

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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**HOUSE BILL 259
Committee Substitute Favorable 4/3/23
Third Edition Engrossed 4/6/23**

Short Title: 2023 Appropriations Act.

(Public)

Sponsors:

Referred to:

March 6, 2023

A BILL TO BE ENTITLED
AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS
OF STATE AGENCIES, DEPARTMENTS, AND INSTITUTIONS.

The General Assembly of North Carolina enacts:

PART I. TITLE AND INTRODUCTION

TITLE OF ACT

SECTION 1.1. This act shall be known as the "Current Operations Appropriations Act of 2023."

INTRODUCTION

SECTION 1.2. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget in accordance with the State Budget Act. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes, and the savings shall revert to the appropriate fund at the end of each fiscal year, except as otherwise provided by law.

PART II. CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

GENERAL FUND APPROPRIATIONS

SECTION 2.1.(a) Appropriations from the General Fund for the budgets of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for each year of the 2023-2025 fiscal biennium, according to the following schedule:

Current Operations - General Fund	FY 2023-2024	FY 2024-2025
EDUCATION		
North Carolina Community College System		
Requirements	1,873,148,355	1,913,818,332
Less: Receipts	416,344,761	394,844,761
Net Appropriation	1,456,803,594	1,518,973,571

Department of Public Instruction



1	Requirements	13,659,993,938	14,125,336,859
2	Less: Receipts	1,917,598,621	1,850,898,621
3	Net Appropriation	11,742,395,317	12,274,438,238
4			
5	THE UNIVERSITY OF NORTH CAROLINA		
6	East Carolina Univ. - Academic Affairs		
7	Requirements	431,788,788	431,792,843
8	Less: Receipts	167,185,795	167,185,795
9	Net Appropriation	264,602,993	264,607,048
10			
11	East Carolina Univ. - Health Affairs		
12	Requirements	111,910,728	113,341,160
13	Less: Receipts	16,087,770	13,587,770
14	Net Appropriation	95,822,958	99,753,390
15			
16	Elizabeth City State University		
17	Requirements	49,820,539	49,820,539
18	Less: Receipts	3,660,169	3,660,169
19	Net Appropriation	46,160,370	46,160,370
20			
21	Fayetteville State University		
22	Requirements	90,646,751	90,646,751
23	Less: Receipts	11,935,205	11,935,205
24	Net Appropriation	78,711,546	78,711,546
25			
26	Appalachian State University		
27	Requirements	310,481,401	310,056,401
28	Less: Receipts	121,862,419	121,862,419
29	Net Appropriation	188,618,982	188,193,982
30			
31	NC A&T University		
32	Requirements	225,598,043	225,398,043
33	Less: Receipts	87,678,145	87,678,145
34	Net Appropriation	137,919,898	137,719,898
35			
36	NC School of Science and Mathematics		
37	Requirements	45,331,072	45,331,072
38	Less: Receipts	3,291,677	3,291,677
39	Net Appropriation	42,039,395	42,039,395
40			
41	NC State University - Academic Affairs		
42	Requirements	955,204,072	954,804,072
43	Less: Receipts	438,387,357	438,387,357
44	Net Appropriation	516,816,715	516,416,715
45			
46	NC State University - Ag. Research		
47	Requirements	78,078,032	78,078,032
48	Less: Receipts	19,124,784	19,124,784
49	Net Appropriation	58,953,248	58,953,248
50			
51	NC State University - Coop. Extension		

1	Requirements	64,983,558	64,983,558
2	Less: Receipts	20,874,550	20,874,550
3	Net Appropriation	44,109,008	44,109,008
4			
5	North Carolina Central University		
6	Requirements	143,469,077	143,469,077
7	Less: Receipts	51,845,844	51,845,844
8	Net Appropriation	91,623,233	91,623,233
9			
10	UNC at Asheville		
11	Requirements	72,301,113	72,301,113
12	Less: Receipts	21,876,242	21,876,242
13	Net Appropriation	50,424,871	50,424,871
14			
15	UNC at Chapel Hill - Academic Affairs		
16	Requirements	702,503,122	702,503,122
17	Less: Receipts	371,129,533	371,129,533
18	Net Appropriation	331,373,589	331,373,589
19			
20	UNC at Chapel Hill - Area Health Ed.		
21	Requirements	56,271,874	56,271,874
22	Less: Receipts	0	0
23	Net Appropriation	56,271,874	56,271,874
24			
25	UNC at Chapel Hill - Health Affairs		
26	Requirements	370,568,724	369,568,724
27	Less: Receipts	138,758,876	138,758,876
28	Net Appropriation	231,809,848	230,809,848
29			
30	UNC at Charlotte		
31	Requirements	485,592,624	485,592,624
32	Less: Receipts	178,652,793	178,652,793
33	Net Appropriation	306,939,831	306,939,831
34			
35	UNC at Greensboro		
36	Requirements	313,725,257	306,725,257
37	Less: Receipts	105,192,973	105,192,973
38	Net Appropriation	208,532,284	201,532,284
39			
40	UNC at Pembroke		
41	Requirements	121,844,011	121,844,011
42	Less: Receipts	23,662,155	23,662,155
43	Net Appropriation	98,181,856	98,181,856
44			
45	UNC at Wilmington		
46	Requirements	305,131,547	305,131,547
47	Less: Receipts	114,684,281	114,684,281
48	Net Appropriation	190,447,266	190,447,266
49			
50	UNC BOG - Aid to Private Institutions		
51	Requirements	12,209,300	11,209,300

1	Less: Receipts	11,000,000	10,000,000
2	Net Appropriation	1,209,300	1,209,300
3			
4	UNC BOG - Institutional Programs		
5	Requirements	333,238,092	474,940,941
6	Less: Receipts	38,250,000	31,250,000
7	Net Appropriation	294,988,092	443,690,941
8			
9	UNC BOG - Related Ed. Programs		
10	Requirements	632,916,596	660,977,779
11	Less: Receipts	151,187,939	136,187,939
12	Net Appropriation	481,728,657	524,789,840
13			
14	UNC School of the Arts		
15	Requirements	56,488,236	56,488,236
16	Less: Receipts	17,148,612	17,148,612
17	Net Appropriation	39,339,624	39,339,624
18			
19	UNC System Office		
20	Requirements	47,640,384	47,640,384
21	Less: Receipts	259,217	259,217
22	Net Appropriation	47,381,167	47,381,167
23			
24	Western Carolina University		
25	Requirements	184,596,722	182,069,946
26	Less: Receipts	32,007,260	29,507,260
27	Net Appropriation	152,589,462	152,562,686
28			
29	Winston-Salem State University		
30	Requirements	91,945,473	91,945,473
31	Less: Receipts	22,435,103	22,435,103
32	Net Appropriation	69,510,370	69,510,370
33			
34	HEALTH AND HUMAN SERVICES		
35	Aging and Adult Services		
36	Requirements	163,272,079	163,412,080
37	Less: Receipts	110,397,320	110,397,320
38	Net Appropriation	52,874,759	53,014,760
39			
40	Central Management and Support		
41	Requirements	423,105,724	420,683,541
42	Less: Receipts	214,176,544	213,473,068
43	Net Appropriation	208,929,180	207,210,473
44			
45	Child and Family Well-Being		
46	Requirements	594,140,122	593,336,963
47	Less: Receipts	532,996,692	532,996,692
48	Net Appropriation	61,143,430	60,340,271
49			
50	Child Development and Early Education		
51	Requirements	894,347,796	919,437,976

1	Less: Receipts	637,948,539	638,948,539
2	Net Appropriation	256,399,257	280,489,437
3			
4	Health Benefits		
5	Requirements	29,906,768,567	31,478,696,453
6	Less: Receipts	24,492,624,094	25,840,644,328
7	Net Appropriation	5,414,144,473	5,638,052,125
8			
9	Health Services Regulation		
10	Requirements	81,026,827	82,046,523
11	Less: Receipts	56,524,931	56,524,931
12	Net Appropriation	24,501,896	25,521,592
13			
14	Mental Hlth/Dev. Disabl./Subs. Abuse Serv.		
15	Requirements	1,793,919,254	1,760,704,145
16	Less: Receipts	953,746,809	913,966,605
17	Net Appropriation	840,172,445	846,737,540
18			
19	Public Health		
20	Requirements	499,056,455	505,425,396
21	Less: Receipts	350,818,104	350,843,111
22	Net Appropriation	148,238,351	154,582,285
23			
24	Services for the Blind/Deaf/Hard of Hearing		
25	Requirements	45,592,140	45,776,604
26	Less: Receipts	36,258,407	36,261,833
27	Net Appropriation	9,333,733	9,514,771
28			
29	Social Services		
30	Requirements	2,148,348,344	2,153,745,092
31	Less: Receipts	1,925,547,715	1,925,481,577
32	Net Appropriation	222,800,629	228,263,515
33			
34	Vocational Rehabilitation Services		
35	Requirements	185,086,972	184,575,021
36	Less: Receipts	141,566,889	140,253,360
37	Net Appropriation	43,520,083	44,321,661
38			
39	AGRICULTURE, NATURAL, AND ECONOMIC RESOURCES		
40	Agriculture and Consumer Services		
41	Requirements	273,812,668	271,843,083
42	Less: Receipts	101,050,056	101,050,056
43	Net Appropriation	172,762,612	170,793,027
44			
45	Commerce		
46	Requirements	526,021,028	527,827,239
47	Less: Receipts	306,283,455	330,143,455
48	Net Appropriation	219,737,573	197,683,784
49			
50	Environmental Quality		
51	Requirements	302,241,793	293,428,856

1	Less: Receipts	194,077,800	184,088,097
2	Net Appropriation	108,163,993	109,340,759
3			
4	Labor		
5	Requirements	43,587,229	44,481,484
6	Less: Receipts	18,112,941	18,112,941
7	Net Appropriation	25,474,288	26,368,543
8			
9	Natural and Cultural Resources		
10	Requirements	378,891,315	328,801,494
11	Less: Receipts	54,842,950	54,842,950
12	Net Appropriation	324,048,365	273,958,544
13			
14	Wildlife Resources Commission		
15	Requirements	109,831,420	96,923,250
16	Less: Receipts	91,816,959	81,855,762
17	Net Appropriation	18,014,461	15,067,488
18			
19	JUSTICE AND PUBLIC SAFETY		
20	Indigent Defense Services		
21	Requirements	162,402,632	166,405,931
22	Less: Receipts	13,962,679	13,962,679
23	Net Appropriation	148,439,953	152,443,252
24			
25	Department of Public Safety		
26	Requirements	931,228,020	939,033,859
27	Less: Receipts	264,387,023	258,058,598
28	Net Appropriation	666,840,997	680,975,261
29			
30	Department of Adult Correction		
31	Requirements	2,024,610,308	2,086,581,552
32	Less: Receipts	26,612,230	26,612,230
33	Net Appropriation	1,997,998,078	2,059,969,322
34			
35	Administrative Office of the Courts		
36	Requirements	745,800,518	777,720,355
37	Less: Receipts	1,740,166	1,440,166
38	Net Appropriation	744,060,352	776,280,189
39			
40	Department of Justice		
41	Requirements	110,791,800	112,457,293
42	Less: Receipts	45,147,562	45,147,562
43	Net Appropriation	65,644,238	67,309,731
44			
45	GENERAL GOVERNMENT		
46	Administration		
47	Requirements	75,079,178	76,484,070
48	Less: Receipts	11,636,055	11,636,055
49	Net Appropriation	63,443,123	64,848,015
50			
51	Administrative Hearings		

1	Requirements	9,338,519	9,398,421
2	Less: Receipts	1,216,625	1,216,625
3	Net Appropriation	8,121,894	8,181,796
4			
5	Auditor		
6	Requirements	25,627,711	26,247,019
7	Less: Receipts	6,899,163	6,899,163
8	Net Appropriation	18,728,548	19,347,856
9			
10	Budget and Management		
11	Requirements	14,717,001	15,063,843
12	Less: Receipts	1,036,517	1,036,517
13	Net Appropriation	13,680,484	14,027,326
14			
15	Budget and Management - Special Approp.		
16	Requirements	105,700,000	31,150,000
17	Less: Receipts	64,300,000	20,600,000
18	Net Appropriation	41,400,000	10,550,000
19			
20	Controller		
21	Requirements	34,985,281	35,915,783
22	Less: Receipts	875,957	875,957
23	Net Appropriation	34,109,324	35,039,826
24			
25	Elections		
26	Requirements	18,828,040	10,022,800
27	Less: Receipts	5,702,000	102,000
28	Net Appropriation	13,126,040	9,920,800
29			
30	General Assembly		
31	Requirements	90,619,374	93,836,314
32	Less: Receipts	561,000	561,000
33	Net Appropriation	90,058,374	93,275,314
34			
35	Governor		
36	Requirements	7,230,722	7,445,301
37	Less: Receipts	1,000,730	1,000,730
38	Net Appropriation	6,229,992	6,444,571
39			
40	Housing Finance Agency		
41	Requirements	45,660,000	45,660,000
42	Less: Receipts	35,000,000	35,000,000
43	Net Appropriation	10,660,000	10,660,000
44			
45	Human Resources		
46	Requirements	10,765,800	11,084,622
47	Less: Receipts	100,888	100,888
48	Net Appropriation	10,664,912	10,983,734
49			
50	Industrial Commission		
51	Requirements	24,568,466	25,101,419

1	Less: Receipts	12,889,395	13,128,395
2	Net Appropriation	11,679,071	11,973,024
3			
4	Insurance		
5	Requirements	56,972,029	58,718,919
6	Less: Receipts	5,140,347	5,140,347
7	Net Appropriation	51,831,682	53,578,572
8			
9	Lieutenant Governor		
10	Requirements	1,288,938	1,351,383
11	Less: Receipts	0	0
12	Net Appropriation	1,288,938	1,351,383
13			
14	Military and Veterans Affairs		
15	Requirements	10,069,847	10,359,561
16	Less: Receipts	0	0
17	Net Appropriation	10,069,847	10,359,561
18			
19	Revenue		
20	Requirements	188,679,869	190,954,952
21	Less: Receipts	68,502,082	67,432,082
22	Net Appropriation	120,177,787	123,522,870
23			
24	Secretary of State		
25	Requirements	19,450,243	20,115,685
26	Less: Receipts	330,036	330,036
27	Net Appropriation	19,120,207	19,785,649
28			
29	Treasurer		
30	Requirements	59,160,655	59,235,396
31	Less: Receipts	53,819,364	53,836,706
32	Net Appropriation	5,341,291	5,398,690
33			
34	Treasurer - Other Retirement Plans/Benefits		
35	Requirements	23,523,708	23,223,708
36	Less: Receipts	0	0
37	Net Appropriation	23,523,708	23,223,708
38			
39	INFORMATION TECHNOLOGY		
40	Department of Information Technology		
41	Requirements	101,864,010	95,662,780
42	Less: Receipts	27,472,580	20,472,580
43	Net Appropriation	74,391,430	75,190,200
44			
45	RESERVES, DEBT, AND OTHER BUDGETS		
46	General Fund Reserve - Reverting Funds		
47	Requirements	61,064,163	110,584,069
48	Less: Receipts	0	0
49	Net Appropriation	61,064,163	110,584,069
50			
51	Total Requirements	65,156,503,994	67,403,047,305

1	Less: Total Receipts	35,369,244,685	36,500,397,022
2	Total Net Appropriation	29,787,259,309	30,902,650,283
3			
4	SECTION 2.1.(b) For purposes of this act and the Committee Report described in		
5	Section 43.2 of this act, the requirements set forth in this section represent the total amount of		
6	funds, including agency receipts, appropriated to an agency, department, or institution.		
7			
8	GENERAL FUND AVAILABILITY		
9	SECTION 2.2.(a) The General Fund availability derived from State tax revenue,		
10	nontax revenue, and other adjustments used in developing the budget for each year of the		
11	2023-2025 fiscal biennium is as follows:		
12			
13		FY 2023-2024	FY 2024-2025
14	Unappropriated Balance Remaining FY 2022-23	818,331,123	2,640,759,732
15	Anticipated Reversions	500,000,000	300,000,000
16	FY 2022-23 Anticipated Over Collections	3,250,300,000	-
17	H.B. 2: 2022 Budget Technical Corrections	(26,207,523)	-
18	Total, Prior Year-End Fund Balance	4,542,423,600	2,940,759,732
19			
20	Consensus Revenue Forecast		
21	Tax Revenue	31,946,900,000	32,172,800,000
22	Non-Tax Revenue	1,759,500,000	1,475,500,000
23	Total, Tax and Non-Tax Revenue	33,706,400,000	33,648,300,000
24			
25	Revenue Adjustments		
26	Adjustments to Tax Revenue	(200,975,000)	(206,850,000)
27	Adjustments to Non-Tax Revenue	2,762,941	4,556,230
28	Total, Revenue Adjustments	(198,212,059)	(202,293,770)
29			
30	Statutorily Required Reservations of Revenue		
31	Unfunded Liability Solvency Reserve	-	(33,003,750)
32	State Capital and Infrastructure Fund (SCIF)	(1,412,592,500)	(1,461,333,238)
33	Subtotal, Statutorily Required Reservations of Revenue	(1,412,592,500)	(1,494,336,988)
34			
35	Reserves		
36	Clean Water and Drinking Water Reserve	(1,000,000,000)	(1,000,000,000)
37	Regional Economic Development Reserve	(550,000,000)	(550,000,000)
38	State Emergency and Disaster Response Fund	(50,000,000)	(50,000,000)
39	Economic Development Project Reserve	(200,000,000)	(200,000,000)
40	Housing Reserve	(100,000,000)	(100,000,000)
41	Transportation Reserve	(500,000,000)	(500,000,000)
42	Medicaid Contingency Reserve	(400,000,000)	-
43	Retiree Benefit Enhancements Reserve	(610,000,000)	(610,000,000)
44	Additional Transfer to SCIF	(800,000,000)	(500,000,000)
45	NC Innovation Reserve	-	(50,000,000)
46	Subtotal, Reserves	(4,210,000,000)	(3,560,000,000)
47			
48	Revised Total General Fund Availability	32,428,019,041	31,332,428,974
49			
50	Less General Fund Net Appropriations	29,787,259,309	30,902,650,283
51			

1 **Unappropriated Balance Remaining** **2,640,759,732** **429,778,691**

2
3 **SECTION 2.2.(b)** In addition to the amount required under G.S. 143C-4-3.1, the
4 State Controller shall transfer to the State Capital and Infrastructure Fund established under
5 G.S. 143C-4-3.1 the sum of eight hundred million dollars (\$800,000,000) in the 2023-2024 fiscal
6 year and five hundred million dollars (\$500,000,000) in the 2024-2025 fiscal year.

7 **SECTION 2.2.(c)** The State Controller shall reserve to the Medicaid Contingency
8 Reserve described in G.S. 143C-4-11 from funds available in the General Fund the sum of four
9 hundred million dollars (\$400,000,000) in nonrecurring funds for the 2023-2024 fiscal year.

10 **SECTION 2.2.(d)** The State Controller shall transfer funds available in the
11 Information Technology Reserve to State agencies and departments for information technology
12 projects in accordance with the following schedule, and the funds transferred are appropriated
13 for the fiscal year in which they are transferred:

	State Agency or Department	2023-2024	2024-2025
14			
15			
16			
17	(1) University of North Carolina		
18	(Budget Code: 16012)	\$15,000,000	\$0
19	(2) Department of Health and Human Services		
20	(Budget Code: 14440)	1,578,905	1,578,905
21	(3) Department of Environmental Quality		
22	(Budget Code: 14300)	6,000,000	3,500,000
23	(4) Department of Public Safety		
24	(Budget Code: 14550)	3,000,000	0
25	(5) General Assembly		
26	(Budget Code: 21000)	15,000,000	0
27	(6) Department of Information Technology		
28	(Budget Code: 14660)	3,800,000	3,800,000
29	(7) Board of Elections		
30	(Budget Code: 18025)	5,600,000	0
31			

32 **SECTION 2.2.(e)** The State Controller shall reserve to the State Emergency
33 Response and Disaster Relief Fund established in G.S. 166A-19.42 from funds available in the
34 General Fund the sum of fifty million dollars (\$50,000,000) in nonrecurring funds for the
35 2023-2024 fiscal year and the sum of fifty million dollars (\$50,000,000) in nonrecurring funds
36 for the 2024-2025 fiscal year. The State Controller shall transfer funds available in the State
37 Emergency Response and Disaster Relief Fund to State agencies and departments in accordance
38 with the following schedule, and the funds transferred are appropriated for the fiscal year in
39 which they are transferred:

	State Agency or Department	2023-2024	2024-2025
40			
41			
42			
43	(1) Emergency Management		
44	(Budget Code: 24552)	\$25,000,000	\$0
45	(2) DACS–Soil & Water Conservation		
46	(Budget Code: 23704)	20,000,000	0
47	(3) Department of Environmental Quality-Disaster		
48	(Budget Code: 24310)	10,987,906	987,906
49	(4) Wildlife Resources Commission		
50	(Budget Code: 14350)	10,000,000	0
51	(5) Department of Environmental Quality		

1	(Budget Code: 14300)	7,500,000	0
2	(6) Office of State Budget and Management-Special		
3	Appropriations (Budget Code: 13085)	2,000,000	0
4			

5 **SECTION 2.2.(f)** There is established in the General Fund a Retiree Benefit
6 Enhancements Reserve. The State Controller shall reserve to the Retiree Benefit Enhancements
7 Reserve from funds available in the General Fund the sum of six hundred ten million dollars
8 (\$610,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of six hundred
9 ten million dollars (\$610,000,000) in nonrecurring funds for the 2024-2025 fiscal year. The State
10 Controller shall transfer to the Department of State Treasurer the funds needed to provide the
11 cost of living adjustment as provided in Section 39.27 of this act, and the funds transferred are
12 appropriated for the fiscal year in which they are transferred.

13 **SECTION 2.2.(g)** The State Controller shall reserve to the Clean Water and Drinking
14 Water Reserve established in Section 2.2(p) of S.L. 2022-74 from funds available in the General
15 Fund the sum of one billion dollars (\$1,000,000,000) in nonrecurring funds for the 2023-2024
16 fiscal year and the sum of one billion dollars (\$1,000,000,000) in nonrecurring funds for the
17 2024-2025 fiscal year. The State Controller shall transfer to the Department of Environmental
18 Quality the funds reserved in this section in accordance with this act, and the funds transferred
19 are appropriated for the fiscal year in which they are transferred.

20 **SECTION 2.2.(h)** The State Controller shall reserve to the Economic Development
21 Project Reserve established in Section 2.2 of S.L. 2021-180 from funds available in the General
22 Fund the sum of two hundred million dollars (\$200,000,000) in nonrecurring funds for the
23 2023-2024 fiscal year and the sum of two hundred million dollars (\$200,000,000) in nonrecurring
24 funds for the 2024-2025 fiscal year. The State Controller shall transfer funds available in the
25 Economic Development Project Reserve to the Department of Commerce (Budget Code 14600)
26 in the amount of two hundred million dollars (\$200,000,000) for the 2023-2024 fiscal year. Of
27 the funds transferred for the 2023-2024 fiscal year, one hundred fifty million dollars
28 (\$150,000,000) shall be allocated to the North Carolina Megasite Fund established in Section
29 11.11.(b) of S.L. 2022-74, to be used for purposes consistent with that section, and fifty million
30 dollars (\$50,000,000) shall be allocated to the North Carolina Selectsite Fund established in
31 Section 11.12 of this act, for purposes consistent with that section. Of the funds transferred for
32 the 2024-2025 fiscal year, one hundred fifty million dollars (\$150,000,000) shall be allocated to
33 the North Carolina Megasite Fund established in Section 11.11.(b) of S.L. 2022-74, to be used
34 for purposes consistent with that section, and fifty million dollars (\$50,000,000) shall be
35 allocated to the North Carolina Selectsite Fund established in Section 11.12 of this act, for
36 purposes consistent that section. The funds transferred pursuant to this subsection are
37 appropriated for the fiscal year in which they are transferred.

38 **SECTION 2.2.(i)** The State Controller shall reserve to the Housing Reserve
39 established in Section 2.2(k) of S.L. 2022-74 from funds available in the General Fund the sum
40 of one hundred million dollars (\$100,000,000) in nonrecurring funds for the 2023-2024 fiscal
41 year and the sum of one hundred million dollars (\$100,000,000) in nonrecurring funds for the
42 2024-2025 fiscal year. The State Controller shall transfer funds available in the Housing Reserve
43 to the Housing Finance Agency (Budget Code 13010) in the sum of thirty-five million dollars
44 (\$35,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of thirty-five
45 million dollars (\$35,000,000) in nonrecurring funds for the 2024-2025 fiscal year. Funds
46 transferred pursuant to this subsection shall be used in the Workforce Housing Loan Program
47 established in G.S. 122A-15.5, and the funds are appropriated for that purpose.

48 **SECTION 2.2.(j)** There is established in the General Fund a Transportation Reserve.
49 The State Controller shall reserve to the Transportation Reserve from funds available in the
50 General Fund the sum of five hundred million dollars (\$500,000,000) in nonrecurring funds for
51 the 2023-2024 fiscal year and the sum of five hundred million dollars (\$500,000,000) in

1 nonrecurring funds for the 2024-2025 fiscal year. Funds transferred under this subsection are
 2 appropriated to the Department of Transportation (Budget Code: 84210) for the fiscal year in
 3 which they are transferred and shall be used in accordance with Part 41 of this act.

4 **SECTION 2.2.(k)** There is established in the General Fund an NCInnovation
 5 Reserve to make funds available to the Department of Commerce to allocate for the purposes set
 6 out in a plan to be developed as described in Section 11.9 of this act. The State Controller shall
 7 reserve to the NCInnovation Reserve from funds available in the General Fund the sum of fifty
 8 million dollars (\$50,000,000) in nonrecurring funds for the 2024-2025 fiscal year. The State
 9 Controller shall transfer funds available in the NCInnovation Reserve to the Department of
 10 Commerce upon the Governor submitting to the General Assembly a determination that the plan
 11 required by Section 11.9 of this act complies with the requirements of that Section, and funds
 12 transferred under this subsection are appropriated for the fiscal year in which they are transferred.

