 8.1.** If House Bill 1030, 2015 Regular Session, becomes law, then of the  
21 funds appropriated in that act to the State Emergency Response and Disaster Relief Fund (Budget  
22 Code 19930), the sum of five hundred thousand dollars (\$500,000) in nonrecurring funds for the  
23 2016-2017 fiscal year shall be transferred to the Governor's Office (Account Code 13000) to be  
24 used to fund costs incurred from litigation related to S.L. 2016-3.

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

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

31           "**SECTION 32.5.(j)** The responsibilities for the North Carolina Youth Legislative Assembly  
32 are transferred from the Department of Administration to the North Carolina General Assembly's  
33 Legislative Services Commission. ~~The following position is transferred to Budget Code 11000:~~  
34 ~~Administrative Officer II, Position Number 60014065. All budget salary and benefits in the~~  
35 ~~amount of sixty one thousand two hundred seventy nine dollars (\$61,279) are transferred in a~~  
36 ~~Type II transfer from the Department of Administration to the General Assembly.~~ Additionally,  
37 the budget associated with operations for the Youth Legislative Assembly and the North Carolina  
38 Youth Legislative Assembly Fund, enacted by subsection (k) of this section, are transferred as a  
39 Type II transfer from the Department of Administration to the General Assembly. The  
40 Administrative Officer II position will report directly to the Legislative Services Officer. The  
41 Youth Legislative Assembly will work collaboratively with existing resources within the General  
42 Assembly, including the Senate and House Page programs, to execute activities of the Youth  
43 Legislative Assembly."

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

47           **SECTION 8.4.(a)** If House Bill 1030, 2015 Regular Session, becomes law, then,  
48 notwithstanding any other provision of law, funds in Budget Code 23900 in the 2016-2017 fiscal  
49 year, shall be used to continue the transfer of a portion of vehicle inspection fee proceeds from the  
50 Department of Transportation, Division of Motor Vehicles to continue support of the State's grant  
51 program that provides funding to local rescue organizations. The revised net appropriation for the

1 Volunteer Rescue/EMS Program is one million four hundred fifty-six thousand nine hundred  
2 thirty-one dollars (\$1,456,931).

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

## 10 **PART IX. SALARIES AND BENEFITS**

11 **SECTION 9.1.** If House Bill 1030, 2015 Regular Session, becomes law, then Section  
12 36.10 of that act is amended by adding the following new subsections to read:

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

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

## 20 **PART X. CAPITAL**

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

23 **"§ 142-15.17. No State-supported financing of certain assets without approval of the General**  
24 **Assembly.**

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

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

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

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

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

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

- 49 (1) G.S. 66-58.

- 1 (2) G.S. 146-29(b), as enacted by Section 37.7 of House Bill 1030, 2015 Regular  
2 Session, if that bill becomes law.  
3

4 **PART XI. FINANCE**

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

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

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

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

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

- 24 "(6) A person other than a person subject to tax under subdivision (1) of this  
25 subsection that gathers and obtains ferrous metals, nonferrous metals, and items  
26 that have served their original economic purpose and that converts them by  
27 processes, including sorting, cutting, classifying, cleaning, baling, wrapping,  
28 shredding, or shearing into a new or different product for sale consisting of  
29 prepared grades ~~for the purchase of~~that purchases equipment, or an attachment  
30 or repair part for the equipment, that meets all of the following requirements:  
31 a. Is capitalized by the person for tax purposes under the Code.  
32 b. Is used by the person in a conversion process described in this  
33 subdivision.  
34 c. Is not a motor vehicle or an attachment or repair part for a motor  
35 vehicle.  
36 (7) A company primarily engaged at the establishment in processing tangible  
37 personal property for the purpose of extracting precious metals, as defined in  
38 G.S. 66-406, to determine the value for potential purchase ~~for the purchase~~  
39 ~~of~~that purchases equipment, or an attachment or repair part for the equipment,  
40 that meets all of the following requirements:  
41 a. Is capitalized by the company for tax purposes under the Code.  
42 b. Is used by the company in the process described in this subdivision."

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

- 45 "f. Replacement or installation of a roofing, septic tank, plumbing,  
46 electrical, commercial refrigeration, irrigation, ~~sprinkler~~  
47 ~~system,~~sprinkler, or other similar ~~systems.~~system."

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

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

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

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

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

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

#### 13 14 **PART XI-A. TRANSPORTATION**

15           **SECTION 11A.1.** Notwithstanding G.S. 136-27.1 and any other provision of law to  
16 the contrary, the Department of Transportation shall pay seventy-five percent (75%) of the  
17 nonbetterment costs for the relocation under Project U-2211B of water and sewer lines owned by  
18 the City of Lenoir. Notwithstanding any provision of Article 14B of Chapter 136 of the General  
19 Statutes to the contrary, the Department shall pay the costs required under this section from Fund  
20 Code 9075 in the Highway Trust Fund.

#### 21 22 **PART XII. EFFECTIVE DATE**

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