13 **SECTION 2.2.(l)** Section 2.2(j) of S.L. 2022-74 reads as rewritten:

14 "**SECTION 2.2.(j)** There is established in the General Fund a World University Games
 15 Reserve to make funds available to support the State of North Carolina as a host of the ~~2027~~ 2029
 16 World University Games upon an act of appropriation by the General Assembly. The State
 17 Controller shall reserve to the World University Games Reserve from funds available in the
 18 General Fund the sum of twenty-five million dollars (\$25,000,000) in nonrecurring funds for the
 19 2022-2023 fiscal year. Funds in the reserve that have not been appropriated by ~~June 30, 2026,~~ June
 20 30, 2029 shall revert to the General Fund and the World University Games Reserve shall be
 21 eliminated."

22 **SECTION 2.2.(m)** The State Controller shall transfer to the Department of
 23 Commerce the sum of four million dollars (\$4,000,000) in each year of the 2023-2025 fiscal
 24 biennium from the World University Games Reserve, and the funds transferred are appropriated
 25 for the fiscal year in which they are transferred.

26 **SECTION 2.2.(n)** There is established in the General Fund a Regional Economic
 27 Development Reserve. The State Controller shall reserve to the Regional Economic
 28 Development Reserve from funds available in the General Fund the sum of five hundred fifty
 29 million dollars (\$550,000,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum
 30 of five hundred fifty million dollars (\$550,000,000) in nonrecurring funds for the 2024-2025
 31 fiscal year.

32 **SECTION 2.2.(o)** The State Controller shall transfer funds from the Stabilization
 33 and Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the State Capital and
 34 Infrastructure Fund the sum of seven hundred fifty million dollars (\$750,000,000) in
 35 nonrecurring funds for the 2023-2024 fiscal year.

36 **SECTION 2.2.(p)** The State Controller shall transfer funds available in the Federal
 37 Infrastructure Match Reserve to agencies and departments as needed to draw down federal funds
 38 in accordance with the following schedule, and the funds transferred are appropriated for the
 39 fiscal year in which the funds are transferred:

40	41	42	43	44	45	46	47	48
	State Agency or Department		2023-2024		2024-2025			
43	(1) DEQ – (Budget Code: 24300)		\$1,388,921		\$1,388,921			
45	(2) DEQ – (Budget Code: 64311)		3,975,123		8,675,950			
47	(3) DEQ – (Budget Code: 64320)		6,605,875		14,417,727			

49 **SECTION 2.2.(q)** In accordance with G.S. 143C-4-2(i), the State Controller shall
 50 reserve to the Unfunded Liability Solvency Reserve the sum of thirty-three million three

1 thousand seven hundred fifty dollars (\$33,003,750) in nonrecurring funds for the 2024-2025
2 fiscal year.

3 **SECTION 2.2.(r)** The State Controller shall transfer the sum of one hundred million
4 dollars (\$100,000,000) for the 2023-2024 fiscal year and the sum of fifty-five million six hundred
5 forty-two thousand one hundred seventy dollars (\$55,642,170) for the 2024-2025 fiscal year from
6 funds available in the Medicaid Transformation Reserve in the General Fund to the Medicaid
7 Transformation Fund, established under Section 12H.29 of S.L. 2015-241.

8 **SECTION 2.2.(s)** Except as otherwise specifically provided, nothing in this section
9 shall be construed as appropriating funds reserved pursuant to this section. Funds reserved
10 pursuant to this section do not constitute an "appropriation made by law," as that phrase is used
11 in Section 7(1) of Article V of the North Carolina Constitution.

12 **PART III. HIGHWAY FUND AND HIGHWAY TRUST FUND**

13 **CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND**

14
15 **SECTION 3.1.** Appropriations from the State Highway Fund for the maintenance
16 and operation of the Department of Transportation and for other purposes as enumerated are
17 made for the fiscal biennium ending June 30, 2025, according to the following schedule:

18		FY 2023-24	FY 2024-25
19	Highway Fund		
20	Administration	112,105,606	112,105,606
21	Division of Highways		
22	Administration	58,305,975	57,986,424
23	Construction	84,043,078	82,543,078
24	Maintenance	1,869,812,811	2,089,816,673
25	Governor's Highway Safety Program	324,111	324,111
26	OSHA	358,030	358,030
27	Aid to Municipalities	170,375,000	185,875,000
28	Intermodal Divisions		
29	Ferry	86,929,849	90,679,849
30	Public Transportation, Bicycle 31 and Pedestrian	80,710,286	70,710,286
32	Aviation	185,373,306	180,473,306
33	Rail	55,299,938	55,299,938
34	Division of Motor Vehicles	175,796,364	176,121,896
35	Other State Agencies, Reserves, Transfers	55,199,827	76,687,940
36	Capital Improvements	29,819,819	10,571,863
37	Highway Fund Total	\$2,964,454,000	\$3,189,554,000

38 **HIGHWAY FUND AVAILABILITY**

39
40 **SECTION 3.2.** The Highway Fund availability used in developing the 2023-2025
41 fiscal biennial budget is shown below:

42		FY 2023-24	FY 2024-25
43	Highway Fund Availability		
44	Beginning Balance	\$0	\$0
45	Motor Fuels Tax	1,805,200,000	1,827,700,000
46	Licenses and Fees	895,100,000	1,053,300,000
47	Short-Term Lease	116,700,000	121,500,000
48	Investment Income	40,700,000	35,700,000
49	Sales Tax Transfer	104,900,000	160,900,000
50	Adjustments to Availability		

1	Sales Tax Changes	(100,000)	(300,000)
2	Aviation Fuels Tax Changes	0	(11,200,000)
3	Title Fees – Transfer from Highway		
4	Trust Fund	1,954,000	1,954,000
5	Total Highway Fund Availability	\$2,964,454,000	\$3,189,554,000

7 HIGHWAY TRUST FUND APPROPRIATIONS

8 **SECTION 3.3.** Appropriations from the State Highway Trust Fund for construction,
9 for operations of the Department of Transportation, and for other purposes as enumerated are
10 made for the fiscal biennium ending June 30, 2025, according to the following schedule:

11			
12	Highway Trust Fund	FY 2023-24	FY 2024-25
13	Program Administration	142,017,311	242,017,311
14	Bond	121,439,825	121,436,775
15	Turnpike Authority	49,000,000	49,000,000
16	State Ports Authority	45,000,000	45,000,000
17	FHWA State Match	6,070,440	6,176,440
18	Strategic Prioritization Funding		
19	Plan for Transportation Investments	1,940,413,396	1,974,975,474
20	Transfer to Visitor Center	640,000	640,000
21	Highway Trust Fund Total	\$2,304,580,972	\$2,439,246,000

22 HIGHWAY TRUST FUND AVAILABILITY

23 **SECTION 3.4.** The Highway Trust Fund availability used in developing the
24 2023-2025 fiscal biennial budget is shown below:

25			
26	Highway Trust Fund Availability	FY 2023-24	FY 2024-25
27	Beginning Balance (Unspent Advance		
28	Acquisition Hardship Funds)	\$109,834,972	\$0
29	Highway Use Tax	1,112,400,000	1,160,800,000
30	Motor Fuels Tax	598,900,000	602,500,000
31	Fees	142,100,000	170,900,000
32	Investment Income	28,900,000	25,300,000
33	Sales Tax Transfer	314,700,000	482,600,000
34	Adjustments to Availability		
35	Sales Tax Changes	(300,000)	(900,000)
36	Title Fees – Transfer to Highway Fund	(1,954,000)	(1,954,000)
37	Total Highway Trust Fund Availability	\$2,304,580,972	\$2,439,246,000

38 PART IV. OTHER AVAILABILITY AND APPROPRIATIONS

39 OTHER APPROPRIATIONS

40 **SECTION 4.1.(a)** State funds, as defined in G.S. 143C-1-1(d)(25), are appropriated
41 for each year of the 2023-2025 fiscal biennium, as follows:

- 42 (1) All budget codes listed in the Governor's Recommended Base Budget for the
43 2023-2025 fiscal biennium, submitted pursuant to G.S. 143C-3-5, are
44 appropriated up to the amounts specified, as adjusted by the General
45 Assembly in this act and as delineated in the Committee Report described in
46 Section 43.2 of this act, or in another act of the General Assembly.

(2) Agency receipts up to the amounts needed to implement the legislatively mandated salary increases and employee benefit increases provided in this act for each year of the 2023-2025 fiscal biennium.

SECTION 4.1.(b) Receipts collected in a fiscal year in excess of the amounts appropriated by this section shall remain unexpended and unencumbered until appropriated by the General Assembly, unless the expenditure of overrealized receipts in the fiscal year in which the receipts were collected is authorized by G.S. 143C-6-4. Overrealized receipts are appropriated in the amounts necessary to implement this subsection.

SECTION 4.1.(c) Funds may be expended only for the specified programs, purposes, objects, and line items or as otherwise authorized by the General Assembly.

OTHER RECEIPTS FROM PENDING AWARD GRANTS

SECTION 4.2.(a) Notwithstanding G.S. 143C-6-4, State agencies may, with approval of the Director of the Budget, spend funds received from grants awarded after the enactment of this act for grant awards that are for less than two million five hundred thousand dollars (\$2,500,000), do not require State matching funds, and will not be used for a capital project. State agencies shall report to the Joint Legislative Commission on Governmental Operations, the chairs of the Senate Committee on Appropriations/Base Budget, the chairs of the House Appropriations Committee, and the Fiscal Research Division within 30 days of receipt of such funds.

State agencies may spend up to the greater of one percent (1%) or ten million dollars (\$10,000,000) of the total amount of grants awarded after the enactment of this act to respond to an emergency, as defined in G.S. 166A-19.3, with the approval of the Director of the Budget. State agencies shall report to the Joint Legislative Commission on Governmental Operations, the chairs of the Senate Committee on Appropriations/Base Budget, the chairs of the House Appropriations Committee, and the Fiscal Research Division within 30 days of receipt of such funds, including specifying the total amount of grants awarded to respond to the emergency.

State agencies may spend all other funds from grants awarded after the enactment of this act only with approval of the Director of the Budget and after consultation with the Joint Legislative Commission on Governmental Operations.

SECTION 4.2.(b) The Office of State Budget and Management shall work with the recipient State agencies to budget grant awards according to the annual program needs and within the parameters of the respective granting entities. Depending on the nature of the award, additional State personnel may be employed on a time-limited basis. Funds received from such grants are hereby appropriated up to the applicable amount set forth in subsection (a) of this section and shall be incorporated into the authorized budget of the recipient State agency.

SECTION 4.2.(c) Notwithstanding the provisions of this section, no State agency may accept a grant not anticipated in this act if acceptance of the grant would obligate the State to make future expenditures relating to the program receiving the grant or would otherwise result in a financial obligation as a consequence of accepting the grant funds.

EDUCATION LOTTERY FUNDS/NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND CHANGES

SECTION 4.3.(a) The allocations made from the Education Lottery Fund for the 2023-2025 fiscal biennium are as follows:

	FY 2023-2024	FY 2024-2025
Noninstructional Support Personnel	\$431,914,455	\$435,914,455
Prekindergarten Program	78,252,110	78,252,110
Public School Building Capital Fund	100,000,000	100,000,000
Needs-Based Public School Capital Fund	208,252,612	208,252,612
Public School Repair & Renovation	50,000,000	50,000,000

1	Scholarship Reserve Fund for Public Colleges		
2	and Universities	41,194,733	41,194,733
3	LEA Transportation	21,386,090	21,386,090
4	TOTAL ALLOCATION	\$931,000,000	\$935,000,000

5
6 **SECTION 4.3.(b)** Article 38B of Chapter 115C of the General Statutes reads as
7 rewritten:

8 "Article 38B.

9 "Needs-Based Public School Capital Fund.

10 **"§ 115C-546.10. Fund created; purpose; prioritization.**

11 There is created the Needs-Based Public School Capital Fund as an interest-bearing,
12 nonreverting special fund in the Department of Public Instruction. The State Treasurer shall be
13 the custodian of the Needs-Based Public School Capital Fund and shall invest its assets in
14 accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3. The Department of Public
15 Instruction shall award grants from the Fund to counties to assist with their critical public school
16 building capital needs in accordance with the following priorities:

- 17 (1) Counties designated as development tier one areas.
- 18 (2) Counties with greater need and less ability to generate sales tax and property
19 tax revenue.
- 20 (3) Counties with a high debt-to-tax revenue ratio.
- 21 (4) The extent to which a project will address critical deficiencies in adequately
22 serving the current and future student population.
- 23 (5) Projects with new construction or complete renovation of existing facilities.
- 24 (6) Projects that will consolidate two or more schools into one new facility.
- 25 (7) Counties that have not received a grant under this Article in the previous three
26 years.

27 **"§ 115C-546.11. Matching requirement; use of funds; maximum awards; project review.**

28 (a) An eligible county awarded a grant under this Article shall provide local matching
29 funds from county funds, other non-State funds, or a combination of these sources for the grant
30 as provided in this section. An eligible county is a county with an adjusted market value of taxable
31 real property of less than forty billion dollars (\$40,000,000,000). The adjusted market value of
32 taxable property in a county is equal to the county's assessed taxable real property value, using
33 the latest available data published by the Department of Revenue, divided by the county's sales
34 assessment ratio determined under G.S. 105-289(h). The amount of matching funds for a county
35 awarded a grant shall be published annually by the Department of Public Instruction prior to any
36 application period. The local match requirement applied to the project shall be based on the match
37 requirement effective at the time of the grant award. The local match requirement is calculated
38 as follows:

39 **Adjusted Market Value of Taxable Real Property**

40	41 Over	42 Up to	43 Percentage Match
44	\$0	\$2 billion	0%
45	\$2 billion	\$10 billion	5%
46	\$10 billion	\$20 billion	15%
47	\$20 billion	\$30 billion	25%
48	\$30 billion	\$40 billion	35%

49 (b) Grant funds shall be used only for the construction of new school buildings and
50 additions, repairs, and renovations. Grant funds shall not be used for real property acquisition or
51 for capital improvements to administrative buildings. Grant funds shall be disbursed in a series
of payments based on the progress of the project. To obtain a payment, the grantee shall submit
a request for payment along with documentation of the expenditures for which the payment is

1 requested and evidence that the matching requirement contained in subsection (a) of this section
2 has been met. No portion of grant funds may be used to acquire a Leadership in Energy and
3 Environmental Design (LEED) certification.

4 (c) Maximum grant award amounts shall be determined as follows:

- 5 (1) Up to ~~thirty~~forty million dollars (~~\$30,000,000~~)(\$40,000,000) for an
6 elementary school.
7 (2) Up to ~~forty~~fifty million dollars (~~\$40,000,000~~)(\$50,000,000) for a middle
8 school or a combination of an elementary and middle school.
9 (3) Up to ~~fifty~~sixty million dollars (~~\$50,000,000~~)(\$60,000,000) for a high
10 school.

11 (d) The Department of Public Instruction shall review projected enrollment to evaluate
12 the reasonableness of a project's size and scope. A county may include in a grant application a
13 minimum grant amount that would enable the project to proceed. A grant application that
14 proposes to consolidate two or more schools by (i) making additions or renovations at one or
15 more school facilities and (ii) closing one or more existing school facilities may be submitted
16 and considered by the Department of Public Instruction as a single project. Each application for
17 a grant under this Article shall be evaluated independent of other grant applications submitted. A
18 county may not apply for projects that exceed an aggregate amount greater than the maximum
19 grant award amounts listed in subsection (c) of this section in any single year. The Department
20 of Public Instruction shall not award a grant to an applicant at less than the requested amount or
21 less than the maximum grant amounts listed in subsection (c) of this section for the purpose of
22 reserving the amount of grant funds available for other grant applications. If a county declines or
23 otherwise forfeits a grant awarded under this section, the Department shall not award additional
24 grants to that county for 24 months from the date the grant award was declined or forfeited.

25 **"§ 115C-546.12. Grant agreement; requirements.**

26 (a) A county receiving grant funds pursuant to this Article shall enter into an agreement
27 with the Department of Public Instruction detailing the use of grant funds. The agreement shall
28 contain at least all of the following:

- 29 (1) A requirement that the grantee seek planning assistance and plan review from
30 the School Planning Section of the Department of Public Instruction.
31 (2) A progress payment provision governing disbursements to the county for the
32 duration of the school construction project based upon the construction
33 progress and documentation satisfactory to the Department that the matching
34 requirement in G.S. 115C-546.11 has been met.
35 (3) A provision requiring periodic reports to the Department of Public Instruction
36 on the use of disbursed grant funds and the progress of the school construction
37 project.
38 (4) A requirement that matching funds paid by the county pursuant to
39 G.S. 115C-546.11 must be derived from non-State and nonfederal funds.
40 (5) A provision requiring repayment in full of awarded grant funds in the event
41 of grant forfeiture.

42 (b) Project construction must be initiated within 18 months of the award of grant funds.
43 The Superintendent of Public Instruction may grant an 18-month extension under extraordinary
44 circumstances.

45 (c) A grant awarded under this section may be forfeited if any of the following occur:

- 46 (1) Project construction is not initiated on time.
47 (2) Project scope changes significantly from what was outlined in the grant
48 agreement.
49 (3) Any statement or information provided in the grant application is later
50 determined to be materially false.

1 (4) Local funding is subsequently decreased from the amount provided in the
2 grant application.

3 **"§ 115C-546.13. Lease exception; requirements.**

4 (a) Notwithstanding any provision of this Article to the contrary, a county may utilize
5 grant funds for a lease agreement if all of the following criteria are met:

6 (1) Ownership of the subject property on which the leased school is constructed
7 shall be retained by the county.

8 (2) The lease agreement shall include a repairs and maintenance provision that
9 requires the landlord to bear the entire expense of all repairs, maintenance,
10 alterations, or improvements to the basic structure, fixtures, appurtenances,
11 and grounds of the subject property for the term of the lease.

12 (3) The lease agreement shall be for a term of at least 15 years and no more than
13 25 years.

14 (4) In lieu of the progress payment requirement provided in G.S. 115C-546.11(b),
15 a county that has entered into a lease agreement shall provide a copy of the
16 lease agreement to the Department of Public Instruction and shall be
17 periodically reimbursed upon submission of documentation satisfactory to the
18 Department that the matching requirement of this section has been met.

19 (b) For the purposes of this section, the term "lease agreement" shall include any ancillary
20 agreements or predevelopment agreements entered into in anticipation of or in accordance with
21 a lease. A lease agreement entered into pursuant to this subsection shall be subject to the
22 requirements of Article 8 of Chapter 159 of the General Statutes. In determining whether the
23 lease agreement is necessary or expedient pursuant to G.S. 159-151(a)(1) and
24 G.S. 159-151(b)(1), the Local Government Commission may consider any other relevant
25 construction and financing methods available to the county.

26 **"§ 115C-546.14. Reporting.**

27 (a) On or before April 1 of each year, a grant recipient shall submit to the Department of
28 Public Instruction an annual report for the preceding year that describes the progress of the
29 project for which the grant was received. The grant recipient shall submit a final report to the
30 Department of Public Instruction within three months of the completion of the project.

31 (b) On or before May 1 of each year, the Department of Public Instruction shall submit a
32 report to the chairs of the Senate Appropriations Committee on Education/Higher Education, the
33 chairs of the House Appropriations Committee on Education, and the Fiscal Research Division.
34 The report shall contain at least all of the following information for the fiscal year:

35 (1) Number, description, and geographic distribution of projects awarded.

36 (2) Total cost of each project and amount supported by the Needs-Based Public
37 School Capital Fund.

38 (3) Projections for local school administrative unit capital needs for the next 30
39 years based upon present conditions and estimated demographic changes.

40 (4) Any legislative recommendations for improving the Needs-Based Public
41 School Capital Fund program."

42 **SECTION 4.3.(c)** The Department of Public Instruction may award additional grant
43 funds for new construction, up to the maximum amounts provided in subsection (a) of this
44 section, to a county that received an award for new construction under G.S. 115C-546.11(c)
45 during the 2022-2023 fiscal year, provided that the county has not yet begun construction on the
46 project. A county seeking additional funding pursuant to this subsection shall request additional
47 funds from the Department in an amount not exceeding ten million dollars (\$10,000,000) by June
48 30, 2024, and shall provide actual bids or other documentation of cost increases satisfactory to
49 the Department based upon the original project scope outlined in the grant agreement to support
50 the requested additional funding. The additional grant awards provided pursuant to this
51 subsection shall be subject to the same local matching requirement applicable when the previous

1 grant was awarded. The Department may amend any existing agreements entered into with grant
 2 recipients from the initial grant award to accommodate the increased grant funding provided in
 3 this subsection. The Department may award additional grant funds under this subsection outside
 4 of the regular application process and timeline; provided, however, all additional grants funds
 5 shall be awarded no later than June 30, 2025.

6 **SECTION 4.3.(d)** No later than January 1, 2024, the Department of Public
 7 Instruction shall publish guidelines for the Needs-Based Public School Capital Fund program
 8 specifying the following:

- 9 (1) The extraordinary circumstances justifying an 18-month extension for the
 10 initiation of project construction.
- 11 (2) The criteria to determine if the project scope has changed significantly.
- 12 (3) The criteria to determine material falsehood in an application.
- 13 (4) The timeline for repayment of forfeited grant awards.

14
 15 **INDIAN GAMING EDUCATION REVENUE FUND APPROPRIATIONS**

16 **SECTION 4.4.(a)** Notwithstanding G.S. 143C-9-7, there is allocated from the Indian
 17 Gaming Education Revenue Fund to the Department of Public Instruction, Textbooks, and
 18 Digital Resources Allotment, the sum of ten million dollars (\$10,000,000) in the 2023-2024 fiscal
 19 year and the sum of ten million dollars (\$10,000,000) in the 2024-2025 fiscal year.

20 **SECTION 4.4.(b)** Notwithstanding G.S. 143C-9-7, there is allocated from the Indian
 21 Gaming Education Revenue Fund to the State Public School Fund the sum of one million dollars
 22 (\$1,000,000) in the 2023-2024 fiscal year and the sum of one million dollars (\$1,000,000) in the
 23 2024-2025 fiscal year to be used for teacher assistants.

24
 25 **CIVIL PENALTY AND FORFEITURE FUND**

26 **SECTION 4.5.** Allocations are made from the Civil Penalty and Forfeiture Fund for
 27 the fiscal biennium ending June 30, 2025, as follows:

	FY 2023-2024	FY 2024-2025
28 School Technology Fund	\$18,000,000	\$18,000,000
29 Drivers Education	32,693,768	32,693,768
30 State Public School Fund	226,041,640	166,041,640
31 Total Appropriation	\$276,735,408	\$216,735,408

32
 33
 34 **CORONAVIRUS CAPITAL PROJECTS FUND RESERVE TRANSFER ADJUSTMENT**

35 **SECTION 4.6.** Section 4.12 of S.L. 2021-180 reads as rewritten:

36 "**SECTION 4.12.** The State Controller shall transfer the sum of ~~two hundred seventy-seven~~
 37 ~~million sixty thousand eight hundred fifty-five dollars (\$277,060,855)~~ two hundred seventy-three
 38 million five hundred eighty-three thousand one hundred seventy-nine dollars (\$273,583,179) to
 39 align with the federal award letter received for the 2021-2022 fiscal year from the Coronavirus
 40 Capital Projects Reserve, established in Section 2.3 of S.L. 2021-25, to the Coronavirus Capital
 41 Projects Fund, established in Section 2.4 of S.L. 2021-25."
 42

43 **GENERAL PROVISIONS FOR AMERICAN RESCUE PLAN ACT OF 2021 FUNDING**

44 **SECTION 4.7.(a)** Definitions. – The definitions in S.L. 2021-25 and the following
 45 definitions apply in this section:

- 46 (1) American Rescue Plan Act or ARPA. – The American Rescue Plan Act of
 47 2021, as defined in S.L. 2021-25.
- 48 (2) ARPA Temporary Savings Fund. – As established in Section 1.3 of S.L.
 49 2023-7
- 50 (3) State Fiscal Recovery Fund. – As established in Section 2.2 of S.L. 2021-25.

1 (4) State Fiscal Recovery Reserve. – As established in Section 2.1 of S.L.
2 2021-25.

3 **SECTION 4.7.(b)** Guidance. – OSBM shall work with the recipient State agencies
4 to budget receipts awarded pursuant to ARPA to allow for the tracking of such funds through
5 either separate accounts or fund codes according to the program needs and within the parameters
6 of the respective granting entities and applicable federal laws and regulations. State agencies
7 shall not use funds received pursuant to ARPA for recurring purposes. Depending on the nature
8 of the award, additional State personnel may be employed on a temporary or time-limited basis.

9 **SECTION 4.7.(c)** Disbursement. – OSBM shall allocate State Fiscal Recovery Fund
10 funds to State agencies and departments upon justification from the agency or department and
11 only as needed to implement the provisions of this act. State Fiscal Recovery Fund funds shall
12 be allocated to nonprofit organizations on a quarterly basis unless OSBM determines that cash
13 flow or the nature of the program being funded requires otherwise.

14 **SECTION 4.7.(d)** Interest. – All interest earned on funds held in the State Fiscal
15 Recovery Fund shall be transferred to the State Fiscal Recovery Reserve.

16 **SECTION 4.7.(e)** Administration. – For administrative expenses related to
17 administration of a provision allocating ARPA funds in this act, a State agency may, of ARPA
18 funds allocated to it under this act, use up to the lesser of (i) the amount allowed by federal law
19 or guidance or (ii) ten percent (10%) of ARPA funds allocated to it under this act. When utilizing
20 the authority set forth in this subsection, a State agency shall not reduce funds earmarked in this
21 act, or the Committee Report described in Section 43.2 of this act, for a particular local
22 government project or non-State entity project.

23 **SECTION 4.7.(f)** Accounting. – A State agency receiving State Fiscal Recovery
24 Fund funds shall track such funds separately from other funds by use of either separate accounts
25 or fund codes.

26 **SECTION 4.7.(g)** Reports. – In addition to any report required under this section or
27 any other law, OSBM shall provide a quarterly report to the Senate Committee on
28 Appropriations/Base Budget, the House Appropriations Committee, and the Fiscal Research
29 Division, beginning October 15, 2023, detailing the use of State Fiscal Recovery Fund funds
30 allocated under this act. The report required from OSBM under this section shall include, for the
31 preceding quarter, the amount of funds disbursed to each State agency, State department, and
32 nonprofit organization; the amount of funds remaining to be disbursed to each State agency, State
33 Department, and nonprofit organization; and how the funds were used by each State agency,
34 State department, and nonprofit organization.

35 **SECTION 4.7.(h)** Audit. – The State Auditor shall conduct biennial preliminary
36 financial audits and a final performance audit of the State Fiscal Recovery Fund no later than 90
37 days following the latest date on which expenditures may be made under applicable federal law
38 or guidance.

39 **SECTION 4.7.(i)** Reversion. – The funds appropriated from the State Fiscal
40 Recovery Fund in this act and in prior enactments of the General Assembly shall not revert at the
41 end of each fiscal year of the 2023-2025 fiscal biennium but shall remain available to expend
42 until the date set by applicable federal law or guidance.

43 **SECTION 4.7.(j)** Exclusion. – This section does not apply to funds allocated in this
44 act from the ARPA Temporary Savings Fund or to the Department of Health and Human Services
45 with regards to any federal receipts arising from the enhanced federal medical assistance
46 percentage (FMAP) available to the State under section 9814 of ARPA, or any savings realized
47 as a result of those receipts.

48 **TRANSFER OF FUNDS FROM STATE FISCAL RECOVERY RESERVE.**

49 **SECTION 4.8.(a)** The State Controller shall transfer the sum of sixteen million three
50 hundred thousand dollars (\$16,300,000) for the 2023-2024 fiscal year and eleven million four
51

1 hundred fifty-two thousand two hundred and six dollars (\$11,452,206) for the 2024-2025 fiscal
 2 year from the State Fiscal Recovery Reserve to the State Fiscal Recovery Fund. The State
 3 Controller shall transfer funds available in the State Fiscal Recovery Fund as set forth below, and
 4 these funds are appropriated for the fiscal year in which they are transferred:

5	State Agency or Department	2023-2024	2024-2025
7	(1) Department of Information Technology-Digital		
8	Literacy (Budget Code: 14660)	\$16,250,000	\$11,452,206
9	(2) Office of State Budget and Management-Special		
10	Appropriations (Budget Code: 13085)	50,000	0

11
 12 **SECTION 4.8.(b)** The State Controller shall transfer funds available in the State
 13 Fiscal Recovery Reserve to State agencies and departments in accordance with the following
 14 schedule, and the funds transferred are appropriated for the fiscal year in which they are
 15 transferred:

16	State Agency or Department	2023-2024	2024-2025
18	(1) Department of Information Technology		
19	(Budget Code: 14660)	\$0	\$4,797,794
20	(2) Department of Public Instruction		
21	(Budget Code: 13510)	7,800,000	0
22	(3) Department of Agriculture and Consumer Services		
23	(Budget Code 23704)	4,600,000	0
24	(4) Department of Agriculture and Consumer Services		
25	(Budget Code 63701)	15,000,000	15,000,000
26	(5) Department of Agriculture and Consumer Services		
27	(Budget Code 13700)	25,000,000	25,000,000
28	(6) Department of Commerce		
29	(Budget Code: 14600)	40,000	0
30	(7) Department of Commerce		
31	(Budget Code: 14602)	4,100,000	0
32	(8) Department of Natural and Cultural Resources		
33	(Budget Code: 24820)	15,000,000	0
34	(9) Department of Natural and Cultural Resources		
35	(Budget Code: 24817)	33,000,000	0
36	(10) Office of State Budget and Management-		
37	Special Appropriations (Budget Code: 13085)	47,000,000	8,000,000
38	(11) Department of Transportation (Budget Code: 84210)	34,500,000	0

39
 40 **SECTION 4.8.(c)** Section 39.2(f) of S.L. 2021-180 reads as rewritten:

41 "**SECTION 39.2.(f)** Of the funds appropriated in this act from the State Fiscal Recovery
 42 Fund, the sum of five hundred ~~forty five~~ twenty-two million seven hundred forty-seven thousand
 43 seven hundred ninety-four dollars (~~\$545,000,000~~) (\$522,747,794) for the 2021-2022 fiscal year
 44 is allocated to provide the one-time, lump sum bonuses authorized in this section to State
 45 employees and local education employees for work performed during the COVID-19 pandemic."
 46

47 **ARPA TEMPORARY SAVINGS FUND**

48 **SECTION 4.9.** Funds allocated in this act from the ARPA Temporary Savings Fund
 49 established in Section 1.3(a) of S.L. 2023-7 to State agencies and departments are appropriated
 50 for the purposes described in those allocations for the fiscal year in which they are allocated.
 51 Except as otherwise provided for in this act, these funds shall not revert.

1
2 **PART V. GENERAL PROVISIONS**
3

4 **UNEXPENDED DIRECTED GRANTS APPROPRIATED IN 2022-2023 FISCAL YEAR**
5 **DO NOT REVERT**

6 **SECTION 5.1.(a)** This section applies to any directed grants appropriated as
7 nonrecurring funds in S.L. 2021-180 for the 2022-23 fiscal year that (i) remain unexpended as of
8 the effective date of this section and (ii) are subject to reversion at the end of the 2022-23 fiscal
9 year. Notwithstanding any provision of law to the contrary, the grants described by this section
10 shall not revert at the end of the 2022-23 fiscal year and shall remain available for expenditure
11 for the purpose for which the funds were appropriated until the earlier of the date the funds are
12 expended or the date the funds revert pursuant to subsection (b) of this section.

13 **SECTION 5.1.(b)** Any funds described in subsection (a) of this section that remain
14 unexpended as of June 30, 2023, shall revert to the appropriate fund at the end of the 2023-24
15 fiscal year.

16 **SECTION 5.1.(c)** This section becomes effective June 30, 2023.
17

18 **ESTABLISHING OR INCREASING FEES**

19 **SECTION 5.2.(a)** Notwithstanding G.S. 12-3.1, an agency is not required to consult
20 with the Joint Legislative Commission on Governmental Operations prior to establishing or
21 increasing a fee to the level authorized or anticipated in this act.

22 **SECTION 5.2.(b)** Notwithstanding G.S. 150B-21.1A(a), an agency may adopt an
23 emergency rule in accordance with G.S. 150B-21.1A to establish or increase a fee as authorized
24 by this act if the adoption of a rule would otherwise be required under Article 2A of Chapter
25 150B of the General Statutes.
26

27 **DIRECTED GRANTS TO NON-STATE ENTITIES**

28 **SECTION 5.3.(a)** Definitions. – For purposes of this act and the Committee Report
29 described in Section 43.2 of this act, the following definitions apply:

- 30 (1) Directed grant. – Nonrecurring funds allocated by a State agency to a
31 non-State entity as directed by an act of the General Assembly.
32 (2) Non-State entity. – As defined in G.S. 143C-1-1.

33 **SECTION 5.3.(b)** Requirements. – Nonrecurring funds appropriated in this act as
34 directed grants are subject to all of the following requirements:

- 35 (1) Directed grants are subject to the provisions of subsections (b) through (k),
36 except for subdivision (1) of (f1), of G.S. 143C-6-23.
37 (2) Directed grants of one hundred thousand dollars (\$100,000) or less may be
38 made in a single annual payment in the discretion of the Director of the
39 Budget. Directed grants of more than one hundred thousand dollars
40 (\$100,000) shall be made in quarterly or monthly payments in the discretion
41 of the Director of the Budget. A State agency administering a directed grant
42 shall begin disbursement of funds to a non-State entity that meets all
43 applicable requirements as soon as practicable, but no later than 100 days after
44 the date this act becomes law. Full disbursement of funds to a non-State entity
45 that meets all applicable requirements shall be completed no later than nine
46 months after the date this act becomes law.
47 (3) Beginning on the first day of a quarter following the deadline provided in
48 subdivision (2) of this subsection and quarterly thereafter, State agencies
49 administering directed grants shall report to the Fiscal Research Division on
50 the status of funds disbursed for each directed grant until all funds are fully
51 disbursed. At a minimum, the report required under this subdivision shall

1 include updates on (i) the date of the initial contact, (ii) the date the contract
2 was sent to the entity receiving the funds, (iii) the date the disbursing agency
3 received the fully executed contract back from the entity, (iv) the contract
4 execution date, and (v) the payment date.

5 (4) Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary,
6 nonrecurring funds appropriated in this act for the 2023-2024 fiscal year as
7 directed grants shall not revert until two years after this act becomes law, and
8 nonrecurring funds appropriated in this act for the 2024-2025 fiscal year as
9 directed grants shall not revert until June 30, 2026.

10 (5) Directed grants to nonprofit organizations are for nonsectarian, nonreligious
11 purposes only.

12 **SECTION 5.3.(c)** This section expires on June 30, 2026.
13

14 **CAP STATE-FUNDED PORTION OF NONPROFIT SALARIES**

15 **SECTION 5.4.** No more than one hundred forty thousand dollars (\$140,000) in State
16 funds, including any interest earnings accruing from those funds, may be used for the annual
17 salary of any individual employee of a nonprofit organization.
18

19 **RECOMMENDATION ON PEN-AND-INK SIGNATURES**

20 **SECTION 5.5.** The General Statutes Commission shall review all provisions in the
21 General Statutes that require that documents have pen-and-ink signatures. The Commission may
22 recommend a bill for the 2024 Regular Session of the 2023 General Assembly to allow for both
23 pen-and-ink and electronic signatures, where appropriate.
24

25 **DISASTER RELIEF AND RECOVERY/MITIGATION/RESILIENCY**

26 **SECTION 5.6.(a)** Recapture of Unused Funds. – The State Controller shall transfer
27 from the following listed agencies to the State Emergency Response and Disaster Relief Fund
28 the sum of sixty million one hundred two thousand five hundred twelve dollars (\$60,102,512)
29 constituting the remaining funds appropriated or allocated in the following sections, as amended:

30 (1) \$52,270,070 from the Department of Agriculture and Consumer Services:

31 a. Section 4.1(10) of S.L. 2016-124.

32 b. Section 1(3) of S.L. 2017-119.

33 c. Funds remaining in the Committee Report as referenced in Section 6.1
34 of S.L. 2018-136.

35 d. Section 1.3(3) of S.L. 2018-138.

36 e. Section 5.9A(c)(2) of S.L. 2021-180.

37 (2) \$3,739,701 from The University of North Carolina System from funds
38 remaining in the Committee Report as referenced in Section 6.1 of S.L.
39 2018-136.

40 (3) \$2,174,372 from the Department of Health and Human Services from funds
41 remaining in the Committee Report as referenced in Section 6.1 of S.L.
42 2018-136.

43 (4) \$700,314 from the Department of Public Safety, Division of Emergency
44 Management:

45 a. Section 4.1(2) of S.L. 2016-124.

46 b. Section 5.6(b)(2)d. of S.L. 2018-5.

47 c. Section 2.1(7)b. of S.L. 2019-224.

48 d. Section 1.2(2)a. of S.L. 2019-250.

49 (5) \$673,613 from the Department of Insurance from funds remaining in the
50 Committee Report as referenced in Section 6.1 of S.L. 2018-136.

51 (6) \$480,846 from the North Carolina Community College System:

- 1 a. Section 1(4) of S.L. 2017-119.
- 2 b. Section 5.3(f) of S.L. 2018-136.
- 3 c. Funds remaining in the Committee Report as referenced in Section 6.1
- 4 of S.L. 2018-136.
- 5 d. Section 2.1(1) of S.L. 2019-224.
- 6 (7) \$59,393 from the Department of Environmental Quality:
- 7 a. Section 1.3(5) of S.L. 2018-138.
- 8 b. Section 1.2(9) of S.L. 2019-250.
- 9 (8) \$4,203 from the North Carolina Office of Recovery and Resiliency from
- 10 Section 2.1(4)c. of S.L. 2019-224.

11 **SECTION 5.6.(b)** Section 5.9(a) of S.L. 2021-180 reads as rewritten:

12 "**SECTION 5.9.(a)** Allocations. – The funds appropriated in Section 2.2(j) of this act for
13 disaster relief, recovery, mitigation, and resiliency shall be allocated as follows:

- 14 ...
- 15 (5) \$25,000,000 to the Office of State Budget and Management for Golden
16 L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit
17 corporation, to establish and administer the Small Project Mitigation and
18 Recovery Program (Program) in accordance with this subdivision. The
19 Program shall disburse grants up to ~~two hundred fifty thousand dollars~~
20 ~~(\$250,000)~~ two million dollars (\$2,000,000) to units of local government for
21 flood mitigation and recovery projects. These funds may be used for planning
22 or as matching funds when applicable.

23"

24 **SECTION 5.6.(c)** Previous Allocations Reversion Modification. – Notwithstanding
25 Sections 5.9(b) and 5.9A(e) of S.L. 2021-180, funds allocated in Sections 5.9 and 5.9A of S.L.
26 2021-180, as amended by Section 1.4 of S.L. 2021-189, Section 1.2 of S.L. 2022-6, and Section
27 5.4 of S.L. 2022-74, shall not revert to the Disaster Relief and Mitigation Fund, but instead shall
28 revert to the State Emergency Response and Disaster Relief Fund. The funds allocated in Section
29 5.9(a)(7) and Section 5.9(a)(30)l. of S.L. 2021-180, as amended, shall not revert until June 30,
30 2024. The funds subject to Section 5.9A(e) of S.L. 2021-180 shall remain available for
31 expenditure and shall not revert until November 1, 2026.

32 **SECTION 5.6.(d)** Stoney Creek Allocation Transfer. – The State Controller shall
33 transfer the allocation of five million dollars (\$5,000,000) under Section 5.9(a)(23) of S.L.
34 2021-180 for Stoney Creek acquisitions from the North Carolina Office of Recovery and
35 Resiliency to the Department of Environmental Quality for the same purpose.

36 **SECTION 5.6.(e)** Mitigation Buyouts Modification. – The funds allocated to the
37 Department of Public Safety, Office of Recovery and Resiliency (NCORR), under Section
38 2.1(4)a. of S.L. 2019-224, as amended, for mitigation buyouts and other various purposes shall
39 be instead used by NCORR for mitigation buyouts, relocations, rehabilitations, reconstructions,
40 and for the purchase of manufactured housing units in order to serve homeowners and
41 communities affected by Hurricanes Matthew and Florence.

42 **SECTION 5.6.(f)** Allocations. – The funds appropriated in Section 2.2(e) of this act
43 for disaster relief, recovery, mitigation, and resiliency shall be allocated as follows:

- 44 (1) \$25,000,000 to the Department of Public Safety, Division of Emergency
45 Management, for the Transportation Infrastructure Resiliency Fund.
- 46 (2) \$20,000,000 to the Department of Agriculture and Consumer Services to be
47 used for the Streamflow Rehabilitation Assistance Program for purposes
48 consistent with Article 6 of Chapter 139 of the General Statutes.
- 49 (3) \$10,000,000 to the Department of Environmental Quality, Division of Coastal
50 Management, for the Resilient Coastal Communities Program.

- 1 (4) \$10,000,000 to the Wildlife Resources Commission for the Lake
2 Mattamuskeet outfall canal.
- 3 (5) \$7,500,000 to the Department of Environmental Quality to provide directed
4 grants to North Carolina Coastal Federation, Inc. (Federation), a nonprofit
5 corporation, for the following purposes:
- 6 a. \$5,000,000 for the Stormwater Retrofit Pilot Cost-Share Program, in
7 accordance with subsection (g) of this section.
- 8 b. \$2,000,000 for living shoreline projects sponsored by a unit of local
9 government that is or is in a coastal county and matches for federal or
10 private funds provided to the Federation or a unit of local government
11 for those projects.
- 12 c. \$500,000 for (i) the Federation's Lost Fishery Gear Recovery Program,
13 which employs coastal fishermen and other private partners to remove
14 debris from coastal waters and (ii) the investigation, removal, and
15 disposal of abandoned and derelict vessels in public trust waters of the
16 State located in coastal counties. For purposes of this sub-subdivision,
17 the phrase "abandoned and derelict vessel" has the meaning set forth
18 in subdivision 2.1(10) of S.L. 2019-224, as rewritten by Section 4 of
19 S.L. 2020-74. The Federation may use these funds to contract with any
20 federal or State agency or unit of local government or to match federal
21 grant funds.
- 22 (6) \$1,975,812 to the Department of Environmental Quality to provide funding
23 across the fiscal biennium for six time-limited positions to implement the
24 Flood Resiliency Blueprint as set forth in Section 5.9(c) of S.L. 2021-180, as
25 amended.
- 26 (7) \$1,000,000 to the Office of State Budget and Management to provide a grant
27 to the North Carolina Insurance Underwriting Association for the Coastal
28 Resilient Roof Grant Pilot Program, consistent with the purposes set forth in
29 Section 5.9(i) of S.L. 2021-180.
- 30 (8) \$1,000,000 to the Office of State Budget and Management to provide a
31 directed grant to the North Carolina Resource Conservation and Development
32 Association for flood mitigation projects.

33 **SECTION 5.6.(g)** Stormwater Retrofit Pilot Cost-Share Program. – The North
34 Carolina Coastal Federation, Inc., a nonprofit corporation, shall establish the Stormwater Retrofit
35 Pilot Cost-Share Program. The Federation shall adopt guidelines to administer the Program and
36 consult with the Department of Environmental Quality in the development of the Program. The
37 purpose of the Program is to provide grants to eligible permittees. Grants are limited to
38 stormwater permittees who demonstrate that they would experience a significant economic
39 hardship based on such factors as the Department of Environmental Quality may specify in
40 financing upgrades and repairs to their stormwater control measures to meet the more stringent
41 of (i) current standards if the permittee was building a new system or (ii) the terms of the permit.
42 The Coastal Federation shall report to the chairs of the Joint Legislative Oversight Committee on
43 Agriculture and Natural and Economic Resources by March 1, 2024, on the implementation of
44 this Program. The report shall include, at a minimum, the continued need for the pilot program
45 to operate through the 2024-2025 fiscal year and whether the Program should be expanded or
46 terminated.

47 **SECTION 5.6.(h)** Allocation Reporting Requirements. – The Office of State Budget
48 and Management shall report to the chairs of the House Appropriations Committee on
49 Agriculture and Natural and Economic Resources and Senate Appropriations Committee on
50 Agriculture, Natural, and Economic Resources and to the Fiscal Research Division of the General
51 Assembly on the implementation of this section on a quarterly basis and shall also provide any

1 additional reports or information requested by the Fiscal Research Division. Each report required
2 by this section shall include information about all funds expended or encumbered pursuant to this
3 section as of the date of the report, regardless of which State agency, federal agency, or non-State
4 entity administers the funds. Non-State entities that administer or receive any funds appropriated
5 in this section shall assist and fully cooperate with the Office of State Budget and Management
6 in meeting the Office's obligations under this section.

7 **SECTION 5.6.(i) Limitation on Funds.** – The Governor may not use the funds
8 described in this section to make budget adjustments under G.S. 143C-6-4 or to make
9 reallocations under G.S. 166A-19.40(c). Nothing in this section shall be construed to prohibit the
10 Governor from exercising the Governor's authority under these statutes with respect to funds
11 other than those described in this section.

12 The Governor shall also ensure that funds allocated in this section are expended in a
13 manner that does not adversely affect any person's or entity's eligibility for federal funds that are
14 made available, or that are anticipated to be made available, as a result of natural disasters. The
15 Governor shall also, to the extent practicable, avoid using State funds to cover costs that will be,
16 or likely will be, covered by federal funds.

17 18 **STATE BUDGET ACT/FUNDS CARRYFORWARD**

19 **SECTION 5.7.(a)** G.S. 143C-1-1 reads as rewritten:

20 **"§ 143C-1-1. Purpose and definitions.**

21 ...

22 (d) Definitions. – The following definitions apply in this Chapter:

23 (1) Appropriation. – An enactment by the General Assembly authorizing the
24 withdrawal of money from the State treasury. An enactment by the General
25 Assembly that authorizes, specifies, or otherwise provides that funds may be
26 used for a particular purpose is not an appropriation.

27 ...

28 (6a) Carryforward. – The balance of a General Fund operating budget
29 appropriation which would otherwise revert at the close of the fiscal year but
30 instead is made available in the succeeding fiscal year as is specified in law or
31 to liquidate an encumbrance of the prior fiscal year. Funds may not be carried
32 forward for any other purpose.

33 ...

34 (12) Encumbrance. – A financial obligation created by a purchase order, contract,
35 ~~salary commitment~~, unearned or prepaid collections for services provided by
36 the State, or other legally binding agreement.

37"

38 **SECTION 5.7.(b)** Part 1 of Article 6 of Chapter 143C of the General Statutes is
39 amended by adding a new section to read:

40 **"§ 143C-6-4.1. Carryforward of funds.**

41 (a) Unless otherwise specified by law, funds carried forward at the end of the fiscal year
42 may only be spent in the succeeding fiscal year for the purpose for which they were carried
43 forward. Carryforward funds that have not been liquidated in the year in which they were carried
44 forward shall revert at the end of the fiscal year.

45 (b) Unless otherwise specified by law, funds carried forward under this authorization may
46 not be transferred, or otherwise moved, out of the General Fund.

47 (c) Funds carried forward to support encumbrances are subject to cash availability."

48 49 **MEDICAL FREEDOM/COVID-19 VACCINATIONS**

50 **SECTION 5.8.(a)** Article 10 of Chapter 143 of the General Statutes is amended by
51 adding a new section to read:

1 **"§ 143-162.6. Discrimination against persons based on refusal of COVID-19 vaccination**
2 **and exemption.**

3 (a) No State agency, city, county, or political subdivision of the State shall deny or refuse
4 employment to any person or discharge any person from employment due to the person's refusal
5 to provide proof of a COVID-19 vaccination or the person's refusal to submit to a COVID-19
6 vaccination or a series of COVID-19 vaccinations, unless the exemption in subsection (c) of this
7 section applies. This section shall not be construed to prevent the person from being discharged
8 for cause. As used in this section, the term "COVID-19" means the coronavirus disease of 2019.

9 (b) No State agency, city, county, or political subdivision of the State shall discriminate
10 or take any retaliatory action against an employee because the employee in good faith does or
11 threatens to file a claim or complaint; initiate any inquiry, investigation, inspection, proceeding,
12 or other action; or testify or provide information to any person with respect to the provisions of
13 subsection (a) of this section.

14 (c) An exemption to subsections (a) and (b) of this section applies to the following:

15 (1) Any employee, vendor, volunteer, trainee, or student that is required by a
16 facility certified by the Centers for Medicare and Medicaid Services to show
17 proof of a COVID-19 vaccination, or to submit to a COVID-19 vaccination
18 or COVID-19 series of vaccinations.

19 (2) An employee employed by any entity that receives federal funding if
20 complying with subsection (a) or (b) of this section would result in the loss of
21 that federal funding.

22 (3) An employee employed by the Department of Health and Human Services in
23 the Division of State Operated Healthcare Facilities if the Department requires
24 the COVID-19 vaccination or series of vaccinations for that employee."

25 **SECTION 5.8.(b)** Part 2 of Article 6 of Chapter 130A of the General Statutes is
26 amended by adding a new section to read:

27 **"§ 130A-158.3. COVID-19 vaccination requirement prohibited; exemption.**

28 (a) Notwithstanding any provision of this Chapter or Chapter 166A of the General
29 Statutes to the contrary, no State or local public health agency or public health official may
30 require any person, including an applicant for employment or an employee, to provide proof of
31 a COVID-19 vaccination or to submit to a COVID-19 vaccination or series of COVID-19
32 vaccinations unless the exemption in subsection (b) of this section applies. For purposes of this
33 section, the following definitions apply:

34 (1) Applicant for employment. – Any person who seeks to be permitted, required,
35 or directed by a State or local public health agency, or any person employed
36 by a State or local public health agency, to engage in employment in
37 consideration of direct or indirect gain or profit.

38 (2) COVID-19. – The coronavirus disease of 2019.

39 (3) Employee. – Any individual employed by a State or local public health
40 agency.

41 (4) State or local public health agency. – Includes the following:

42 a. The Department or any of its divisions.

43 b. The Commission for Public Health or any district created by the
44 Commission pursuant to subsection (d) of G.S. 130A-29.

45 c. A local health department as defined in subdivision (5) of
46 G.S. 130A-2.

47 (5) State or local public health official. – Includes the following:

48 a. The Secretary or a designee.

49 b. The State Health Director or a designee.

50 c. The head of any State or local public health agency or a designee.

51 (b) An exemption to subsection (a) of this section applies to the following:

- 1 (1) Any employee, vendor, volunteer, trainee, or student that is required by a
2 facility certified by the Centers for Medicare and Medicaid Services to show
3 proof of a COVID-19 vaccination, or to submit to a COVID-19 vaccination
4 or COVID-19 series of vaccinations.
- 5 (2) An employee employed by any entity that receives federal funding if
6 complying with subsection (a) of this section would result in the loss of that
7 federal funding.
- 8 (3) An employee employed by the Department of Health and Human Services in
9 the Division of State Operated Healthcare Facilities if the Department requires
10 the COVID-19 vaccination or series of vaccinations for that employee."

11 **SECTION 5.8.(c)** Article 23 of Chapter 153A of the General Statutes is amended by
12 adding a new section to read:

13 "§ 153A-461. COVID-19 vaccination requirement prohibited; exemption.

14 (a) No county may require any person, including an applicant for employment or an
15 employee, to provide proof of a COVID-19 vaccination or to submit to a COVID-19 vaccination
16 or a series of COVID-19 vaccinations, unless the exemption in subsection (b) of this section
17 applies. For purposes of this section, the following definitions apply:

- 18 (1) Applicant for employment. – Any person who seeks to be permitted, required,
19 or directed by a county or any person employed by a county to engage in
20 employment in consideration of direct or indirect gain or profit.
- 21 (2) COVID-19. – The coronavirus disease of 2019.
- 22 (3) Employee. – As defined in G.S. 153A-99(b)(1).

23 (b) An exemption to subsection (a) of this section applies to the following:

- 24 (1) Any employee, vendor, volunteer, trainee, or student that is required by a
25 facility certified by the Centers for Medicare and Medicaid Services to show
26 proof of a COVID-19 vaccination, or to submit to a COVID-19 vaccination
27 or COVID-19 series of vaccinations.
- 28 (2) An employee employed by any entity that receives federal funding if
29 complying with subsection (a) of this section would result in the loss of that
30 federal funding.
- 31 (3) An employee employed by the Department of Health and Human Services in
32 the Division of State Operated Healthcare Facilities if the Department requires
33 the COVID-19 vaccination or series of vaccinations for that employee."

34 **SECTION 5.8.(d)** Article 21 of Chapter 160A of the General Statutes is amended
35 by adding a new section to read:

36 "§ 160A-499.6. COVID-19 vaccination; requirement prohibited and exemption.

37 (a) No city may require any person, including an applicant for employment or an
38 employee, to provide proof of a COVID-19 vaccination or to submit to a COVID-19 vaccination
39 or a series of COVID-19 vaccinations, unless the exemption in subsection (b) of this section
40 applies. For purposes of this section, the following definitions apply:

- 41 (1) Applicant for employment. – Any person who seeks to be permitted, required,
42 or directed by a city or any person employed by a city to engage in
43 employment in consideration of direct or indirect gain or profit.
- 44 (2) COVID-19. – The coronavirus disease of 2019.
- 45 (3) Employee. – As defined in G.S. 160A-169(b)(1).

46 (b) An exemption to subsection (a) of this section applies to the following:

- 47 (1) Any employee, vendor, volunteer, trainee, or student that is required by a
48 facility certified by the Centers for Medicare and Medicaid Services to show
49 proof of a COVID-19 vaccination, or to submit to a COVID-19 vaccination
50 or COVID-19 series of vaccinations.

1 (2) An employee employed by any entity that receives federal funding if
2 complying with subsection (a) of this section would result in the loss of that
3 federal funding.

4 (3) An employee employed by the Department of Health and Human Services in
5 the Division of State Operated Healthcare Facilities if the Department requires
6 the COVID-19 vaccination or series of vaccinations for that employee."

7 **SECTION 5.8.(e)** G.S. 130A-152 reads as rewritten:

8 **"§ 130A-152. Immunization required.**

9 (a) Every child present in this State shall be immunized against diphtheria, tetanus,
10 whooping cough, poliomyelitis, red measles (rubeola) and rubella. In addition, except as
11 provided in subsection (f) of this section, every child present in this State shall be immunized
12 against any other disease upon a determination by the Commission that the immunization is in
13 the interest of the public health. Every parent, guardian, person in loco parentis and person or
14 agency, whether governmental or private, with legal custody of a child shall have the
15 responsibility to ensure that the child has received the required immunization at the age required
16 by the Commission. If a child has not received the required immunizations by the specified age,
17 the responsible person shall obtain the required immunization for the child as soon as possible
18 after the lack of the required immunization is determined.

19 ...

20 (f) Notwithstanding this section or other applicable State law, the Commission for Public
21 Health, public school units, community colleges, and constituent institutions of The University
22 of North Carolina are prohibited from requiring a student to provide proof of vaccination against
23 the coronavirus disease of 2019 (COVID-19) or to submit to a COVID-19 vaccination or series
24 of COVID-19 vaccinations unless the requirement for vaccination or proof of vaccination is
25 required for participating in a program of study, or fulfilling education requirements for a
26 program, that requires working, volunteering, or training in a facility certified by the Centers for
27 Medicare and Medicaid Services."

28 **SECTION 5.8.(f)** This section becomes effective January 1, 2024.

30 **PART VI. COMMUNITY COLLEGE SYSTEM**

32 **SURRY COMMUNITY COLLEGE NORTHERN REGIONAL HOSPITAL MOU**

33 **SECTION 6.1.** Of the funds appropriated in this act from the General Fund to the
34 Community Colleges System Office for the 2023-2024 fiscal year, the System Office shall
35 allocate the sum of one million dollars (\$1,000,000) in recurring funds to Surry Community
36 College to enter into a memorandum of understanding (MOU) with Northern Regional Hospital
37 in Mount Airy, North Carolina, to train and employ up to eight licensed nurse educators each
38 year. Nurse educators employed by Northern Regional Hospital with these funds shall provide
39 clinical instruction services for nursing students on a full-time basis for affiliated nursing
40 programs.

42 **HIGH-COST WORKFORCE PROGRAMS START-UP FUNDS**

43 **SECTION 6.2.(a)** Establishment of the Fund. – Of the funds appropriated in this act
44 from the ARPA Temporary Savings Fund to the Community Colleges System Office for the
45 2023-2025 fiscal biennium, the System Office shall establish the Fund for High-Cost Workforce
46 Programs (Fund). The Fund shall be used to assist community colleges in starting new programs
47 in high-demand career fields that require significant start-up funds. Monies shall be allocated
48 from the fund in each fiscal year of the 2023-2025 fiscal biennium for high-demand career fields
49 offered at community colleges as follows:

50 (1) At least ten million dollars (\$10,000,000) for nursing programs.

51 (2) Any remaining funds for Tier 1A and Tier 1B programs.

1 **SECTION 6.2.(b)** Applications. – The System Office shall establish an application
2 process for community colleges to apply for awards from the Fund no later than the beginning of
3 each fiscal year of the 2023-2025 fiscal biennium. To be eligible to receive funds, colleges shall
4 submit to the System Office a completed application, which shall include at least the following
5 information:

- 6 (1) A description of the proposed new program requiring start-up funds.
- 7 (2) Documentation of industry demand for the program or documentation of
8 future local, regional, or statewide employment needs that will be met by the
9 program.
- 10 (3) Total cash cost to start the program and maintain the program over two fiscal
11 years.
- 12 (4) A plan for the fiscal sustainability of the new program.

13 **SECTION 6.2.(c)** Limitation on the Use of Funds. – A community college may only
14 apply for the award of funds to support one new program in each fiscal year. Funds shall remain
15 available to the community college for a period of two fiscal years. The award of funds to a
16 community college from the Fund shall not exceed one million dollars (\$1,000,000).

17 **SECTION 6.2.(d)** Matching Funds. – A community college shall be required to
18 match a percentage of the total cash cost of the program with non-State funds based on a college's
19 total full-time equivalents (FTE) according to the following:

- 20 (1) Community colleges with a total FTE of greater than 6,500 shall be required
21 to match fifteen percent (15%) of the cost.
- 22 (2) Community colleges with a total FTE between 2,500 and 6,500 shall be
23 required to match ten percent (10%) of the cost.
- 24 (3) Community colleges with a total FTE below 2,500 shall be required to match
25 five percent (5%) of the cost.

26 **SECTION 6.2.(e)** Administration. – The System Office may adopt any regulations,
27 policies, or procedures regarding the application process, use of funds, eligibility requirements,
28 and any other rules necessary related to the administration of the Fund. The System Office may
29 use up to one hundred thousand dollars (\$100,000) each fiscal year for administrative costs for
30 establishing and implementing the program.

31 **SECTION 6.2.(f)** Report. – The System Office shall submit an initial report to the
32 Joint Legislative Education Oversight Committee by December 1, 2024, and an annual report
33 thereafter for each year the System Office provides funds to community colleges from the Fund
34 on the programs receiving the funds, which shall include at least the following information:

- 35 (1) The community colleges that received funds, the amount of funds, and the
36 types of programs started.
- 37 (2) The use of funds by community colleges receiving awards, including costs
38 associated with student instruction, faculty salaries, instructional supplies,
39 related instructional equipment, and accreditation costs.
- 40 (3) Evaluation of the success of the new community college programs receiving
41 funds.

42 43 **REPORT ON CERTAIN RECURRING PROGRAMS**

44 **SECTION 6.3.** Article 4A of Chapter 115D of the General Statutes is amended by
45 adding a new section to read:

46 **"§ 115D-58.17. Report on certain recurring programs.**

47 (a) No later than February 15, 2024, and annually thereafter, the State Board of
48 Community Colleges shall report to the Joint Legislative Education Oversight Committee on
49 outcomes related to the following recurring programs:

- 50 (1) Minority male mentoring programs, including the Minority Male Success
51 Initiative.

- 1 (2) The Rowan-Cabarrus Community College Biotechnology Training Center
 2 and Greenhouse at the North Carolina Research Campus in Kannapolis.
 3 (b) Each report required pursuant to this section shall include at least the following
 4 information from the prior fiscal year:
 5 (1) Program activities, objectives, and accomplishments.
 6 (2) Itemized expenditures and fund sources.
 7 (3) The impact of the program on its intended purpose."

8
 9 **PERMIT STATE BOARD OF COMMUNITY COLLEGES TO WAIVE FEES FOR**
 10 **WORKFORCE CONTINUING EDUCATION PROGRAMS**

11 **SECTION 6.4.(a)** G.S. 115D-5(b) reads as rewritten:

12 (b) In order to make instruction as accessible as possible to all citizens, the teaching of
 13 curricular courses and of noncurricular extension courses at convenient locations away from
 14 institution campuses as well as on campuses is authorized and shall be encouraged. A pro rata
 15 portion of the established regular tuition rate charged a full-time student shall be charged a
 16 part-time student taking any curriculum course. In lieu of any tuition charge, the State Board of
 17 Community Colleges shall establish a uniform registration fee, or a schedule of uniform
 18 registration fees, to be charged students enrolling in extension courses for which instruction is
 19 financed primarily from State funds. The State Board of Community Colleges may provide by
 20 general and uniform regulations for waiver of tuition and registration fees for the following:

- 21 (1) Persons not enrolled in elementary or secondary schools taking courses
 22 leading to a high school diploma or equivalent certificate.
 23 (2) Courses requested by the following entities that support the organizations'
 24 training needs and are on a specialized course list approved by the State Board
 25 of Community Colleges:
 26 a. Volunteer fire departments.
 27 b. Municipal, county, or State fire departments.
 28 c. Volunteer EMS or rescue and lifesaving departments.
 29 d. Municipal, county, or State EMS or rescue and lifesaving departments.
 30 D1. Law enforcement, fire, EMS or rescue and lifesaving entities serving
 31 a lake authority that was created by a county board of commissioners
 32 prior to July 1, 2012.
 33 e. Radio Emergency Associated Communications Teams (REACT)
 34 under contract to a county as an emergency response agency.
 35 f. Municipal, county, or State law enforcement agencies.
 36 F1. Campus police agencies of private institutions of higher education
 37 certified by the Attorney General pursuant to Chapter 74G of the
 38 General Statutes.
 39 g. The Division of Prisons of the Department of Adult Correction and the
 40 Division of Juvenile Justice of the Department of Public Safety for the
 41 training of full-time custodial employees and employees of the
 42 Divisions required to be certified under Article 1 of Chapter 17C
 43 of the General Statutes and the rules of the Criminal Justice and Training
 44 Standards Commission.
 45 h. Repealed by Session Laws 2017-186, s. 2(hhhhh), effective December
 46 1, 2017.
 47 i. The Eastern Band of Cherokee Indians law enforcement, fire, EMS or
 48 rescue and lifesaving tribal government departments or programs.
 49 j. The Criminal Justice Standards Division of the Department of Justice
 50 for the training of criminal justice professionals, as defined in
 51 G.S. 17C-20(6), who are required to be certified under (i) Article 1 of

Chapter 17C of the General Statutes and the rules of the North Carolina Criminal Justice Education and Training Standards Commission or (ii) Chapter 17E of the General Statutes and the rules of the North Carolina Sheriffs' Education and Training Standards Commission. The waivers provided for in this sub-subdivision apply to participants and recent graduates of the North Carolina Criminal Justice Fellows Program to obtain certifications for eligible criminal justice professions as defined in G.S. 17C-20(6).

- (2a) Firefighters, EMS personnel, and rescue and lifesaving personnel whose duty station is located on a military installation within North Carolina for courses that support their organizations' training needs and are approved for this purpose by the State Board of Community Colleges.
- (3) Repealed by Session Laws 2011-145, s. 8.12(a), effective July 1, 2011.
- (4) Trainees enrolled in courses conducted under the Customized Training Program.
- (5) through (9) Repealed by Session Laws 2011-145, s. 8.12(a), effective July 1, 2011.
- (10) Elementary and secondary school employees enrolled in courses in first aid or cardiopulmonary resuscitation (CPR).
- (11) Repealed by Session Laws 2013-360, s. 10.6, effective July 1, 2013.
- (12) All courses taken by high school students at community colleges, in accordance with G.S. 115D-20(4) and this section.
- (13) Human resources development courses for any individual who (i) is unemployed; (ii) has received notification of a pending layoff; (iii) is working and is eligible for the Federal Earned Income Tax Credit (FEITC); or (iv) is working and earning wages at or below two hundred percent (200%) of the federal poverty guidelines.
- (14) Repealed by Session Laws 2011-145, s. 8.12(a), effective July 1, 2011.
- (15) Courses providing employability skills, job-specific occupational or technical skills, or developmental education instruction to certain students who are concurrently enrolled in an eligible community college literacy course, in accordance with rules adopted by the State Board of Community Colleges.
- (16) Courses provided to students who are participating in a pre-apprenticeship or apprenticeship program that meets all of the following criteria:
- a. Meets one of the following:
 1. Is a registered apprenticeship program recognized by the United States Department of Labor.
 2. Is a pre-apprenticeship program recognized and approved by the State agency administering the statewide apprenticeship program.
 - b. Has a documented plan of study with courses relating to a job-specific occupational or technical skill.
 - c. Requires the participants in the program to be North Carolina high school students when entering the program.
- (17) Courses provided to students in workforce continuing education programs.

The State Board of Community Colleges shall not waive tuition and registration fees for other individuals."

SECTION 6.4.(b) Beginning in the 2024-2025 fiscal year, the Community Colleges System Office shall incorporate any losses in estimated receipts resulting from the waiver provided pursuant to subsection (a) of this section into its enrollment funding model without reducing its total requirements.

1
2 **NC COMMUNITY COLLEGE SHORT-TERM WORKFORCE DEVELOPMENT**
3 **GRANTS**

4 **SECTION 6.5.** Article 1 of Chapter 115D of the General Statutes is amended by
5 adding a new section to read:

6 **"§ 115D-5.1A. Short-Term Workforce Development Grant Program.**

7 (a) Program Established. – There is established the North Carolina Community College
8 Short-Term Workforce Development Grant Program (Program) to be administered by the State
9 Board of Community Colleges. The State Board shall adopt rules for the disbursement of the
10 grants pursuant to this section.

11 (b) Programs of Study. – The State Board of Community Colleges, in collaboration with
12 the Department of Commerce, shall determine the eligible programs of study for the Program,
13 according to the occupations that are in the highest demand in the State. The eligible programs
14 of study shall include programs such as architecture and construction, health sciences,
15 information technology, electrical line worker, and manufacturing programs and may include
16 other programs to meet local workforce needs.

17 (c) Award Amounts. – To the extent funds are made available for the Program, the State
18 Board of Community Colleges shall award grants in an amount of up to seven hundred fifty
19 dollars (\$750.00) to students pursuing short-term, noncredit State and industry workforce
20 credentials. The State Board of Community Colleges shall establish criteria for initial and
21 continuing eligibility for students. At a minimum, students shall be required to qualify as a
22 resident for tuition purposes under the criteria set forth in G.S. 116-143.1 and in accordance with
23 the coordinated and centralized residency determination process administered by the State
24 Education Assistance Authority.

25 (d) Report. – The State Board shall submit a report by April 1, 2024, and annually
26 thereafter, on the Program to the Joint Legislative Education Oversight Committee and the Fiscal
27 Research Division. The report shall contain, for each academic year and by programs of study,
28 the amount of grant funds disbursed and the number of eligible students receiving funds."
29

30 **WORKFORCE DIPLOMA PROGRAM/GRADUATION ALLIANCE**

31 **SECTION 6.6.(a)** Program. – Of the funds appropriated in this act from the ARPA
32 Temporary Savings Fund to the Community Colleges System Office for each year of the
33 2023-2025 fiscal biennium for Graduation Alliance, the System Office shall contract with
34 Graduation Alliance, Inc., to establish the Workforce Diploma Program (Program) to assist adults
35 who are 21 years of age and older to obtain a high school diploma and develop employability
36 and career and technical skills. Funds shall be provided to Graduation Alliance, Inc., based on
37 the completion of milestones by each student served by the Program. The Program shall do at
38 least the following:

- 39 (1) Provide one or more courses that help students obtain a high school diploma
40 and enter or advance within a specific occupation or occupational cluster.
- 41 (2) Assist students in obtaining employment, including resume development and
42 mock interviews.
- 43 (3) Include at least the following:
- 44 a. Proactive communication with students regarding their pace and
45 progress through learning plans.
- 46 b. A plan for courses and credits needed for each student that integrates
47 graduation requirements and career goals.
- 48 c. Mentoring services.
- 49 d. Milestone tracking.
- 50 e. Academic skill intake assessments and transcript evaluations.
- 51 f. A catalogue of courses necessary to meet graduation requirements.

- g. Remediation opportunities in literacy and numeracy.
- h. Employability skills certifications.
- i. Preparation for workforce credentials.
- j. Career advising services.

SECTION 6.6.(b) Report. – The State Board of Community Colleges, in consultation with Graduation Alliance, Inc., shall submit a report by August 15, 2024, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division on the impact of the Program, including at least the following information:

- (1) The number of participants.
- (2) The number of credits earned by participants.
- (3) The number of employability skills certifications issued to participants.
- (4) The number and type of workforce credentials earned by participants.
- (5) The number of participants who received a high school diploma.
- (6) The average funding provided per participant who received a high school diploma, credit, employability skills certification, or workforce credential.
- (7) The percentage of participants who received a high school diploma, credit, employability skills certification, or workforce credential.

EXPANSION OF APPRENTICESHIP PROGRAMS FOR SMALL BUSINESSES/HIGH-DEMAND TRADES

SECTION 6.7.(a) Program Established. – Of the nonrecurring funds appropriated in this act for the 2023-2024 fiscal year from the ARPA Temporary Savings Fund to the Community Colleges System Office for expansion of apprenticeship programs, the System Office shall establish a temporary program to expand apprenticeship opportunities for high school apprentices and non-high school apprentices between the ages of 16 and 25 by providing incentives for small businesses in high-demand fields and careers, including, but not limited to, surveying, engineering, design, and all construction trades, as well as welding, pipe fitting, and engine mechanics. The program shall provide for small businesses to participate in apprenticeships to meet business needs, assist with financial challenges and employment demands in their local communities, and provide opportunities for apprenticeships that will lead to certifications, licensing, or an associate degree in a career field and full-time employment. Funds for the grant program shall be used to award grants to reimburse employers for the costs associated with new apprentices within a Registered Apprenticeship with ApprenticeshipNC and for tuition, fees, and cost of books for curriculum programs and short-term workforce credentials in accordance with this section. For the purposes of this section, a small business shall mean a business concern or other organization that (i) has no more than 500 employees or, if applicable, the size standard in number of employees established by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates and (ii) is a small business concern as defined in section 3 of the Small Business Act, 15 U.S.C. § 632.

SECTION 6.7.(b) Use of Funds. – The System Office shall administer the grant program established under subsection (a) of this section for applicants that are small business employers located in development tier one and development tier two areas as designated in the annual ranking performed by the Department of Commerce pursuant to G.S. 143B-437.08 for the 2020 calendar year. The funds appropriated for the program shall be allocated by the System Office to grant recipients as follows:

- (1) Forty percent (40%) of the funds shall be allocated for apprenticeship programs for apprentices that are enrolled in curriculum degree programs.
- (2) Fifteen percent (15%) of the funds shall be allocated for apprenticeship programs for apprentices that are high school students.
- (3) The remaining funds shall be allocated for apprenticeship programs for apprentices pursuing short-term workforce credentials.

1 Recipients of grants may be reimbursed for up to two thousand dollars (\$2,000) each
2 fiscal year in program expenses, including costs for purchasing program equipment and for costs
3 associated with payroll, mentor stipends, insurance, training, uniforms, and safety equipment.
4 For apprentices enrolled in curriculum degree programs and short-term workforce courses, up to
5 two thousand five hundred dollars (\$2,500) in grant funds may be used each fiscal year to cover
6 the cost of tuition, fees, and books for apprentices enrolled at community colleges. Grant funds
7 may also be used to cover the costs of the salary of apprentices upon matching funds being made
8 available by a grant recipient in accordance with subsection (c) of this section. Apprentices
9 participating in the grant program paid with matching State funds shall be limited to an hourly
10 rate of pay of fifteen dollars (\$15.00) for non-high school students and fourteen dollars (\$14.00)
11 for high school students.

12 **SECTION 6.7.(c) Matching Funds for Apprentices' Salary.** – Funds made available
13 to grant recipients pursuant to this section for the salary costs of apprentices shall be matched on
14 the basis of one dollar (\$1.00) in non-State funds for every one dollar (\$1.00) in State funds.

15 **SECTION 6.7.(d) Time-Limited Position.** – From the funds provided to the System
16 Office pursuant to this section, the System Office may contract for a new, time-limited position
17 through the deadline established for the expenditure of federal funds under federal law and
18 guidance to coordinate and oversee deliverables, daily operations of the grant program, financial
19 management, monitoring and accountability of budget accuracy, and the validity of
20 disbursements.

21 **SECTION 6.7.(e) Marketing.** – Of the nonrecurring funds appropriated in this act
22 for the 2023-2024 fiscal year from the ARPA Temporary Savings Fund to the Community
23 Colleges System Office for expansion of apprenticeship programs, the System Office shall use
24 up to five hundred thousand dollars (\$500,000) for marketing and recruitment to the program.

25 **SECTION 6.7.(f) Report.** – The System Office shall submit a report by October 1,
26 2024, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division
27 on the grant program and the use of funds for each type of apprentice, matching funds provided
28 by grant recipients, as well as salary data, and the amount of funds used for the time-limited
29 position authorized under this section.

30 **EXTEND RISE UP TRAINING AND CREDENTIALING PROGRAM**

31 **SECTION 6.8.** Section 6.8 of S.L. 2021-180, as amended by Section 6.1 of S.L.
32 2022-74, reads as rewritten:

33 **"SECTION 6.8.(a)** The Community Colleges System Office shall partner with the North
34 Carolina Retail Merchants Association and the Retail Consumer Alliance Foundation to
35 implement the RISE Up credentialing program for the 2021-2023 and the 2023-2025 fiscal
36 ~~biennium~~ biennia to teach foundational skills to students attending community colleges and
37 cooperative innovative high schools for career success in the retail industry, customer service,
38 and sales, which may include inventory management and profitability, as well as supply chain
39 warehouse, inventory, and logistics. The RISE Up credentialing program offers all of the
40 following: (i) opportunities for the industry to share the skills valued in job candidates and
41 employees, (ii) valuable skills needed in any industry, particularly customer service, sales, and
42 skills to run a business, (iii) job readiness skills, such as resume preparation, interviewing
43 strategies, professionalism in the workplace, and soft skills, including listening and problem
44 solving, (iv) an understanding of the retail industry and its wide variety of jobs, and (v)
45 preparation for students for the nearly 130,000 retail establishments and more than 1,000,000
46 retail jobs in North Carolina.

47 **"SECTION 6.8.(b)** The RISE Up credentialing program shall be offered to students at
48 community colleges and cooperative innovative high schools through each partner community
49 college with the opportunity for up to four different levels of the RISE Up credentials that include
50 the following:
51

- 1 (1) Retail Industry Fundamentals.
- 2 (2) Customer Service & Sales.
- 3 (3) Operations and Profit.
- 4 (4) Supply Chain: Warehouse, Inventory, & Logistics.

5 **"SECTION 6.8.(c)** The System Office, in collaboration with the North Carolina Retail
6 Merchants Association and the Retail Consumer Alliance Foundation, shall submit an initial
7 report by December 1, 2022, ~~and a final~~ a second report by December 1, 2023, and one or more
8 additional reports annually thereafter while students are participating in the program to the Joint
9 Legislative Education Oversight Committee, the Senate Appropriations Committee on
10 Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal
11 Research Division on the results of implementing the RISE Up credentialing programs, including
12 at least the following information:

- 13 (1) The number of students who received or are in the process of receiving
14 credentials, by type of credential.
- 15 (2) Student outcomes related to the credentialing.
- 16 (3) A list of the community colleges and cooperative innovative high schools
17 participating in the program."
18

19 PART VII. PUBLIC INSTRUCTION

20 CODIFY FUNDING FOR CHILDREN WITH DISABILITIES

21 **SECTION 7.1.** Part 1F of Article 9 of Chapter 115C of the General Statutes is
22 amended by adding a new section to read:

23 **"§ 115C-111.05. Funding for children with disabilities.**

24 To the extent funds are made available for this purpose, the State Board shall allocate funds
25 for children with disabilities to each local school administrative unit on a per child basis. Each
26 local school administrative unit shall receive funds for the lesser of (i) all children who are
27 identified as children with disabilities or (ii) thirteen percent (13%) of its allocated average daily
28 membership in the local school administrative unit for the current school year."
29
30

31 CODIFY FUNDING FOR ACADEMICALLY OR INTELLECTUALLY GIFTED 32 STUDENTS

33 **SECTION 7.2.** Article 9B of Chapter 115C of the General Statutes is amended by
34 adding a new section to read:

35 **"§ 115C-150.10. Funding for academically or intellectually gifted students.**

36 To the extent funds are made available for this purpose, the State Board shall allocate funds
37 for academically or intellectually gifted children on a per child basis. A local school
38 administrative unit shall receive funds for a maximum of four percent (4%) of its allocated
39 average daily membership for the current school year, regardless of the number of children
40 identified as academically or intellectually gifted in the unit."
41

42 CODIFY BOILERPLATE AND CHANGE SMALL COUNTY TIERS

43 **SECTION 7.3.(a)** Chapter 115C of the General Statutes is amended by adding a new
44 Article to read:

45 "Article 32F.

46 "Supplemental School Funding.

47 **"§ 115C-472.17. Supplemental funding in low-wealth counties.**

48 (a) Use of Funds for Supplemental Funding. – To the extent funds are made available for
49 this purpose, all funds received pursuant to this section shall be used only (i) to provide
50 instructional positions, instructional support positions, teacher assistant positions, clerical
51 positions, school computer technicians, instructional supplies and equipment, staff development,

1 and textbooks and digital resources and (ii) for salary supplements for instructional personnel
2 and instructional support personnel. Local boards of education are encouraged to use at least
3 twenty-five percent (25%) of the funds received pursuant to this section to improve the academic
4 performance of children who are performing at Level I or II on either reading or mathematics
5 end-of-grade tests in grades three through eight.

6 (b) Definitions. – As used in this section, the following definitions apply:

7 (1) Anticipated county property tax revenue availability. – The county-adjusted
8 property tax base multiplied by the effective State average tax rate.

9 (2) Anticipated State average revenue availability per student. – The sum of all
10 anticipated total county revenue availability divided by the average daily
11 membership for the State.

12 (3) Anticipated total county revenue availability. – The sum of the following:

13 a. Anticipated county property tax revenue availability.

14 b. Local sales and use taxes received by the county that are levied under
15 Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of
16 Chapter 105 of the General Statutes.

17 c. Fines and forfeitures deposited in the county school fund for the most
18 recent year for which data are available.

19 (4) Anticipated total county revenue availability per student. – The anticipated
20 total county revenue availability for the county divided by the average daily
21 membership of the county.

22 (5) Average daily membership. – Average daily membership as defined in the
23 North Carolina Public Schools Allotment Policy Manual adopted by the State
24 Board of Education. If a county contains only part of a local school
25 administrative unit, the average daily membership of that county includes all
26 students who reside within the county and attend that local school
27 administrative unit.

28 (6) County-adjusted property tax base. – Computed as follows:

29 a. Subtract the present-use value of agricultural land, horticultural land,
30 and forestland in the county, as defined in G.S. 105-277.2, from the
31 total assessed real property valuation of the county.

32 b. Adjust the resulting amount by multiplying by a weighted average of
33 the three most recent annual sales assessment ratio studies.

34 c. Add to the resulting amount the following:

35 1. Present-use value of agricultural land, horticultural land, and
36 forestland, as defined in G.S. 105-277.2.

37 2. Value of property of public service companies, determined in
38 accordance with Article 23 of Chapter 105 of the General
39 Statutes.

40 3. Personal property value for the county.

41 (7) County-adjusted property tax base per square mile. – The county-adjusted
42 property tax base divided by the number of square miles of land area in the
43 county.

44 (8) County wealth as a percentage of State average wealth. – Computed as
45 follows:

46 a. Compute the percentage that the county per capita income is of the
47 State per capita income and weight the resulting percentage by a factor
48 of five-tenths.

49 b. Compute the percentage that the anticipated total county revenue
50 availability per student is of the anticipated State average revenue

- 1 availability per student and weight the resulting percentage by a factor
2 of four-tenths.
- 3 c. Compute the percentage that the county-adjusted property tax base per
4 square mile is of the State-adjusted property tax base per square mile
5 and weight the resulting percentage by a factor of one-tenth.
- 6 d. Add the three weighted percentages to derive the county wealth as a
7 percentage of the State average wealth.
- 8 (9) Effective county tax rate. – The actual county tax rate multiplied by a weighted
9 average of the three most recent annual sales assessment ratio studies.
- 10 (10) Effective State average tax rate. – The average of effective county tax rates
11 for all counties.
- 12 (11) Local current expense funds. – The most recent county current expense
13 appropriations to public schools, as reported by local boards of education in
14 the audit report filed with the Secretary of the Local Government Commission
15 pursuant to G.S. 115C-447.
- 16 (12) Per capita income. – The average for the most recent three years for which
17 data are available of the per capita income according to the most recent report
18 of the United States Department of Commerce, Bureau of Economic Analysis,
19 including any reported modifications for prior years as outlined in the most
20 recent report.
- 21 (13) Sales assessment ratio studies. – Sales assessment ratio studies performed by
22 the Department of Revenue under G.S. 105-289(h).
- 23 (14) State average adjusted property tax base per square mile. – The sum of the
24 county-adjusted property tax bases for all counties divided by the number of
25 square miles of land area in the State.
- 26 (15) State average current expense appropriations per student. – The most recent
27 State total of county current expense appropriations to public schools, as
28 reported by local boards of education in the audit report filed with the
29 Secretary of the Local Government Commission pursuant to G.S. 115C-447.
- 30 (16) Supplant. – To decrease local per student current expense appropriations from
31 one fiscal year to the next fiscal year.
- 32 (17) Weighted average of the three most recent annual sales assessment ratio
33 studies. – The weighted average of the three most recent annual sales
34 assessment ratio studies in the most recent years for which county current
35 expense appropriations and adjusted property tax valuations are available. If
36 real property in a county has been revalued one year prior to the most recent
37 sales assessment ratio study, a weighted average of the two most recent sales
38 assessment ratios shall be used. If property has been revalued the year of the
39 most recent sales assessment ratio study, the sales assessment ratio for the year
40 of revaluation shall be used.
- 41 (c) Eligibility for Funds. – Except as provided in subsection (g) of this section, the State
42 Board of Education shall allocate these funds to local school administrative units located in whole
43 or in part in counties in which the county wealth as a percentage of the State average wealth is
44 less than one hundred percent (100%).
- 45 (d) Allocation of Funds. – Except as provided in subsection (f) of this section, the amount
46 received per average daily membership for a county shall be the difference between the State
47 average current expense appropriations per student and the current expense appropriations per
48 student that the county could provide given the county's wealth and an average effort to fund
49 public schools. To derive the current expense appropriations per student that the county could be
50 able to provide given the county's wealth and an average effort to fund public schools, multiply
51 the county's wealth as a percentage of State average wealth by the State average current expense

1 appropriations per student. The funds for the local school administrative units located in whole
2 or in part in the county shall be allocated to each local school administrative unit located in whole
3 or in part in the county based on the average daily membership of the county's students in the
4 school units. If the funds appropriated for supplemental funding are not adequate to fund the
5 formula fully, each local school administrative unit shall receive a pro rata share of the funds
6 appropriated for supplemental funding.

7 (e) Formula for Distribution of Supplemental Funding Pursuant to this Section Only. –
8 The formula in this section is solely a basis for distribution of supplemental funding for
9 low-wealth counties and is not intended to reflect any measure of the adequacy of the educational
10 program or funding for public schools. The formula is also not intended to reflect any
11 commitment by the General Assembly to appropriate any additional supplemental funds for
12 low-wealth counties.

13 (f) Minimum Effort Required. – A county shall receive full funding under this section if
14 the county (i) maintains an effective county tax rate that is at least one hundred percent (100%)
15 of the effective State average tax rate in the most recent year for which data are available or (ii)
16 maintains a county appropriation per student to the school local current expense fund of at least
17 one hundred percent (100%) of the current expense appropriations per student to the school local
18 current expense fund that the county could provide given the county's wealth and an average
19 effort to fund public schools. A county that maintains a county appropriation per student to the
20 school local current expense fund of less than one hundred percent (100%) of the current expense
21 appropriations per student to the school local current expense fund that the county could provide
22 given the county's wealth and an average effort to fund public schools shall receive funding under
23 this section at the same percentage that the county's appropriation per student to the school local
24 current expense fund is of the current expense appropriations per student to the school local
25 current expense fund that the county could provide given the county's wealth and an average
26 effort to fund public schools.

27 (g) Nonsupplant Requirement. – A county in which a local school administrative unit
28 receives funds under this section shall use the funds to supplement local current expense funds
29 and shall not supplant local current expense funds. The State Board of Education shall not
30 allocate funds under this section to a county found to have used these funds to supplant local per
31 student current expense funds. The State Board of Education shall make a finding that a county
32 has used these funds to supplant local current expense funds in the prior year, or the year for
33 which the most recent data are available, if all of the following criteria apply:

34 (1) The current expense appropriations per student of the county for the current
35 year is less than ninety-five percent (95%) of the average of local current
36 expense appropriations per student for the three prior fiscal years.

37 (2) The county cannot show (i) that it has remedied the deficiency in funding or
38 (ii) that extraordinary circumstances caused the county to supplant local
39 current expense funds with funds allocated under this section.

40 The State Board of Education shall adopt rules to implement the requirements of this
41 subsection.

42 (h) Counties Containing a Base of the Armed Forces. – Notwithstanding any other
43 provision of this section, counties containing a base of the Armed Forces of the United States
44 that have an average daily membership of more than 17,000 students shall receive whichever is
45 the higher amount in each fiscal year as follows: either the amount of supplemental funding the
46 county received as a low-wealth county in the 2012-2013 fiscal year or the amount of
47 supplemental funding the county is eligible to receive as a low-wealth county pursuant to the
48 formula for distribution of supplemental funding under the other provisions of this section.

49 (i) Funds for EVAAS Data. – Notwithstanding the requirements of subsection (a) of this
50 section, local school administrative units may utilize funds allocated under this section to

1 purchase services that allow for extraction of data from the Education Value-Added Assessment
2 System (EVAAS).

3 (j) Reports. – The State Board of Education shall report to the Fiscal Research Division
4 prior to May 15 of each year if it determines that counties have supplanted funds.

5 (k) Department of Revenue Reports. – The Department of Revenue shall provide to the
6 Department of Public Instruction a preliminary report for the current fiscal year of the assessed
7 value of the property tax base for each county prior to March 1 of each year and a final report
8 prior to May 1 of each year. The reports shall include for each county the annual sales assessment
9 ratio and the taxable values of (i) total real property, (ii) the portion of total real property
10 represented by the present use value of agricultural land, horticultural land, and forestland, as
11 defined in G.S. 105-277.2, (iii) property of public service companies determined in accordance
12 with Article 23 of Chapter 105 of the General Statutes, and (iv) personal property.

13 **"§ 115C-472.18. Small county school system supplemental funding.**

14 (a) Allotment Schedule. – Except as otherwise provided in subsection (d) of this section,
15 each eligible county school administrative unit shall receive a dollar allotment according to the
16 following schedule, to the extent funds are made available for this purpose:

<u>Allotted ADM</u>	<u>Small County Allotment</u>
0-1,300	\$2,336,400
1,301-1,700	\$2,286,400
1,701-2,000	\$2,236,400
2,001-2,300	\$2,186,400
2,301-2,600	\$2,136,400
2,601-2,800	\$2,086,400
2,801-3,300	\$2,036,400

25 (b) Phase-Out Provision. – If a local school administrative unit becomes ineligible for
26 funding under the schedule in subsection (a) of this section, funding for that unit shall be phased
27 out over a five-year period. Funding for such local school administrative units shall be reduced
28 in equal increments in each of the five years after the unit becomes ineligible. Funding shall be
29 eliminated in the fifth fiscal year after the school administrative unit becomes ineligible.

30 Allotments for eligible local school administrative units under this subsection shall not be
31 reduced in any fiscal year by more than twenty percent (20%) of the amount received during the
32 fiscal year when the local school administrative unit became ineligible to receive funds under
33 this section. A local school administrative unit shall not become ineligible for funding if either
34 the highest of the first two months' total projected average daily membership for the current year
35 or the higher of the first two months' total prior year average daily membership would otherwise
36 have made the unit eligible for funds under the schedule in subsection (a) of this section.

37 (c) Nonsupplant Requirement. – A county in which a local school administrative unit
38 receives funds under this section shall use the funds to supplement local current expense funds
39 and shall not supplant local current expense funds. The State Board of Education shall not
40 allocate funds under this section to a county found to have used these funds to supplant local per
41 student current expense funds. The State Board of Education shall make a finding that a county
42 has used these funds to supplant local current expense funds in the prior year or the year for
43 which the most recent data are available, if all of the following criteria apply:

- 44 (1) The current expense appropriation per student of the county for the current
45 year is less than ninety-five percent (95%) of the average of local current
46 expense appropriation per student for the three prior fiscal years.
- 47 (2) The county cannot show (i) that it has remedied the deficiency in funding or
48 (ii) that extraordinary circumstances caused the county to supplant local
49 current expense funds with funds allocated under this section.

50 The State Board of Education shall adopt rules to implement the requirements of this
51 subsection.

(d) Reports. – The State Board of Education shall report to the Fiscal Research Division prior to May 15 of each fiscal year if it determines that counties have supplanted funds.

(e) Use of Funds. – Local boards of education are encouraged to use at least twenty percent (20%) of the funds they receive pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades three through eight.

Local school administrative units may also utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

"§ 115C-472.19. Disadvantaged student supplemental funding.

(a) To the extent funds are made available for this purpose, funds appropriated for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to do the following:

- (1) Provide instructional positions or instructional support positions.
- (2) Provide professional development.
- (3) Provide intensive in-school or after-school remediation, or both.
- (4) Purchase diagnostic software and progress-monitoring tools.
- (5) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

The State Board of Education may require local school administrative units receiving funding under the Disadvantaged Student Supplemental Fund to purchase the Education Value-Added Assessment System (EVAAS) in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. This data shall be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for their teachers and administrators.

(b) Disadvantaged student supplemental funding (DSSF) shall be allotted to a local school administrative unit based on (i) the unit's eligible DSSF population and (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

- (1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 1:19.9.
- (2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
- (3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.
- (4) For local school administrative units that received DSSF funds in fiscal year 2005-2006, a ratio of 1:16. These local school administrative units shall receive no less than the DSSF amount allotted in fiscal year 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula as provided for in this Article.

(c) If a local school administrative unit's wealth increases to a level that adversely affects the unit's disadvantaged student supplemental funding (DSSF) allotment ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional fiscal year."

SECTION 7.3.(b) G.S. 115C-472.18(a), as enacted by this section, reads as rewritten:

"(a) Allotment Schedule. – Except as otherwise provided in subsection (d) of this section, each eligible county school administrative unit shall receive a dollar allotment according to the following schedule, to the extent funds are made available for this purpose:

Allotted ADM	Small County Allotment
0-1,300	\$2,336,400 \$2,485,400
1,301-1,700	\$2,286,400 \$2,435,400

1	1,701-2,000	\$2,236,400	\$2,385,400
2	2,001-2,300	\$2,186,400	\$2,335,400
3	2,301-2,600	\$2,136,400	\$2,285,400
4	2,601-2,800	\$2,086,400	\$2,235,400
5	2,801-3,300	\$2,036,400	\$2,185,400"

6 **SECTION 7.3.(c)** Subsection (a) of this section becomes effective July 1, 2023. The
 7 remainder of this section becomes effective July 1, 2024.

8
 9 **RECLASSIFY DPI POSITIONS**

10 **SECTION 7.4.(a)** Notwithstanding G.S. 143C-6-4, the Department of Public
 11 Instruction shall reclassify at least the following full-time equivalent positions within the
 12 Department:

- 13 (1) One position to be a consultant for alternative learning.
- 14 (2) One position to be a teaching compensation and advanced teaching roles
 15 consultant.
- 16 (3) One position to be a Director of American Indian Education Services.

17 **SECTION 7.4.(b)** In making the changes identified in subsection (a) of this section,
 18 the Department of Public Instruction shall not do either of the following:

- 19 (1) Reduce funding for any of the following:
 - 20 a. The State Public School Fund, including for the following residential
 21 schools:
 - 22 1. The Eastern North Carolina School for the Deaf.
 - 23 2. The North Carolina School for the Deaf.
 - 24 3. The Governor Morehead School.
 - 25 b. Any budget expansion item funded by an appropriation to the
 26 Department of Public Instruction by this act for the 2023-2025 fiscal
 27 biennium.
- 28 (2) Transfer from or reduce funding or positions for any of the following:
 - 29 a. Communities in Schools of North Carolina, Inc.
 - 30 b. Teach for America, Inc.
 - 31 c. Beginnings for Parents of Children Who are Deaf or Hard of Hearing,
 32 Inc.
 - 33 d. The Excellent Public Schools Act, Read to Achieve Program, initially
 34 established under Section 7A.1 of S.L. 2012-142.
 - 35 e. The North Carolina School Connectivity Program.
 - 36 f. The North Carolina Center for the Advancement of Teaching.
 - 37 g. The Schools That Lead Program.
 - 38 h. The Center for Safer Schools.

39
 40 **REQUIRED TRAINING TO COUNT TOWARD CONTINUING EDUCATION UNITS**

41 **SECTION 7.5.(a)** G.S. 115C-270.30 reads as rewritten:

42 "**§ 115C-270.30. Licensure renewal.**

43 ...

44 (b) Teacher Licensure Renewal. – Rules for continuing licensure for teachers shall
 45 include the following:

- 46 (1) For all teachers, at least eight continuing education credits with at least three
 47 credits required in a teacher's academic subject area.
- 48 (2) For elementary school teachers, at least three continuing education credits
 49 related to literacy. Literacy renewal credits shall include evidence-based
 50 assessment, diagnosis, and intervention strategies for students not
 51 demonstrating reading proficiency. Oral language, phonemic and

1 phonological awareness, phonics, vocabulary, fluency, and comprehension
 2 shall be addressed in literacy-related activities leading to license renewal for
 3 elementary school teachers.

4 (2a) For all teachers, hours spent attending mandatory training programs shall
 5 contribute toward the calculation for continuing education credits if all of the
 6 following apply:

7 a. The mandatory training program is required by State law or by a local
 8 board of education as a condition of employment.

9 b. The teacher has otherwise met any applicable requirements for literacy
 10 renewal credits, credits required in a teacher's academic subject area,
 11 digital teaching or learning, or other licensure renewal requirements
 12 adopted by the State Board pursuant to this section.

13 ...

14 (c) License Renewal Rules Review. – The rules for licensure renewal shall be reviewed
 15 at least once every five years by the State Board to do the following:

16 ...

17 (3) Integrate digital teaching and learning into the requirements for licensure
 18 renewal. The State Board of Education shall not require the completion of
 19 continuing education credits solely related to digital teaching and learning but
 20 may require completion of up to two continuing education credits that include
 21 pedagogy on digital teaching and learning as a component of a general or
 22 content-specific continuing education credit."

23 **SECTION 7.5.(b)** This section is effective when it becomes law and applies to
 24 licenses renewed on or after that date.

25
 26 **PROGRAM ENHANCEMENT TEACHER ALLOTMENT/K-12**

27 **SECTION 7.6.(a)** G.S. 115C-301 reads as rewritten:

28 "**§ 115C-301. Allocation of teachers; class size.**

29 ...

30 (a1) Teacher Position Allotments. – Funds for classroom teachers in the State Public
 31 School Fund shall consist of the following position allotments:

32 (1) Classroom teachers for kindergarten through twelfth grade, which shall
 33 include funds for ~~program enhancement teachers for sixth through twelfth~~
 34 ~~grade,~~ self-contained exceptional children teachers, math, science, and
 35 computer teachers, and matching benefits.

36 (2) Program enhancement teachers for kindergarten through ~~fifth~~ twelfth grade.

37 ...

38 (c) ~~Maximum Class Size for Kindergarten Through Third Grade.~~ Grade and Allotment
 39 Ratios for Classroom Teachers. – The average class size for kindergarten through third grade in
 40 a local school administrative unit shall at no time exceed the funded allotment ratio of teachers
 41 to students in kindergarten through third grade. At the end of the second school month and for
 42 the remainder of the school year, the size of an individual class in kindergarten through third
 43 grade shall not exceed the allotment ratio by more than three students. The funded class size
 44 allotment ratio for kindergarten through third grade shall be as follows:

45 (1) For kindergarten, one teacher per 18 students.

46 (2) For first grade, one teacher per 16 students.

47 (3) For second grade, one teacher per 17 students.

48 (4) For third grade, one teacher per 17 students.

49 Within the remaining funds available for classroom teachers in the State Public School Fund,
 50 the State Board of Education shall set the teacher-to-student ratios for class size in grades four
 51 through 12 to allot those positions. In grades four through 12, local school administrative units

1 shall have the maximum flexibility to use allotted teacher positions to maximize student
2 achievement.

3 ...
4 (c2) Program Enhancement Teacher Allotment for Kindergarten Through ~~Fifth~~Twelfth
5 Grade. –

6 (1) Definitions. – For the purposes of this section, "program enhancement" refers
7 to any of the following:

- 8 a. Arts disciplines, including dance, music, theater, and the visual arts.
- 9 b. Physical education and health programs.
- 10 c. World languages.
- 11 d. Other supplemental classes as defined by the State Board of Education.

12 (2) Allotment ratio calculation. – The allotment ratio for kindergarten through
13 ~~fifth-twelfth~~ grade program enhancement teachers shall be one teacher per ~~191~~
14 140 students.

15 (3) Appropriation. – Beginning with the ~~2019-2020~~2021-2022 fiscal year, there
16 is appropriated from the General Fund to the Department of Public Instruction
17 for the allotment for program enhancement teachers for kindergarten through
18 ~~fifth-twelfth~~ grade an amount equal to the percentage of the total funds
19 required to allot program enhancement teacher positions for kindergarten
20 through ~~fifth-twelfth~~ grade on a basis of one teacher per ~~191~~140 students for
21 each fiscal year as follows:

Fiscal Year	Appropriation
2019-2020	50%
2020-2021	75%
2021-2022 and each subsequent fiscal year thereafter	100%.

26 When developing the base budget, as defined by G.S. 143C-1-1, for each
27 fiscal year specified in this subdivision, the Director of the Budget shall
28 include the appropriated amount for that fiscal year.

29"

30 **SECTION 7.6.(b)** G.S. 115C-105.25(b)(5d) reads as rewritten:

31 "(5d) No positions shall be transferred out of the allocation for program
32 enhancement teachers for kindergarten through ~~fifth-twelfth~~ grade except as
33 provided in this subdivision. Positions allocated for program enhancement
34 teachers for kindergarten through ~~fifth-twelfth~~ grade may be converted into
35 positions allocated for classroom teachers for kindergarten through twelfth
36 grade. For the purposes of this subdivision, the term "program enhancement"
37 is as defined in G.S. 115C-301(c2)."

38 **SECTION 7.6.(c)** This section applies beginning with the 2023-2024 school year.

39
40 **WEIGHTED FUNDING FOR EC STUDENTS**

41 **SECTION 7.7.** The Department of Public Instruction shall develop a model, based
42 on the study conducted pursuant to Section 7.44 of S.L. 2021-180, for funding children with
43 disabilities services on the basis of the reported cost of the services provided. The Department
44 shall report to the Joint Legislative Education Oversight Committee by January 15, 2024, on the
45 model of funding developed pursuant to this section and a comparison by public school unit of
46 funds provided under the existing model and the model developed pursuant to this section.

47
48 **CLARIFY PEPSK ROLE**

49 **SECTION 7.8.** G.S. 115C-268.5 reads as rewritten:

50 **"§ 115C-268.5. Powers and duties of the Commission.**

51 (a) Duties. – The Commission shall:

- 1 (1) Develop and recommend to the State Board of Education rules related to all
 2 aspects of educator preparation programs in accordance with Article 17D of
 3 this Chapter. These rules shall include the following:
 4 a. Requirements for appropriate pedagogy to be included in residency
 5 license programs.
 6 b. Appropriate courses to be used for calculation of individual and cohort
 7 grade point averages for admission to educator preparation programs,
 8 which may account for prior degrees attained, type of license, and
 9 areas of licensure. The Commission shall consider which grade point
 10 average, either the grade point average in the content courses relevant
 11 to the licensure area or the cumulative grade point average, would be
 12 most appropriate for clinical residency students.
- 13 (2) Develop and recommend to the State Board of Education rules related to ~~to all~~
 14 ~~aspects of professional standards for North Carolina educators to obtaining a~~
 15 teaching license in accordance with Article 17E of this Chapter. These rules
 16 shall include specific hour requirements for the following:
 17 a. Preservice training and field experiences prior to entering the
 18 classroom for individuals issued residency licenses.
 19 b. Preservice training prior to entering the classroom for individuals
 20 issued emergency licenses.
- 21 ~~(3) Provide recommendations as requested to the State Board of Education related~~
 22 ~~to the educator preparation programs and professional standards of North~~
 23 ~~Carolina educators.~~

24 (b) The Commission shall recommend ways to ensure that the clinical practice
 25 requirements described in G.S. 115C-269.25(d) effectively prepare high-quality professional
 26 educators who meet the demands of North Carolina schools.

27 (c) State Board Approval. – The Commission shall submit its recommendations under
 28 subsection (a) of this section to the State Board. The State Board shall adopt or reject the rules
 29 recommendations. The State Board shall not make any substantive changes to any rules
 30 recommendation that it adopts. If the State Board rejects the rules recommendation, it shall state
 31 with specificity its reasons for rejection; the Commission may then amend that rules
 32 recommendation and resubmit it to the State Board. The Board shall adopt or reject the amended
 33 rules recommendation. If the State Board fails to adopt the Commission's original and amended
 34 rule recommendations, the State Board may develop and adopt its own rules.

35 (d) Annual Report. – The Commission shall submit a report by December 1, 2018, and
 36 annually thereafter, to the Joint Legislative Education Oversight Committee and the State Board
 37 of Education of its activities during the preceding year, together with any recommendations and
 38 findings regarding improvement of the ~~teaching profession~~teacher licensure process, including
 39 methods of removing obstacles to obtaining a teaching license without decreasing educator
 40 quality."

41 **OPPORTUNITY GAP TASK FORCE**

42 **SECTION 7.9.(a)** There is established the Opportunity Gap Task Force (Task
 43 Force).
 44

45 **SECTION 7.9.(b)** The Task Force shall consist of 14 members as follows:

- 46 (1) Three persons who are members of the House of Representatives at the time
 47 of appointment, at least one of whom represents the minority party, appointed
 48 by the Speaker of the House of Representatives.
 49 (2) Three persons who are members of the Senate at the time of appointment, at
 50 least one of whom represents the minority party, appointed by the President
 51 Pro Tempore of the Senate.

- 1 (3) The chair of the State Board of Education, or his or her designee.
- 2 (4) The Superintendent of Public Instruction, or his or her designee.
- 3 (5) The President of The University of North Carolina, or his or her designee.
- 4 (6) The President of the North Carolina System of Community Colleges, or his or
- 5 her designee.
- 6 (7) The President of the North Carolina Independent Colleges and Universities,
- 7 Inc., or his or her designee.
- 8 (8) The President and Chief Executive Officer of North Carolina Business
- 9 Leaders for Education, doing business as BEST NC (Business for Educational
- 10 Success and Transformation), or his or her designee.
- 11 (9) The Executive Director of the NC Association for Public Charter Schools, or
- 12 his or her designee.
- 13 (10) The Senior Education Advisor to the Governor, or his or her designee.

14 **SECTION 7.9.(c)** Appointments to the Task Force shall be made no later than 30
15 days after the date this act becomes law. In making their appointments, the appointing authorities
16 shall consider the geographic and cultural diversity of the State and the value to the Task Force
17 of experience in business, education, and philanthropic organizations. Any vacancy shall be filled
18 by the appointing authority.

19 **SECTION 7.9.(d)** The Task Force shall (i) study the opportunity gap, (ii) consider
20 effective approaches and best practices from across the country to close the opportunity gap in
21 grades kindergarten through 12, and (iii) propose a plan to reduce the opportunity gap for all
22 subgroups by July 1, 2030. For the purposes of this section, the "opportunity gap" refers to the
23 significant disparity in the academic performance and postsecondary readiness of students
24 between any of the following subgroups: races, ethnicities, socioeconomic statuses, genders,
25 English-language proficiencies, and urban, rural, or suburban domiciles.

26 **SECTION 7.9.(e)** As part of its study, the Task Force shall consider the following:

- 27 (1) Best practices in public education.
- 28 (2) Professional development for teachers.
- 29 (3) Parental involvement in public education.
- 30 (4) Disparities in disciplinary consequences, including suspensions and
- 31 expulsions.
- 32 (5) Preparation and development of school leadership.
- 33 (6) Effective use of data to reduce the opportunity gap.
- 34 (7) Access to effective educators.
- 35 (8) Access to rigorous coursework, including content and courses.
- 36 (9) Access to effective school leadership.
- 37 (10) Innovative budgeting practices.
- 38 (11) The value of incorporating mastery-based learning into curriculum.
- 39 (12) Effective access to and use of technology, including (i) connectivity for
- 40 students and their families, (ii) devices, and (iii) software.
- 41 (13) The final report and recommendations of the Task Force to Develop a
- 42 Representative and Inclusive Vision for Education (DRIVE).
- 43 (14) Any other issue the Task Force deems relevant to its study.

44 **SECTION 7.9.(f)** At a minimum, the Task Force shall extend invitations to receive
45 input from all of the following:

- 46 (1) Two or more parents of students adversely affected by the opportunity gap.
- 47 (2) Two or more teachers employed in a North Carolina public school who have
- 48 demonstrated significant success in reducing the opportunity gap in the
- 49 classroom.
- 50 (3) Two or more principals employed in a North Carolina public school who have
- 51 demonstrated significant success in reducing the opportunity gap at a school.

- (4) Two or more superintendents employed in a local school administrative unit who have demonstrated significant success in reducing the opportunity gap at a local school administrative unit.
- (5) Organizations that have demonstrated success in closing the opportunity gap, including, but not limited to, Communities in Schools of North Carolina, Inc.
- (6) The Professional Educator Preparation and Standards Commission.
- (7) The myFutureNC Commission.
- (8) The Governor's Commission on Access to Sound Basic Education.
- (9) The B-3 Interagency Council.
- (10) The North Carolina Early Childhood Foundation, Inc.'s, Pathways to Grade-Level Reading Initiative.
- (11) The Executive Director of NC Child, or his or her designee.
- (12) The President of Parents for Educational Freedom in North Carolina, or his or her designee.
- (13) The Public School Forum of North Carolina.
- (14) The North Carolina Principal Fellows Program.

SECTION 7.9.(g) The Task Force shall include the following in its proposed plan to reduce the opportunity gap for all subgroups:

- (1) Information identifying opportunity gaps that exist between races, ethnicities, socioeconomic statuses, genders, English-language proficiencies, and urban, rural, or suburban domiciles.
- (2) Recommendations for closing or significantly reducing the opportunity gaps identified by the Task Force.
- (3) Benchmarks for implementation of the proposed plan.

SECTION 7.9.(h) The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each select a cochair for the Task Force from among its members. The Task Force shall meet upon the call of its cochairs. A quorum of the Task Force is a majority of its members. No action may be taken except by a majority vote at a meeting at which a quorum is present. The Task Force, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Task Force may contract for professional, clerical, or consultant services, as provided by G.S. 120-32.02. If the Task Force hires a consultant, the consultant shall not be a State employee or a person currently under contract with the State to provide services.

Members of the Task Force shall serve without compensation but may receive travel and subsistence as follows:

- (1) Members who are officials or employees of a State agency or unit of local government, in accordance with G.S. 138-6.
- (2) Members who serve in the General Assembly, in accordance with G.S. 120-3.1.
- (3) All other members at the rate established in G.S. 138-5.

All State departments and agencies and local governments and their subdivisions shall furnish the Task Force with any requested information in their possession or available to them.

SECTION 7.9.(i) The Legislative Services Officer shall assign professional and clerical staff to assist the Task Force in its work. The Director of Legislative Assistants of the House of Representatives and the Director of Legislative Assistants of the Senate shall assign clerical support to the Task Force.

SECTION 7.9.(j) Meetings of the Task Force shall begin no later than 60 days after the date this act becomes law. The Task Force shall submit a final report on the results of its study, including its proposed plan and any proposed legislation, to the Joint Legislative Education Oversight Committee on or before December 1, 2024, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of

1 Representatives, the Joint Legislative Education Oversight Committee, and the Legislative
2 Library. The Task Force shall terminate on December 1, 2024, or upon the filing of its final
3 report, whichever comes first.

5 ACADEMIC TRANSPARENCY

6 **SECTION 7.10.(a)** Article 8 of Chapter 115C of the General Statutes is amended by
7 adding a new section to read:

8 **"§ 115C-102.1. Inform the public about course materials.**

9 (a) The following definitions apply in this section:

10 (1) Course materials. – Any material used for instruction in a course, including,
11 but not limited to, all instructional materials, supplemental materials,
12 textbooks, other reading materials, videos, digital materials, websites, and
13 other online applications.

14 (2) Instructional materials. – As defined in G.S. 115C-102.20.

15 (3) Lesson plan. – An outline of all of the following:

16 a. The instruction provided by a teacher for a course that includes a list
17 of (i) all course materials assigned, distributed, or otherwise presented
18 in the course and (ii) when students must select course materials from
19 a defined list, all course materials on that list.

20 b. Each grade- or school-wide presentation, assembly, lecture, or other
21 activity or event facilitated by the school during instructional hours
22 outside of an individual teacher's classroom, excluding student
23 presentations. The outline shall include a list of (i) each presenter by
24 name and organization and (ii) any course material used or presented.

25 (4) Supplemental materials. – As defined in G.S. 115C-102.20.

26 (b) The governing body of a public school unit shall ensure that the following information
27 for each school it governs is prominently displayed on the school website, organized, at a
28 minimum, by subject area and grade level:

29 (1) For local school administrative units, the lesson plans that were used at the
30 school during the prior school year. Lesson plans shall include the following,
31 at a minimum:

32 a. The names of all instructional and supplemental materials used by the
33 school from the list of materials included in the instructional materials
34 repository, with an electronic link to the instructional materials
35 website.

36 b. Any other course materials used in a course, by the title and the author,
37 organization, or website associated with each material and activity.
38 These course materials shall include materials created by the teacher,
39 with the teacher identified as the author. The lesson plan shall include
40 a brief descriptor of the course materials, and a link to the course
41 material, if publicly available on the internet, or information on how
42 to request review of a copy of the course material in person. Nothing
43 in this section shall be construed to require the digital reproduction or
44 posting of copies of the course materials themselves.

45 (2) For all public school units that are not local school administrative units, the
46 lesson plans that were used at the school during the prior school year. Lesson
47 plans shall include the following, at a minimum:

48 a. All course materials by the title and the author, organization, or
49 website associated with each material and activity. If individual
50 components of course materials used throughout the lesson plan are
51 produced as a single volume, that volume may be listed only once in

1 the lesson plan. If the course material was created by the teacher, the
 2 lesson plan shall identify the teacher as the author.

3 b. A brief descriptor of the course material.

4 c. A link to the course material, if publicly available on the internet, or
 5 information on how to request review of a copy of the course material
 6 in person. Nothing in this section shall be construed to require the
 7 digital reproduction or posting of copies of the course materials
 8 themselves.

9 (3) For all public school units, any procedures for the documentation, review, or
 10 approval of the lesson plans, including course materials identified in those
 11 plans, by the principal, curriculum administrators, or other teachers.

12 (4) For all public school units, the procedure established by the governing board
 13 for requesting an in-person review of a course material not publicly available
 14 on the internet. For local school administrative units, information shall be
 15 provided on how to access the instructional materials repository, as provided
 16 in G.S. 115C-102.50.

17 (c) The governing body shall provide access from the website of the public school unit
 18 to the information required by subsection (b) of this section by June 30 of each year either through
 19 a website maintained by the public school unit or by a link to another website where the
 20 information is publicly accessible. Public access to the information for the school year ending
 21 June 30 shall be maintained by the public school unit until June 30 of the following year. The
 22 Department of Public Instruction shall make available to public school units one or more
 23 templates for providing information as required by this section. A public school unit may exercise
 24 flexibility in determining the most effective means of compliance with the requirements of this
 25 section, including, but not limited to, utilizing any of the following in its discretion:

26 (1) Providing a template created by the Department of Public Instruction to
 27 teachers to facilitate reporting of lesson plans.

28 (2) Creating one or more templates to provide to teachers to facilitate reporting of
 29 lesson plans. The public school unit may customize templates for grades or
 30 courses and may autopopulate any course materials required by the public
 31 school unit as part of the curriculum for a particular grade or course.

32 (3) Allowing utilization of online collaborative software, documents, or
 33 spreadsheets to allow multiple authorized users to update content.

34 (4) Authorizing updating lesson plans throughout the school year, if all updates
 35 are completed by June 30.

36 (d) A governing body that is responsible for the operation of schools with fewer than 400
 37 students cumulatively is not required to comply with the requirements of this section."

38 **SECTION 7.10.(b)** G.S. 115C-12 is amended by adding a new subdivision to read:

39 "(9e) Duty to Inform the Public About Course Materials. – The Board shall ensure
 40 that information about course materials for any school operated under Article
 41 9C of this Chapter is prominently displayed on the website of the school, as
 42 required by G.S. 115C-102.1."

43 **SECTION 7.10.(c)** G.S. 115C-47 is amended by adding a new subdivision to read:

44 "(58a) To Inform the Public About Course Materials. – Local boards of education
 45 shall ensure that information about course materials for each school in the
 46 local school administrative unit is prominently displayed on the website of the
 47 school, as required by G.S. 115C-102.1."

48 **SECTION 7.10.(d)** G.S. 115C-218.85 is amended by adding a new subsection to

49 read:

1 "(c) Course Materials. – A charter school shall ensure that information about course
2 materials is prominently displayed on the website of the charter school, in accordance with
3 G.S. 115C-102.1."

4 **SECTION 7.10.(e)** G.S. 115C-238.66 is amended by adding a new subdivision to
5 read:

6 "(11a) Course materials. – The board of directors shall ensure that information about
7 course materials is prominently displayed on the website of the regional
8 school, in accordance with G.S. 115C-102.1."

9 **SECTION 7.10.(f)** Article 4 of Chapter 116 of the General Statutes is amended by
10 adding a new section to read:

11 **"§ 116-69.3. Inform the public about course materials.**

12 The Board of Trustees shall ensure that information about course materials is prominently
13 displayed on the website of the North Carolina School of the Arts for all elementary, middle, and
14 high school programs, in accordance with G.S. 115C-102.1."

15 **SECTION 7.10.(g)** G.S. 116-235 is amended by adding a new subsection to read:

16 "(k) Course Materials. – The Board of Trustees shall ensure that information about course
17 materials is prominently displayed on the website of the School, in accordance with
18 G.S. 115C-102.1."

19 **SECTION 7.10.(h)** G.S. 116-239.8(b) reads as rewritten:

20 "(b) The chancellor shall be the administrative head of a laboratory school approved by
21 the Subcommittee and shall provide general direction for the establishment and operation of a
22 laboratory school. The chancellor, with advice and input from the advisory board established in
23 subdivision (1) of this subsection, shall adopt policies, operating procedures, and the courses of
24 study to govern the operation of the laboratory school. The chancellor may designate the duties
25 required by this Article to other personnel as necessary. The chancellor shall also have the
26 following powers and duties:

27 ...

28 (2a) Course materials. – The chancellor shall ensure that information about course
29 materials is prominently displayed on the website of the laboratory school, in
30 accordance with G.S. 115C-102.1.

31 "

32 **SECTION 7.10.(i)** G.S. 115C-238.92, as enacted by this act, is amended by adding
33 a new subdivision to read:

34 "(6a) G.S. 115C-2.1, Inform the public about course materials."

35 **SECTION 7.10.(j)** Except as otherwise provided, this section is effective when it
36 becomes law and applies beginning with the display of course materials used during the
37 2023-2024 school year no later than June 30, 2024.

38 **MODERNIZE SELECTION OF INSTRUCTIONAL MATERIALS**

39 **SECTION 7.11.(a)** Part 3 of Article 8 of Chapter 115C of the General Statutes is
40 repealed.

41 **SECTION 7.11.(b)** Article 8 of Chapter 115C of the General Statutes is amended by
42 adding a new Part to read:

43 "Part 3C. Selection of Instructional Material.

44 **"§ 115C-102.20. Definition of instructional materials.**

45 (1) Curricula. – All current objectives, curricula materials, texts, and all other
46 audiovisual or printed materials that are displayed or distributed to students.

47 (2) Health and safety programs. – Any instruction, curricula, or materials intended
48 to impart information or promote discussion or understanding regarding any
49 of the following, including instruction, curricula, or materials implemented to
50 comply with any federal law, regulation, or guidance:
51

- 1 a. Reproductive health and safety, as provided in G.S. 115C-81.30(a).
2 b. Mental and emotional health, as provided in G.S. 115C-81.25(c)(1).
3 c. Growth and development, as provided in G.S. 115C-81.25(c)(9).
4 d. Anti-bullying or anti-harassment.
5 (3) Instructional materials. – Systematically organized material comprehensive
6 enough to cover the primary objectives outlined in the standard course of
7 study for a grade or course. Formats for instructional materials may be print
8 or nonprint, including hardbound books, softbound books, activity-oriented
9 programs, classroom kits, or digital resources that require the use of electronic
10 equipment in order to be used in the learning process.
11 (4) Local committee. – A local community media advisory committee.
12 (5) Parent. – A student's parent or legal guardian.
13 (6) State Committee. – The State Community Media Advisory Committee.
14 (7) Supplemental materials. – Educational materials that supplement specific
15 instruction for the standard course of study selected and procured by a local
16 board of education for a grade or course or general education needs of the
17 school. Supplemental materials may include textbooks, library books,
18 periodicals, audiovisual materials, and other supplemental instructional
19 materials needed for instructional purposes in the local school administrative
20 unit. Supplemental materials may be print or nonprint, including hardbound
21 books, softbound books, activity-oriented programs, classroom kits, or digital
22 resources that require the use of electronic equipment in order to be used in
23 the learning process.
24 (8) Unfit materials. – Instructional or supplemental materials determined to be
25 inappropriate for use in an elementary or secondary school because the
26 material is either (i) obscene, (ii) inappropriate to the age, maturity, or grade
27 level of the students, or (iii) not aligned with the standard course of study.

28 **"§ 115C-102.25. Selection of instructional materials.**

- 29 (a) Local Board Adoption. – Local boards of education shall select and adopt
30 instructional materials for each standard course of study at each instructional level in the
31 elementary school and the secondary school adopted by the State Board of Education, as provided
32 in Part 1 of Article 8 of this Chapter.
33 (b) Evaluation of Instructional Materials Prior to Adoption. – For each standard course
34 of study, the local board of education may require experts employed by the local board of
35 education and certified in the discipline in which the instructional material would be used to offer
36 evaluation reports to the local board on materials being considered for adoption. Such evaluation
37 reports should give special consideration to the suitability of the instructional materials to the
38 instructional level for which it is offered, the content or subject matter, whether the instructional
39 materials are aligned with the standard course of study, and other criteria prescribed by the local
40 board.

41 **"§ 115C-102.30. Selection of supplemental materials.**

- 42 (a) Local boards of education shall adopt written policies concerning the procedures to
43 be followed in their local school administrative units for the selection and procurement of
44 supplemental materials for a grade or course or for general education needs at a school or
45 throughout the entire local school administrative unit. Local boards of education shall have sole
46 authority to select and procure supplemental materials, whether or not the materials contain
47 commercial advertising, to determine if the materials are related to and within the limits of the
48 prescribed curriculum, and to determine when the materials may be presented to students during
49 the school day.
50 (b) Supplemental materials shall neither displace nor be used to the exclusion of
51 instructional materials.

"§ 115C-102.35. Selection of health and safety instructional and supplemental materials.

(a) When adopting, modifying, or amending a health and safety program and the instructional and supplemental materials for that program, a local board of education shall conduct a public hearing after adequately notifying the public at least 10 days prior to the hearing.

(b) The local board of education shall also provide both electronic and written notice to all parents of students in the local school administrative unit of the public hearing and the opportunity to review those materials in the program repository, as provided in G.S. 115C-102.50, at least 60 days before the public hearing occurs.

(c) The notice to parents provided for in subsection (b) of this section shall include the following in both written and electronic form:

(1) A detailed description of the program's objectives and any proposed changes, including any topics that the local board of education determines that a reasonable parent in that community may wish to examine as to the age appropriateness of the topics.

(2) All written and audio materials that will be used.

(3) A link to, or information on how to access, the program repository on the local school administrative unit's website, as provided in G.S. 115C-102.50.

"§ 115C-102.40. Acquisition of instructional and supplemental materials.

(a) Funds allocated by the State Board of Education or appropriated in the current expense or capital outlay budgets of the local school administrative units shall be used by the local board of education for purchase, lease, or rental of instructional or supplemental materials and for hardware, software, or other equipment necessary for the use of the instructional or supplemental materials. The title of purchased materials and equipment shall be vested in the local board of education.

(b) Local boards of education are encouraged to partner with other local boards of education and other public schools to jointly purchase instructional and supplemental materials.

(c) All instructional materials purchased with State funds shall include a clause granting to the local board of education the license to produce braille, large print, and audio recording copies of the instructional materials for use in the local school administrative unit.

(d) The local board of education shall publish on the website of the local school administrative unit the title, author, and publisher of all instructional and supplemental materials purchased by the local board of education.

"§ 115C-102.45. Provision and maintenance of instructional and supplemental materials.

(a) The students of the public elementary and secondary schools of the State shall be provided with free instructional materials within the appropriation of the General Assembly for that purpose. The local board of education shall provide for the free use by students, with proper care and return, of elementary and secondary instructional materials. No local board of education may charge any student a rental fee for the use of instructional materials or for hardware, software, or other equipment necessary for the use of the instructional or supplemental materials.

(b) Local boards of education shall provide adequate and safe storage facilities for the proper care of instructional and supplemental materials and emphasize to all students the necessity for proper care of instructional and supplemental materials and equipment necessary for the use of the instructional materials.

(c) A student's parents or legal guardians may be charged damage fees for abuse or loss of instructional or supplemental materials or equipment necessary for the use of those materials under rules adopted by the local board of education. Damage fees collected under this subsection shall be used by the local board of education for purchase, lease, or rental of instructional and supplemental materials, as provided in G.S. 115C-102.40.

"§ 115C-102.50. Instructional materials repository.

(a) A local board of education shall maintain a continuous repository of current instructional and supplemental materials that have been selected and acquired by the local board

1 of education pursuant to this Article. The repository shall not be required to include classroom
2 materials developed by teachers. The materials shall be maintained at a central location for
3 in-person review by parents and the public upon request, and the names of all those materials
4 shall be posted to the local school administrative unit's website for review by parents and the
5 public.

6 (b) In addition to the requirements of subsection (a) of this section, a local board of
7 education shall also maintain a continuous repository of current objectives, entire curricula, texts,
8 and all other materials used in any health and safety program as follows:

9 (1) The current objectives, entire curricula, texts, and all other materials used in
10 any health and safety program shall be maintained at a central location for
11 in-person review by parents and the public upon request.

12 (2) Electronic copies of the current objectives and names of curricula, texts, or
13 any other materials used in any health and safety program shall be posted to
14 the local school administrative unit's website for review by parents and the
15 public. The website shall also include the curricula, texts, and any other
16 materials used in the health and safety program, including links to any
17 materials available on the publisher's website.

18 (3) The local board of education shall add to the central location and electronic
19 repository any objectives, curricula, texts, and other materials that may be
20 proposed for adoption, amendment, or modification to the health and safety
21 program and shall clearly indicate that status while the materials are under
22 consideration.

23 (c) Each school year, at least 14 days before students participate in a health and safety
24 program, a local board of education shall give both written and electronic notice to parents of
25 students participating in that program of the right of parents to review the objectives, complete
26 materials, and entire curriculum of that program in the program repository maintained by the
27 local board of education, as provided in subsection (b) of this section. The notice shall include
28 the same information provided under G.S. 115C-102.35(c). The notice shall be in conjunction
29 with and combination with the notice and requirements to inform parents of the local board of
30 education's policy for participation in certain health and safety programs, as established in
31 G.S. 115C-81.32.

32 **"§ 115C-102.55. Right to purchase; disposal of textbooks and materials.**

33 (a) Any parent, guardian, or person in loco parentis may purchase any instructional
34 material needed for any student in the public schools of the State from the board of education of
35 the local school administrative unit in which the child is enrolled, if the board of education holds
36 title to the instructional material, as described in G.S. 115C-102.40(a).

37 (b) Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4),
38 or any other provision of law, a local board of education may dispose of discontinued
39 instructional or supplemental materials.

40 **"§ 115C-102.60. Local community media advisory committee.**

41 (a) A local board of education shall establish a local community media advisory
42 committee to investigate and evaluate challenges from parents, teachers, and members of the
43 public to instructional materials and supplemental materials on the grounds that they are unfit
44 materials. This section does not apply to optional supplemental materials available through the
45 school library.

46 (b) The local committee shall, at a minimum, include the following:

47 (1) A principal from a high school, middle school, and elementary school,
48 respectively.

49 (2) A teacher from a high school, middle school, and elementary school,
50 respectively.

1 (3) A parent of a student in high school or middle school and a parent of a student
2 in elementary school.

3 (4) A school library media coordinator from a high school, middle school, and
4 elementary school, respectively.

5 (c) Individuals challenging unfit materials shall make challenges in writing to the local
6 board of education and shall specify whether the materials are being challenged on the grounds
7 of being (i) obscene, (ii) inappropriate to the age, maturity, or grade level of the students, or (iii)
8 not aligned with the standard course of study.

9 (d) Within two weeks of the filing of the challenge, the local committee shall hold a
10 hearing and provide the challengers an opportunity to present their concerns to the local
11 committee. The local committee may, in the local committee's discretion, request additional
12 information at the hearing from experts on the subject matter employed by the local school
13 administrative unit. Within two weeks of the hearing, the local committee shall make a
14 recommendation to the local board of education on whether the challenge has merit and whether
15 the challenged material should be retained or removed as unfit material. The local committee's
16 determination shall be limited to considerations of whether the material is unfit on the specific
17 grounds of the material being (i) obscene, (ii) inappropriate to the age, maturity, or grade level
18 of the students, or (iii) not aligned with the standard course of study.

19 (e) At the next meeting of the local board of education after the local committee's
20 recommendation is received, the local board shall determine whether the challenge has merit and
21 whether the challenged material should be retained or removed as unfit material.

22 (f) If the local board of education determines that the challenged material shall be
23 retained, a challenger may appeal the local board's decision to the State Community Media
24 Advisory Committee. The challenger must make the appeal in the form and manner designated
25 by the State Board of Education within two weeks of the local board's decision.

26 **"§ 115C-102.65. State Community Media Advisory Committee.**

27 (a) The State Board of Education shall establish a State Community Media Advisory
28 Committee to review challenges to instructional and supplemental materials appealed under
29 G.S. 115C-102.55.

30 (b) The State Committee shall, at a minimum, include the following:

31 (1) The State Superintendent of Public Instruction or designee.

32 (2) One superintendent of a local school administrative unit.

33 (3) A principal from a high school, middle school, and elementary school,
34 respectively.

35 (4) A teacher from a high school, middle school, and elementary school,
36 respectively.

37 (5) A parent of a student in high school or middle school and a parent of a student
38 in elementary school.

39 (6) A school library media coordinator from a high school, middle school, and
40 elementary school, respectively.

41 (c) A member of the State Committee may be recused from any challenge to materials
42 used in the local school administrative unit in which the member is employed or in which the
43 member's child is enrolled.

44 (d) The State Board of Education shall designate the form and manner for appeals to be
45 made to the State Committee. Upon receipt of an appeal, notice and a copy of the appeal shall be
46 provided to the local board of education.

47 (e) Within four weeks of the filing of the appeal, the State Committee shall hold a hearing
48 and provide the appellants an opportunity to present concerns to the State Committee as well as
49 the local board of education an opportunity to rebut those concerns. The State Committee may,
50 in the State Committee's discretion, request additional information at the hearing from experts on
51 the subject matter employed by the State Board of Education. Within two weeks of the hearing,

1 the State Committee shall make a recommendation to the State Board of Education on whether
2 the appealed challenge has merit and whether the challenged material should be retained or
3 removed as unfit material. The State Committee's determination shall be limited to considerations
4 of whether the material is unfit on the specific grounds of the material being (i) obscene, (ii)
5 inappropriate to the age, maturity, or grade level of the students, or (iii) not aligned with the
6 standard course of study.

7 (f) At the next meeting of the State Board of Education after the State Committee's
8 recommendation is received, the State Board shall determine whether the appealed challenge has
9 merit and whether the challenged material should be retained or removed as unfit material. If the
10 State Board of Education determines that challenged material shall be removed, the local board
11 of education shall remove the material. The decision of the State Board of Education is final and
12 is not subject to appeal by the local board of education or challenger."

13 **SECTION 7.11.(c)** G.S. 115C-11(d) reads as rewritten:

14 "(d) Voting. – No voting by proxy shall be permitted. ~~Except in voting on textbook~~
15 ~~adoptions, a~~ A majority of those present and voting shall be necessary to carry a motion and a
16 roll call vote shall be had on each motion. A record of all such votes shall be kept in the minute
17 book."

18 **SECTION 7.11.(d)** G.S. 115C-11(e) is repealed.

19 **SECTION 7.11.(e)** G.S. 115C-12(9)b. is repealed.

20 **SECTION 7.11.(f)** G.S. 115C-12(18)d. reads as rewritten:

21 "d. The State Board of Education shall modify the Uniform Education
22 Reporting System to provide clear, accurate, and standard information
23 on the use of funds at the unit and school level. The plan shall provide
24 information that will enable the General Assembly to determine State,
25 local, and federal expenditures for personnel at the unit and school
26 level. The plan also shall allow the tracking of expenditures for
27 ~~textbooks, instructional materials,~~ educational supplies and
28 equipment, capital outlay, at-risk students, and other purposes."

29 **SECTION 7.11.(g)** G.S. 115C-47(6) reads as rewritten:

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

42 **SECTION 7.11.(h)** G.S. 115C-47(33) reads as rewritten:

43 "(33) To Approve and Use Supplemental Materials. – Local boards of education
44 shall have sole authority to select and procure ~~supplementary instructional~~
45 supplemental materials, whether or not the materials contain commercial
46 advertising, pursuant to the provisions of ~~G.S. 115C-98(b).~~ Part 3C of Article
47 8 of this Chapter."

48 **SECTION 7.11.(i)** G.S. 115C-47(33a) reads as rewritten:

49 "(33a) To Approve and Use ~~Textbooks Not Adopted by State Board of Education.~~
50 Instructional Materials. – Local boards of education shall have the sole
51 authority to select, procure, and use textbooks not adopted by the State Board

1 of ~~Education~~ instructional materials as provided in ~~G.S. 115C-98(b1)~~ Part 3C
2 of Article 8 of this Chapter."

3 **SECTION 7.11.(j)** G.S. 115C-81.5(b)(3) is repealed.

4 **SECTION 7.11.(k)** G.S. 115C-81.25(b)(3) is repealed.

5 **SECTION 7.11.(l)** G.S. 115C-81.25(d) reads as rewritten:

6 "(d) Parental Review. – The State Board of Education shall make available to all local
7 school administrative units for review by the parents and legal guardians of students enrolled at
8 those units any State-developed objectives for ~~instruction~~ any approved textbooks, instruction,
9 the list of reviewed materials, and any other State-developed or approved materials that pertain
10 to or are intended to impart information or promote discussion or understanding in regard to the
11 prevention of sexually transmitted diseases, including HIV/AIDS, to the avoidance of
12 out-of-wedlock pregnancy, or to the reproductive health and safety education curriculum. The
13 review period shall extend for at least 60 days before use."

14 **SECTION 7.11.(m)** G.S. 115C-242(3) reads as rewritten:

15 "(3) The board of education of any local school administrative unit may operate
16 the school buses of such unit one day prior to the opening of the regular school
17 term for the transportation of pupils and employees to and from the school to
18 which such pupils are assigned or in which they are enrolled and such
19 employees are employed, for the purposes of the registration of students, the
20 organization of classes, the distribution of ~~textbooks,~~ instructional materials,
21 and such other purposes as will, in the opinion of the superintendent of the
22 schools of such unit, promote the efficient organization and operation of such
23 public schools."

24 **SECTION 7.11.(n)** G.S. 115C-271(d)(2) reads as rewritten:

25 "(2) Local funds appropriated for teachers, ~~textbooks,~~ instructional materials, or
26 classroom materials, supplies, and equipment are not transferred or used for
27 this purpose."

28 **SECTION 7.11.(o)** G.S. 115C-384(c) reads as rewritten:

29 "(c) Rental Fees for ~~Textbooks—Instructional Materials~~ Prohibited; Damage Fees
30 Authorized. – No rental fees are permitted for the use of ~~textbooks,~~ instructional materials, but
31 damage fees may be collected pursuant to the provisions of ~~G.S. 115C-100~~ G.S. 115C-102.45."

32 **SECTION 7.11.(p)** G.S. 115C-390.2(l)(1) reads as rewritten:

33 "(1) The opportunity to take ~~textbooks~~ instructional materials and school-furnished
34 digital devices home for the duration of the absence."

35 **SECTION 7.11.(q)** G.S. 115C-390.5(c)(1) reads as rewritten:

36 "(1) The opportunity to take ~~textbooks—~~ instructional materials home for the
37 duration of the suspension."

38 **SECTION 7.11.(r)** G.S. 115C-398 reads as rewritten:

39 "**§ 115C-398. Damage to school buildings, furnishings, ~~textbooks~~ instructional materials.**

40 Students and their parents or legal guardians may be liable for damage to school buildings,
41 furnishings and ~~textbooks—~~ instructional materials pursuant to the provisions of G.S. 115C-523,
42 115C-100 and 14-132."

43 **SECTION 7.11.(s)** G.S. 143A-48 is repealed.

44 **SECTION 7.11.(t)** G.S. 143C-9-7(b) reads as rewritten:

45 "(b) Upon appropriation by the General Assembly, funds received in the Indian Gaming
46 Education Revenue Fund shall be allocated quarterly by the State Board of Education to local
47 school administrative units, charter schools, and regional schools on the basis of allotted average
48 daily membership. The funds allotted by the State Board of Education pursuant to this section
49 shall be nonreverting. Funds received pursuant to this section by local school administrative units
50 shall be expended for classroom teachers, teacher assistants, classroom materials or supplies, or
51 ~~textbooks—~~ instructional materials."

1 **SECTION 7.11.(u)** Effective July 1, 2023, the existing Textbooks and Digital
2 Resources funding allotment in the State Public School Fund shall be designated as the
3 Instructional Materials funding allotment in the State Public School Fund. The State Board of
4 Education shall establish the purposes for which the funds within the new Instructional Materials
5 funding allotment may be used as follows: (i) to acquire instructional or supplemental materials
6 as defined in G.S. 115C-102.20, as enacted by this section, and (ii) to acquire software necessary
7 for the use of the instructional or supplemental materials.

8 **SECTION 7.11.(v)** G.S. 115C-105.25(b)(12) reads as rewritten:

9 "(12) Funds allotted for ~~textbooks and digital resources~~ instructional materials may
10 only be used ~~for the purchase of textbooks and digital resources.~~ To acquire
11 instructional and supplemental materials, as defined in G.S. 115C-102.20, and
12 to acquire software necessary for the use of the instructional or supplemental
13 materials. These funds shall not be transferred out of the allotment for any
14 other purpose."

15 **SECTION 7.11.(w)** G.S. 115C-81.30(b) and (c) are repealed.

16 **SECTION 7.11.(x)** Article 8 of Chapter 115C of the General Statutes is amended by
17 adding a new section to read:

18 **"§ 115C-81.32. Parents' right to opt in or out of health and safety programs.**

19 Local boards of education shall adopt policies to provide opportunities either for parents to
20 consent or for parents to withhold their consent to the students' participation in any or all of the
21 health and safety programs included in subdivision (2) of G.S. 115C-102.20 provided by the local
22 school administrative unit. Local boards of education shall provide notice to parents of this
23 opportunity at least 14 days before students participate in the health and safety programs, in
24 conjunction with and combination with the notice required by G.S. 115C-102.50. The notice shall
25 inform parents of the local board's policy for participation in the health and safety programs and
26 provide a form that allows parents to exercise parental rights under that policy."

27 **SECTION 7.11.(y)** G.S. 115C-81.30(c) is repealed.

28 **SECTION 7.11.(z)** No local board of education shall be required to hold a public
29 hearing for any program, as defined in this section, in use prior to the 2023-2024 school year
30 until that program is amended, modified, or replaced. All local boards of education shall establish
31 a program repository of current programs, as defined in this section, for access to parents prior
32 to the start of the 2023-2024 school year and shall not implement any program until that program
33 is included in the repository.

34 **SECTION 7.11.(aa)** This section is effective when it becomes law and applies
35 beginning with the 2023-2024 school year.

36 37 **ABOLISH CERTAIN UNFILLED POSITIONS**

38 **SECTION 7.12.** The following positions vacant for longer than two years are
39 abolished as of July 1, 2023:

40 (1) 60009659.

41 (2) 60009654.

42 (3) 60009651.

43 (4) 60009667.

44 The Department may reestablish these or create substantially similar positions as
45 needed within funds available pursuant to G.S. 115C-546.2(e).

46 47 **CAREER EXPLORATION AND DEVELOPMENT PLANS**

48 **SECTION 7.13.(a)** Part 1 of Article 8 of Chapter 115C of the General Statutes is
49 amended by adding a new section to read:

50 **"§ 115C-81.12. Career pathways course.**

1 The State Board shall develop standards for a middle school course in which students
2 investigate and learn about career pathways. The standards shall align with the requirements for
3 career development plans under G.S. 115C-158.10(c). All students in grade seven shall complete
4 the course, and, by the conclusion of the course, students shall complete a career development
5 plan as required under G.S. 115C-158.10(a)."

6 **SECTION 7.13.(b)** Article 10 of Chapter 115C of the General Statutes is amended
7 by adding a new Part to read:

8 "Part 1A. Career Development Plans.

9 **"§ 115C-158.10. Career development plans.**

10 (a) All middle and high school students enrolled in a local school administrative unit shall
11 complete a career development plan that meets the requirements of this section. The local board
12 of education shall ensure that students are provided assistance in completion of the plan as well
13 as instruction on how to access that plan throughout the student's enrollment. A student shall not
14 be promoted from seventh grade until a career development plan is created and shall not be
15 promoted from tenth grade until the career development plan is revised. Local boards of
16 education are encouraged to require more frequent revisions as appropriate. Charter schools are
17 encouraged to require participation in career development plans for students in accordance with
18 this section.

19 (b) Local boards of education shall ensure that career development plans are easily
20 accessible to students and parents and shall provide parents written notice of the initial creation
21 of a career development plan and information on how to access the plan.

22 (c) The State Board of Education shall adopt rules establishing minimum requirements
23 for career development plans and shall require local boards of education to provide access to all
24 career development plans through a designated electronic application. Career development plans
25 shall include at least the following:

26 (1) Self-assessment of the student's aptitudes, skills, values, personality, and
27 career interests.

28 (2) Exploration and identification of pathways for careers aligned with the
29 student's self-assessment that include the following for each career:

30 a. Identification of needed education, training, and certifications.

31 b. Information on the most cost-efficient path to entry.

32 c. Opportunities within the school setting to explore and prepare for the
33 career.

34 (3) Alignment of academic courses and extracurricular activities with the
35 student's identified career interests, including the following:

36 a. Inventory of aligned courses in middle and high school in grades six
37 through 10, and development of best strategies for course selection in
38 grades 11 and 12 to achieve identified career interests.

39 b. Available record of the following:

40 1. Completed dual-enrollment courses.

41 2. Extracurricular activities.

42 3. Awards and recognitions.

43 (4) Creation of a career portfolio, which may include items such as the following:

44 a. Documentation of postsecondary plans.

45 b. Completion of the Free Application for Federal Student Aid with
46 parental consent.

47 c. Resume.

48 d. Occupational outlook for identified career interests."

49 **SECTION 7.13.(c)** G.S. 115C-218.75 is amended by adding a new subsection to
50 read:

1 "(k) Career Development Plans. – A charter school is encouraged to adopt a policy to
2 require all middle and high school students to complete a career development plan in accordance
3 with G.S. 115C-158.10."

4 **SECTION 7.13.(d)** The State Board of Education shall establish a pilot of at least
5 20 local school administrative units during the 2023-2024 school year to develop the plan
6 requirements and professional development necessary for successful statewide implementation
7 of career development plans in the 2024-2025 school year. The State Board of Education shall
8 direct the Department of Public Instruction to develop and provide a career development plan
9 electronic application to local boards of education and participating charter schools no later than
10 the 2024-2025 school year that will provide access for all students and parents to the student's
11 career development plan and will integrate with career information available through other State
12 agencies.

13 **SECTION 7.13.(e)** The Department of Public Instruction and the local boards of
14 education, as appropriate, shall provide or cause to be provided, prior to the start of the 2024-2025
15 school year, curriculum content for the course required in subsection (a) of this section and
16 professional development to ensure that the intent and provisions of this section are carried out.

17 **SECTION 7.13.(f)** Subsections (a), (b), (c), and (e) of this section become effective
18 beginning with the 2024-2025 school year. The remainder of this section becomes effective July
19 1, 2023.

20 21 **CTE PATHWAYS**

22 **SECTION 7.14.** The Department of Public Instruction, in consultation with the
23 Board of Governors of The University of North Carolina and the State Board of Community
24 Colleges, shall study and develop alternative graduation requirements for students following
25 certain career paths chosen in the process of creating career development plans pursuant to
26 G.S. 115C-158.10, as enacted by this act. Recommended graduation requirements shall align
27 with either the minimum undergraduate course requirements for admission to the constituent
28 institutions of The University of North Carolina or the standards and requirements for admission
29 to a certificate or diploma course established by the State Board of Community Colleges. The
30 Department shall report to the Joint Legislative Education Oversight Committee by July 15,
31 2024, on at least the following:

- 32 (1) The different alternative diplomas being recommended.
- 33 (2) The requirements to graduate with each of the alternative diplomas.
- 34 (3) How the requirements for graduation with each of the alternative diplomas
35 compares to graduation requirements from neighboring states.
- 36 (4) Any estimated costs that would be incurred by either the Department or public
37 school units in offering alternative diplomas.
- 38 (5) Any other information the Department deems necessary.

39 40 **REMAINING ESSER FUNDS TO FAILURE FREE READING PROGRAM AND ST** 41 **MATH**

42 **SECTION 7.15.(a)** Of the funds to be reallocated pursuant to Section 3.5(a)(37)b.
43 of S.L. 2021-25, as enacted by S.L. 2021-180, up to three hundred thousand dollars (\$300,000)
44 shall be used to continue or expand the Failure Free Reading program created by Section
45 3.5(a)(26) of S.L. 2021-25, as enacted by S.L. 2021-180, to address learning loss due to the
46 COVID-19 pandemic. Any school that received funds to participate in the Failure Free Reading
47 program shall be eligible to receive funds pursuant to this subsection.

48 **SECTION 7.15.(b)** Of the funds to be reallocated pursuant to Section 3.5(a)(37)b.
49 of S.L. 2021-25, as enacted by S.L. 2021-180, up to two million dollars (\$2,000,000) shall be
50 used to contract with International MIND Education Institute, Inc., for their ST Math program to
51 address learning loss in math due to the COVID-19 pandemic.

1
2 **STANDARDS ADVISORY COMMISSION**3 **SECTION 7.16.(a)** G.S. 115C-12(9c) reads as rewritten:4 "(9c) Power to Develop Content Standards. – The Board shall adopt the standard
5 course of study as provided in Part 1 of Article 8 of this Chapter.6 a. ~~The Board shall develop a comprehensive plan to revise content~~
7 ~~standards and the standard course of study in the core academic areas~~
8 ~~of reading, writing, mathematics, science, history, geography, and~~
9 ~~civics. The Board shall involve and survey a representative sample of~~
10 ~~parents, teachers, and the public to help determine academic content~~
11 ~~standard priorities and usefulness of the content standards. A full~~
12 ~~review of available and relevant academic content standards that are~~
13 ~~rigorous, specific, sequenced, clear, focused, and measurable,~~
14 ~~whenever possible, shall be a part of the process of the development~~
15 ~~of content standards. The revised content standards developed in the~~
16 ~~core academic areas shall (i) reflect high expectations for students and~~
17 ~~an in-depth mastery of the content; (ii) be clearly grounded in the~~
18 ~~content of each academic area; (iii) be defined grade by grade and~~
19 ~~course by course; (iv) be understandable to parents and teachers; (v)~~
20 ~~be developed in full recognition of the time available to teach the core~~
21 ~~academic areas at each grade level; and (vi) be measurable, whenever~~
22 ~~possible, in a reliable, valid, and efficient manner for accountability~~
23 ~~purposes.~~24 b. ~~High school course content standards shall include the knowledge and~~
25 ~~skills necessary to pursue further postsecondary education or to attain~~
26 ~~employment in the 21st century economy. The high school course~~
27 ~~content standards also shall be aligned with the minimum~~
28 ~~undergraduate course requirements for admission to the constituent~~
29 ~~institutions of The University of North Carolina.~~30 e. ~~The Board also shall develop and implement an ongoing process to~~
31 ~~align State programs and support materials with the revised academic~~
32 ~~content standards for each core academic area on a regular basis.~~
33 ~~Alignment shall include revising textbook criteria, support materials,~~
34 ~~State tests, teacher and school administrator preparation, and ongoing~~
35 ~~professional development programs to be compatible with content~~
36 ~~standards. The Board shall develop and make available to teachers and~~
37 ~~parents support materials, including teacher and parent guides, for~~
38 ~~academic content standards. The State Board of Education shall work~~
39 ~~in collaboration with the Board of Governors of The University of~~
40 ~~North Carolina to ensure that teacher and school administrator degree~~
41 ~~programs, ongoing professional development, and other university~~
42 ~~activity in the State's public schools align with the State Board's~~
43 ~~priorities."~~44 **SECTION 7.16.(b)** G.S. 115C-81.5 reads as rewritten:45 **"§ 115C-81.5. Standard course of study.**46 (a) All children can learn. It is the intent of the General Assembly that the mission of the
47 public school community is to challenge with high expectations each child to learn, to achieve,
48 and to fulfill his or her potential. With that mission as its guide, the State Board of Education
49 shall adopt a plan of education and a standard course of study as provided in G.S. 115C-12(9e)
50 this Part for the public schools of the State. It is the intent of the General Assembly that the focus
51 of State educational funding shall be to ensure that each student receives a sound basic education.

1 It is further a goal of the General Assembly to provide supplemental funds to low-wealth counties
2 to allow those counties to enhance the instructional program and student achievement. Instruction
3 shall be offered in the areas of arts, communication skills, physical education and personal health
4 and safety, mathematics, media and computer skills, science, second languages, social studies,
5 and career and technical education. In addition, instruction shall be offered in all of the areas
6 provided in this Part.

7 (b) The standard course of study shall provide all of the following:

- 8 (1) A core curriculum for all students that takes into account the special needs of
9 children.
- 10 (2) A set of competencies, by grade level, for each curriculum area.
- 11 (3) A list of textbooks for use in providing the curriculum.
- 12 (4) Standards for student performance and promotion based on the mastery of
13 competencies, including standards for graduation, that take into account
14 children with disabilities and, in particular, include appropriate modifications.
- 15 (5) A program of remedial education.
- 16 (6) Required support programs.
- 17 (7) A definition of the instructional day.
- 18 (8) Class size recommendations and requirements.
- 19 (9) Prescribed staffing allotment ratios.
- 20 (10) Material and equipment allotment ratios.
- 21 (11) Facilities guidelines that reflect educational program appropriateness,
22 long-term cost efficiency, and safety considerations.
- 23 (12) Any other information the Board considers appropriate and necessary."

24 **SECTION 7.16.(c)** Article 8 of Chapter 115C of the General Statutes is amended by
25 adding a new section to read:

26 "**§ 115C-81.6. SCOS Commission.**

27 (a) There is established the Standard Course of Study Advisory Commission, hereinafter
28 referred to as the SCOS Commission. The purpose of the Commission is to involve stakeholders
29 in establishing the standard course of study. The Commission shall make recommendations
30 regarding all aspects of the standards and competencies of the standard course of study.

31 (b) The Commission shall be located administratively in the Department of Public
32 Instruction but shall exercise all of its powers and duties independently of the Department of
33 Public Instruction.

34 (c) The Commission shall consist of the following members:

- 35 (1) The General Assembly, upon the recommendation of the President Pro
36 Tempore of the Senate, shall appoint the following eight members:
 - 37 a. One superintendent of a public school unit with a student population
38 greater than 20,000 at the time of appointment.
 - 39 b. One principal of an elementary school.
 - 40 c. One high school teacher.
 - 41 d. One elementary school teacher.
 - 42 e. One parent of a student in middle or high school enrolled in a public
43 school unit at the time of appointment.
 - 44 f. One curriculum specialist from a public school unit with a student
45 population of 20,000 or less at the time of appointment.
 - 46 g. One member of the business community.
 - 47 h. One at-large member.
- 48 (2) The General Assembly, upon the recommendation of the Speaker of the House
49 of Representatives, shall appoint the following eight members:
 - 50 a. One superintendent of a public school unit with a student population
51 of 20,000 or less at the time of appointment.

- b. One principal of a high school.
- c. One principal of a middle school.
- d. One middle school teacher.
- e. One parent of a student in elementary school enrolled in a public school unit at the time of appointment.
- f. One curriculum specialist from a public school unit with a student population of more than 20,000 at the time of appointment.
- g. One member of the business community.
- h. One at-large member.

(3) The Superintendent of Public Instruction or his or her designee.

(4) The President of the North Carolina Community College System, or the President's designee, as a nonvoting member.

(5) The President of The University of North Carolina, or the President's designee, as a nonvoting member.

(6) The President of the North Carolina Chamber, or the President's designee, as a nonvoting member.

(d) In making appointments to the Commission, the General Assembly is encouraged to select qualified citizens who are committed to improving the standard course of study and student achievement and who represent the racial, geographic, and gender diversity of the State. Vacancies in the membership shall be filled by the General Assembly, as provided in G.S. 120-122, using the same criteria as provided in subsection (c) of this section.

(e) Members of the Commission shall serve four-year terms of office beginning on July 1. No appointed member shall serve more than eight consecutive years. Vacancy appointments shall be made for the remainder of the term of office by the General Assembly as provided in G.S. 120-122, using the same criteria as provided in subsection (c) of this section.

(f) The Commission shall elect a chair, a vice-chair, and a secretary from among its membership. In the absence of the chair, the vice-chair shall preside over the Commission's meetings. All members are voting members and a majority of the Commission constitutes a quorum. The Commission shall adopt rules to govern its proceedings.

(g) Meetings of the Commission shall be held upon the call of the chair or the vice-chair in the absence of the chair. The Superintendent shall call the initial meeting of the Commission.

(h) Members of the Commission shall receive compensation for their services and reimbursement for expenses incurred in the performance of their duties required by this Article at the rate prescribed in G.S. 138-5 and G.S. 138-6.

(i) The Superintendent of Public Instruction shall assign staff to assist the Commission's work. The Commission may contract with content area experts to assist in its deliberations from funds available.

(j) The Commission shall:

(1) Develop and recommend to the State Board of Education the standard course of study in accordance with G.S. 115C-81.7.

(2) Develop support materials, including teacher and parent guides, for academic content standards that can be made available to teachers and parents upon approval by the State Board.

(3) Provide recommendations as requested to the State Board of Education related to alignment of State programs and support materials with the revised academic content standards for each core academic area, including revising textbook criteria, support materials, State tests, teacher and school administrator preparation, and ongoing professional development programs to be compatible with content standards.

(k) The Commission shall submit its recommendations under subsection (j) of this section to the State Board. The State Board shall adopt or reject the recommended standard course of

1 study. The State Board shall not make any substantive changes to any recommended standard
2 course of study that it adopts. If the State Board rejects the recommendation, it shall state with
3 specificity its reasons for rejection; the Commission may then amend the recommendation and
4 resubmit it to the State Board. The State Board shall adopt or reject the amended
5 recommendation.

6 (l) If the State Board fails to adopt the Commission's original and amended
7 recommendations as provided in subsection (k) of this section, the State Board may develop and
8 adopt its own recommended standard course of study, subject to the requirements of
9 G.S. 115C-81.8.

10 (m) The Commission shall submit a report by December 1, 2024, and annually thereafter,
11 to the Joint Legislative Education Oversight Committee and the State Board of Education of its
12 activities during the preceding year, together with any recommendations and findings regarding
13 the process for revisions to the standard course of study."

14 **SECTION 7.16.(d)** Article 8 of Chapter 115C of the General Statutes is amended by
15 adding a new section to read:

16 "**§ 115C-81.7. Development of standard course of study.**

17 (a) The State Board shall develop a comprehensive plan to revise, on a regular basis,
18 content standards and the standard course of study in the core academic areas of reading, writing,
19 mathematics, science, history, geography, and civics that clearly designates by year the subjects
20 for review by the Commission. The State Board shall provide this plan to the Commission. The
21 Commission shall review the designated subjects and standard course of study in accordance
22 with the plan developed by the State Board.

23 (b) The Commission shall involve and survey a representative sample of parents,
24 teachers, and the public to help determine academic content standard priorities and usefulness of
25 the content standards. A full review of available and relevant academic content standards that are
26 rigorous, specific, sequenced, clear, focused, and measurable, whenever possible, shall be a part
27 of the process of the development of content standards. The revised content standards developed
28 in the core academic areas shall do all of the following:

- 29 (1) Reflect high expectations for students and an in-depth mastery of the content.
- 30 (2) Be clearly grounded in the content of each academic area.
- 31 (3) Be defined grade-by-grade and course-by-course.
- 32 (4) Be understandable to parents and teachers.
- 33 (5) Be developed in full recognition of the time available to teach the core
34 academic areas at each grade level.
- 35 (6) Be measurable, whenever possible, in a reliable, valid, and efficient manner
36 for accountability purposes.

37 (c) High school course content standards shall include the knowledge and skills necessary
38 to pursue further postsecondary education or to attain employment in the twenty-first century
39 economy. The high school course content standards also shall be aligned with the minimum
40 undergraduate course requirements for admission to the constituent institutions of The University
41 of North Carolina.

42 (d) The State Board, in consultation with the Commission, shall also develop and
43 implement an ongoing process to align State programs and support materials with the revised
44 academic content standards for each core academic area on a regular basis. Alignment shall
45 include revising textbook criteria, support materials, State tests, teacher and school administrator
46 preparation, and ongoing professional development programs to be compatible with content
47 standards.

48 (e) The State Board shall work in collaboration with the Board of Governors of The
49 University of North Carolina to ensure that teacher and school administrator degree programs,
50 ongoing professional development, and other university activity in the State's public schools align
51 with the State Board's priorities."

1 **SECTION 7.16.(e)** Article 8 of Chapter 115C of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 115C-81.8. Review of standard course of study developed by State Board.**

4 (a) Prior to implementation of a standard or competency of the standard course of study
5 adopted as provided in G.S. 115C-81.6(l), the State Board of Education shall submit a report of
6 the proposed changes to the Joint Legislative Education Oversight Committee. The report shall
7 contain the following:

8 (1) A copy of the existing standard or competency of the standard course of study
9 in a format that includes page and line numbers for the text with the material
10 struck through that is being deleted and the material underlined that is being
11 added.

12 (2) An explanation of the reasons for the changes.

13 (3) A copy of the minutes of each State Board meeting where the proposed
14 changes were discussed.

15 (b) A change to a standard, competency, or content of the standard course of study that
16 has been submitted to the Joint Legislative Education Oversight Committee may be implemented
17 as follows:

18 (1) Except as provided in subdivision (2) of this subsection, a change may be
19 implemented following the thirty-first legislative day after the date the State
20 Board submits the change to the Joint Legislative Education Oversight
21 Committee.

22 (2) If a bill that specifically disapproves the change is introduced in either house
23 of the General Assembly by the thirty-first legislative day following the
24 submission of a change to the Joint Legislative Education Oversight
25 Committee, the change becomes effective on the earlier of (i) the day an
26 unfavorable final action is taken on the bill or (ii) the day that session of the
27 General Assembly adjourns without ratifying a bill that specifically
28 disapproves the rule.

29 (3) A change that is specifically disapproved by a bill enacted into law before it
30 becomes effective shall not be implemented. A bill specifically disapproves a
31 change if it contains a provision that refers to the report submitted to the Joint
32 Legislative Education Oversight Committee by title and date and the specific
33 change by page and line number in the report that is disapproved.
34 Notwithstanding any rule of either house of the General Assembly, any
35 member of the General Assembly may introduce a bill at any time during any
36 regular session to disapprove a change that has been submitted to the Joint
37 Legislative Education Oversight Committee that has not become effective."

38 **SECTION 7.16.(f)** G.S. 150B-1(d) is amended by adding a new subdivision to read:

39 **"(33) The State Board of Education with respect to adoption of the standard course**
40 **of study as required by Part 1 of Article 8 of Chapter 115C of the General**
41 **Statutes."**

42 **SECTION 7.16.(g)** Initial appointments to the Standard Course of Study Advisory
43 Commission shall be made by the General Assembly for terms beginning July 1, 2023, and shall
44 be appointed as follows:

45 (1) Notwithstanding G.S. 115C-81.6, as enacted by this act, members appointed
46 pursuant to G.S. 115C-81.6(c)(1)a., c., e., and g. and G.S. 115C-81.6(c)(2)b.,
47 d., f., and h. shall be appointed for two-year terms.

48 (2) Members appointed pursuant to G.S. 115C-81.6(c)(1)b., d., f., and h. and
49 G.S. 115C-81.6(c)(2)a., c., e., and g. shall be appointed for four-year terms.

50 **SECTION 7.16.(h)** Notwithstanding G.S. 115C-81.7(a), the Standard Course of
51 Study Advisory Commission shall review the social studies standard course of study during the

1 2023-2024 school year and provide recommendations to the State Board of Education no later
2 than January 1, 2025.

3 **SECTION 7.16.(i)** This section is effective when it becomes law and applies to all
4 standard courses of study implemented on or after that date.

5
6 **ONLINE DIGITAL INSTRUCTION**

7 **SECTION 7.17.** Subsection (c) of Section 7.23K of S.L. 2017-57 is repealed.

8
9 **CODIFY AND MODIFY RENEWAL SCHOOLS**

10 **SECTION 7.18.(a)** Article 16 of Chapter 115C of the General Statutes is amended
11 by adding a new Part to read:

12 "Part 12. Renewal School Systems.

13 **§ 115C-238.90. Definitions.**

14 The following definitions apply in this Part:

15 (1) Eligible local board of education. – A local board of education of a local
16 school administrative unit that meets one of the following criteria:

17 a. For data applicable to the 2017-2018 school year, the local school
18 administrative unit meets all of the following:

19 1. Greatest percentage of restart model schools in the State
20 approved by the State Board of Education pursuant to
21 G.S. 115C-105.37B(a)(2).

22 2. Eligible for low-wealth supplemental funding.

23 3. An average daily membership of more than 10,000 students.

24 b. For data applicable to the 2021-2022 school year, the local school
25 administrative unit meets all of the following:

26 1. At least sixty percent (60%) of schools within the unit met or
27 exceeded growth.

28 2. Expended less than six thousand seven hundred dollars
29 (\$6,700) per pupil of funding received from State sources.

30 (2) Renewal school system. – A local school administrative unit that is operating
31 under an approved renewal school system plan.

32 (3) Renewal school system plan. – A local school administrative unit renewal plan
33 approved by the State Board of Education pursuant to G.S. 115C-238.91.

34 **§ 115C-238.91. Submission of renewal school system plans; purpose; approval by State**
35 **Board.**

36 (a) Submission of Renewal School System Plans; Purpose. – An eligible local board of
37 education of a local school administrative unit may submit a renewal school system plan to the
38 State Board of Education to permit the eligible local board of education to decide all matters
39 related to the operation of the schools under its control within the local school administrative
40 unit, including use of State funds, curriculum, and operating procedures, except as otherwise
41 provided in this Part. The purpose of operating the local school administrative unit under a
42 renewal school system plan shall be for the eligible local board of education to design and create
43 a comprehensive, innovative strategic vision for sustainable school improvement and student
44 achievement through the delivery of instruction and resources tailored to the needs of the students
45 and the community.

46 (b) Review of the Renewal School System Plan. – An eligible local board of education
47 shall submit an application prior to July 1 to begin operation of the renewal school system plan
48 for the next school year. The State Board shall review, in consultation with the Superintendent
49 of Public Instruction, a renewal school system plan that meets the requirements of this section
50 and notify the board within 30 days of submission of the plan to the State Board. An eligible

1 local board of education shall include at least the following components in its renewal school
2 system plan:

- 3 (1) A resolution adopted by the eligible local board of education to implement the
4 plan in the local school administrative unit.
- 5 (2) A description of how the plan shall meet the purpose set forth in subsection
6 (a) of this section and an outline of strategic goals, including improving
7 student achievement and at least the following:
- 8 a. Policies and support services that will enhance the ability of each
9 school in the local school administrative unit to achieve its own
10 strategic vision and plan within the context of the local school
11 administrative unit's vision.
- 12 b. Strategies for attaining and retaining high quality instructional,
13 support, and administrative school personnel employed by the eligible
14 local board of education.
- 15 c. Methods for the analysis of data to ensure the eligible local board of
16 education is meeting its strategic goals.

17 (c) State Board Approval. – The State Board may approve a renewal school system plan
18 that meets the requirements of this section upon a recommendation from the Superintendent of
19 Public Instruction. The State Board may also establish a proposed initial term of operation for
20 the plan with a schedule for extensions. In accordance with subsection (a) of this section, the
21 renewal school system shall be exempt from statutes and rules applicable to other local school
22 administrative units for the purpose of operating its schools, except as otherwise provided in this
23 Part. For the purposes of federal law and administration of State law, a renewal school system
24 shall be considered a local school administrative unit.

25 **"§ 115C-238.92. Applicability of certain statutes.**

26 A renewal school system shall be subject to the following Articles and sections of this
27 Chapter:

- 28 (1) Article 1, Definitions and Preliminary Provisions.
- 29 (2) Article 5, Local Boards of Education, except for the following subdivisions of
30 G.S. 115C-47, Powers and duties generally:
- 31 a. (5) (To Fix Time of Opening and Closing Schools).
- 32 b. (10) (To Assure Appropriate Class Size).
- 33 c. (11) (To Determine School Calendar).
- 34 d. (13) (To Elect a Superintendent).
- 35 e. (14) (To Supply an Office, Equipment and Clerical Assistance for the
36 Superintendent).
- 37 f. (15) (To Prescribe Duties of Superintendent).
- 38 g. (16) (To Remove a Superintendent, When Necessary).
- 39 h. (17) (To Employ Assistant Superintendents and Supervisors).
- 40 i. (18a) (To Adopt Rules and Policies Limiting the Noninstructional
41 Duties of Teachers).
- 42 j. (21) (Employee Salary Schedules).
- 43 k. (32) (To Refer All Students Who Drop Out of the Public Schools to
44 Appropriate Services).
- 45 l. (32a) (To Establish Alternative Learning Programs and Develop
46 Policies and Guidelines).
- 47 m. (34a) (To Establish Work-Based Opportunities and Encourage High
48 School to Work Partnerships).
- 49 n. (35) (To Produce School Building Improvement Reports).
- 50 o. (38) (To Establish School Improvement Teams).
- 51 p. (65) (To Provide Information About Child Abuse and Neglect).

- 1 (3) Article 7, Organization of Schools.
- 2 (4) G.S. 115C-81.30, Reproductive health and safety education provided by local
- 3 school administrative units.
- 4 (5) G.S. 115C-81.65, Financial literacy.
- 5 (6) Part 1A, North Carolina Read to Achieve Program, and Part 1B of Article 8,
- 6 School Performance.
- 7 (7) Article 9, Education of Children With Disabilities.
- 8 (8) Part 3, Preliminary Scholastic Aptitude Test Opportunities Encouraged, and
- 9 Part 5, Career and College Readiness, of Article 10A.
- 10 (9) Article 8C, Local Safety Plans, except G.S. 115C-105.47A, Proposals to
- 11 establish alternative learning programs or alternative schools, and
- 12 G.S. 115C-105.48, Placement of students in alternative schools/alternative
- 13 learning programs.
- 14 (10) Subsections (c) through (e) of G.S. 115C-218.105, State and local funds for a
- 15 charter school.
- 16 (11) Part 9 of Article 16, Cooperative Innovative High School Programs.
- 17 (12) Part 2 of Article 17, Food Service.
- 18 (13) Article 21A, Privacy of Employee Personnel Records.
- 19 (14) G.S. 115C-325, System of employment for public school teachers, Part 6,
- 20 Criminal History Checks, and Part 8, Sexual Harassment Policies, of Article
- 21 22.
- 22 (15) Article 23, Employment Benefits.
- 23 (16) Article 25, Admission and Assignment of Students, except G.S. 115C-372,
- 24 Assignment to school bus.
- 25 (17) Article 25A, Special Medical Needs of Students.
- 26 (18) Article 25B, Health Needs of Students.
- 27 (19) Article 26, Attendance.
- 28 (20) Article 27, Discipline.
- 29 (21) Article 28, Student Liability.
- 30 (22) Article 29, Protective Provisions and Maintenance of Student Records.
- 31 (23) Article 29A, Policy Prohibiting Use of Tobacco Products.
- 32 (24) Article 29D, Student Prayer and Religious Activity.
- 33 (25) Article 31, The School Budget and Fiscal Control Act, except G.S. 115C-438,
- 34 Provision for the disbursement of State money, and G.S. 115C-451, Reports
- 35 to State Board of Education; failure to comply with School Budget Act.
- 36 (26) Article 33, Assumption of School District Indebtedness by Counties.
- 37 (27) Article 34, Refunding and Funding Bonds of School Districts.
- 38 (28) Article 34B, Qualified Zone Academy Bonds and Qualified School
- 39 Construction Bonds.
- 40 (29) Article 35, Voluntary Endowment Fund for Public Schools.
- 41 (30) Article 36, Voted Tax Supplements for School Purposes.
- 42 (31) Article 37, School Sites and Property, except the class size requirements set
- 43 forth in G.S. 115C-521(a).

44 **"§ 115C-238.93. General operating requirements.**

45 (a) Course of Study. – The renewal school system shall provide at least the following as
46 part of the course of study:

- 47 (1) Provide instruction each year for at least 185 days or 1,025 hours over nine
- 48 calendar months.
- 49 (2) Design its programs to meet, at a minimum, the student performance standards
- 50 adopted by the State Board of Education and the student performance goals
- 51 contained in the plan.

1 (3) Conduct the student assessments required by G.S. 115C-174.11.

2 (b) Identification of Low-Performing Schools. – The State Board shall identify
3 low-performing schools located in the renewal school system on an annual basis.
4 Low-performing schools are those that earn an overall school performance grade of D or F and
5 a school growth score of "met expected growth" or "not met expected growth" as defined by
6 G.S. 115C-83.15. The State Board shall also identify continually low-performing schools in the
7 renewal school system on an annual basis. A continually low-performing school is a school that
8 has been designated by the State Board as low-performing for at least two of three consecutive
9 years.

10 (c) Transportation. – The renewal school system shall provide a system of transportation
11 to students in the local school administrative unit.

12 (d) Policy Against Bullying. – The renewal school system is encouraged to adopt a policy
13 against bullying or harassing behavior, including cyber-bullying, that is consistent with the
14 provisions of Article 29C of this Chapter. If the renewal school system adopts a policy to prohibit
15 bullying and harassing behavior, the unit shall, at the beginning of each school year, provide the
16 policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8).

17 (e) Reporting to the State Board. – The renewal school system shall comply with the
18 reporting requirements established by the State Board of Education in the Uniform Education
19 Reporting System. The renewal school system shall report at least annually to the State Board
20 any information required by the State Board.

21 (f) Driving Eligibility Certificates. – In accordance with rules adopted by the State
22 Board, the renewal school system shall direct the principal of each school in the renewal school
23 system to do all of the following regarding driving eligibility certificates:

24 (1) Sign driving eligibility certificates that meet the conditions established in
25 G.S. 20-11.

26 (2) Obtain the necessary written, irrevocable consent from parents, guardians, or
27 emancipated juveniles, as appropriate, in order to disclose information to the
28 Division of Motor Vehicles.

29 (3) Notify the Division of Motor Vehicles when a student who holds a driving
30 eligibility certificate no longer meets its conditions.

31 (g) Employees. – The renewal school system shall employ and establish the terms of any
32 new or renewed contract with necessary school administrators and teachers to perform the
33 particular service for which they are employed in the schools or in a central administrative role
34 for the renewal school system except for those teachers employed pursuant to G.S. 115C-325. At
35 least fifty percent (50%) of the teachers in a school shall hold teacher licenses. All teachers who
36 are teaching in the core subject areas of mathematics, science, social studies, and language arts
37 shall be college graduates. The renewal school system also may employ necessary employees
38 who are not required to hold teacher licenses to perform duties other than teaching and may
39 contract for other services.

40 **§ 115C-238.94. State funds.**

41 (a) Calculation of Funds. – The Department of Public Instruction shall calculate the
42 amount of State funds to be allocated to a renewal school system on the same basis as other local
43 school administrative units and shall distribute those funds to a unit. The State Board of
44 Education shall establish a policy for converting guaranteed positions to a dollar equivalent for
45 a renewal school system. The funds allocated to a renewal school system shall be subject to any
46 restrictions as to use imposed by federal law, the conditions of federal or State grants, or as
47 provided through any rules that the State Board adopts to ensure compliance with federal
48 regulations. Use of these funds shall otherwise be unrestricted except as provided in this section.

49 (b) Provision for Disbursement of State Money. – The deposit of money in the State
50 treasury to the credit of the renewal school system shall be made as necessary for the operation
51 of the local school administrative unit.

1 The State Board of Education may withhold money to be distributed to the renewal school
2 system if any report required to be filed with State school authorities is more than 30 days
3 overdue.

4 Money in the State Public School Fund and State bond moneys shall be released only on
5 warrants drawn on the State Treasurer, signed by a local official as required by the State Board.

6 (c) State Budget Act Compliance. – The State Board shall have authority to require the
7 renewal school system to make reports as it may deem advisable with respect to the financial
8 operation of the schools located in the renewal school system. If the local board of education
9 willfully or negligently fails or refuses to comply with applicable laws and regulations of the
10 School Budget and Fiscal Control Act, the State Board shall issue a warning to the local board
11 of education and direct it to take remedial action. If the local board of education, after warning,
12 persists in willfully or negligently failing or refusing to comply with these laws and regulations,
13 the State Board shall by resolution assume control of the financial affairs of the local board of
14 education and shall appoint an administrator to exercise the powers assumed. The adoption of a
15 resolution shall have the effect of divesting the local board of education of its powers as to the
16 adoption of budgets, expenditure of money, and all other financial powers conferred upon the
17 local board of education by law.

18 (d) Withholding for Retirement Contributions. – Upon notification by the Board of
19 Trustees of the Teachers' and State Employees' Retirement System to the State Treasurer and the
20 Office of State Budget and Management as to any default of the renewal school system, the State
21 Board shall withhold from any State appropriation due to the renewal school system an amount
22 equal to the sum of all delinquent contributions and payments due to the Retirement Systems
23 Division and shall transmit that amount to the Retirement Systems Division.

24 **"§ 115C-238.95. State Board of Education review; termination of plan; reporting.**

25 (a) Review of the Plan; Grounds for Termination. – The State Board shall conduct a
26 review of the operation and student performance of a renewal school system at least every three
27 years during the operation of a renewal school system plan to ensure that the renewal school
28 system is meeting the expected academic, financial, and governance strategic goals set forth in
29 the plan. The State Board may terminate a renewal school system plan after a review upon any
30 of the following grounds:

- 31 (1) Failure to meet the requirements for student performance contained in the
32 plan.
- 33 (2) The majority of schools in the renewal school system have been identified as
34 low-performing schools in the two school years immediately preceding the
35 review.

36 If the State Board determines that the renewal school system has failed to meet generally
37 accepted standards of fiscal management or violated State or federal law, the State Board may
38 terminate the renewal school system plan prior to any established term of operation in the plan.
39 In addition, if the Superintendent of Public Instruction finds that satisfactory progress is not being
40 made after reviewing the reports required to be submitted under subsection (b) of this section,
41 the Superintendent shall recommend to the State Board that the renewal school system plan be
42 terminated immediately. The State Board shall terminate the renewal school system plan if such
43 a recommendation is made by the Superintendent.

44 Upon termination of the renewal school system plan by the State Board, the State Board shall
45 develop a transition plan for the local board of education to revert to operating the local school
46 administrative unit in accordance with applicable State laws and regulations for other local school
47 administrative units.

48 (b) Reporting to Superintendent. – The renewal school system shall report to the
49 Superintendent of Public Instruction as follows:

- 50 (1) An annual report on the assessment instruments used pursuant to
51 G.S. 115C-174.11(a) and the student outcomes based on those assessments.

1 (2) An annual report on the number of classroom teacher and school administrator
2 vacancies, turnover, and use of long-term substitutes in filling vacancies for
3 both classroom teachers and school administrators. This report shall also
4 provide comparisons with the statewide data on these items. In addition, the
5 report shall also provide comparisons with the previous year's data on these
6 items both at the local school administrative unit level and statewide.

7 (3) An annual report on student absences. This data shall provide comparisons
8 with the previous year's data on these items.

9 (4) Any other reporting requirements deemed necessary by the Superintendent of
10 Public Instruction."

11 **SECTION 7.18.(b)** Section 6 of S.L. 2018-32, as amended by Section 4(d) of S.L.
12 2019-82, Section 3(f) of S.L. 2019-176, Section 1(f) of S.L. 2020-7, Section 3(g) through (h) of
13 S.L. 2021-130, Section 6(h) of S.L. 2021-132, and Section 7.10 of S.L. 2022-74, is repealed.

14 **SECTION 7.18.(c)** Beginning with the 2023-2024 school year, a local school
15 administrative unit operating under an approved renewal school system plan pursuant to Section
16 6 of S.L. 2018-32 as of the date this act becomes law shall continue to operate as a renewal school
17 system subject to Part 12 of Article 16 of Chapter 115C of the General Statutes, as enacted by
18 this act.

19 **SECTION 7.18.(d)** Subsection (b) of this section becomes effective July 1, 2023.
20 The remainder of this act is effective when it becomes law and applies beginning with the
21 2023-2024 school year.

22 23 **CTE GRANTS FOR ANCILLARY ITEMS**

24 **SECTION 7.19.(a)** Of the funds appropriated to the Department of Public
25 Instruction in this act from the General Fund for each year of the 2023-2025 fiscal biennium, the
26 Department shall use up to one million dollars (\$1,000,000) in nonrecurring funds to provide
27 grants for the 2023-2024 and 2024-2025 school years to fund ancillary items necessary for the
28 CTE program at a given school in addition to equipment considered under G.S. 115C-154.2. The
29 Department shall promulgate a full list of items that are eligible to be purchased with funds
30 received pursuant to this program. The Department may consult with the Department of
31 Agriculture and Consumer Services when evaluating a grant program for selection that includes
32 the purchase of animals. A public school unit or a regional partnership of more than one public
33 school unit may apply to receive funds. When awarding grants under this subsection, the
34 Department shall prioritize public school units (i) located, in whole or in part, in a county with
35 at least one local school administrative unit that received low-wealth supplemental funding in the
36 previous fiscal year and (ii) that have a high population of at-risk students or students with
37 disabilities. Grant recipients may make ancillary items available to any students within the public
38 school unit or partnership regardless of whether the student is identified as at-risk or a student
39 with a disability.

40 **SECTION 7.19.(b)** Of the funds appropriated to the Department of Public
41 Instruction in this act from the General Fund, the Department shall use up to two hundred
42 thousand dollars (\$200,000) in recurring funds to assist public school units with program costs
43 associated with CTE programs related to homebuilding. The Department of Public Instruction
44 shall permit high schools within public school units to use the U.S. Department of Labor
45 approved Pre-Apprenticeship Certificate Training (PACT) program, developed by the Home
46 Builders Institute as an approved curriculum for CTE programs.

47 **SECTION 7.19.(c)** The Department shall create and make available an application
48 for grants under this section no later than the beginning of each school year of the biennium.
49 Applicants shall submit their application to receive grant funds to the Department no later than
50 January 15 of each year of the biennium. The Department shall approve or deny each application
51 within 30 days of receipt.

1 **SECTION 7.19.(d)** All recipients of grants under this section for each school year
2 of the biennium shall submit a report to the Department no later than October 15 of each year of
3 the biennium on the outcomes of any programs funded by grants received under this section,
4 including data collection methods for reporting on student outcomes, impacts of the program,
5 and use of State funds. The Department shall then submit a report to the Joint Legislative
6 Education Oversight Committee and the Fiscal Research Division on the overall outcomes of the
7 grant programs no later than December 15 of each year of the 2023-2025 fiscal biennium.
8

9 **DPI FUNDING IN ARREARS**

10 **SECTION 7.20.(a)** The Department of Public Instruction shall develop a model to
11 fund public school units whose funding is based on average daily membership (ADM) to be
12 based on the actual ADM from the prior school year instead of projections for the upcoming
13 school year. The Department shall propose technical adjustments for public school funding to
14 the State Board of Education for approval before submitting the model to the Director of the
15 Budget, pursuant to G.S. 143C-3-3. The Department shall also submit the model to the Fiscal
16 Research Division no later than February 15, 2024. The technical adjustments shall include a list
17 of any laws that would need to be adjusted or repealed to allow for the new funding model to be
18 implemented as well as a comparison of funding received under the old model and the
19 recommended new model, sorted by public school unit.

20 **SECTION 7.20.(b)** Beginning with the 2024-2025 school year, the Department of
21 Public Instruction shall distribute funds to public school units whose funding is based on ADM
22 based on the actual ADM from the prior school year in accordance with the model developed
23 pursuant to subsection (a) of this section. The Department shall provide funds from the ADM
24 Contingency Reserve to fund public school units whose actual ADM for the current school year
25 is higher than the actual ADM from the prior school year.

26 **SECTION 7.20.(c)** Section 7.15(b) of S.L. 2007-323 is repealed.

27 **SECTION 7.20.(d)** Subsections (b) and (c) of this section become effective July 1,
28 2024. The remainder of this section is effective when it becomes law.
29

30 **MATH INTERVENTIONS AND FOURTH AND FIFTH GRADE CLASS SIZE** 31 **REQUIREMENTS**

32 **SECTION 7.21.(a)** Article 8 of Chapter 115C of the General Statutes is amended by
33 adding a new Part to read:

34 "Part 1C. Math That Counts.

35 "§ 115C-83.20. State goal.

36 The goal of the State is to ensure that every student has mathematics skills at or above grade
37 level by the end of fifth grade and continues to progress so that he or she can have the
38 mathematics skills needed for secondary education and career success. The State Board of
39 Education and the Department of Public Instruction shall provide technical assistance as needed
40 to aid local school administrative units in reaching this goal and implementing all provisions of
41 this Part.

42 "§ 115C-83.23. Purposes.

43 The purposes of this Part are to ensure that (i) difficulty with mathematics skill development
44 is identified before students transition to sixth grade, (ii) students receive appropriate
45 mathematics interventions to address difficulty with mathematics skill development and to
46 remediate math skill deficiencies, and (iii) each student and his or her parent or guardian be
47 informed of the student's academic needs and progress.

48 "§ 115C-83.26. High-quality mathematics instruction.

49 Local boards of education shall implement high-quality mathematics instruction that meets
50 the following criteria:

- 51 (1) Aligns with the North Carolina Standard Course of Study.

- 1 (2) Is evidence-based.
- 2 (3) Engages students and provides them with relevant challenges and pathways
3 to deeper understanding.
- 4 (4) Includes materials to support the teacher in facilitating and encouraging active
5 student questioning and discussion.
- 6 (5) Provides students at all levels of language proficiency with opportunities to
7 use written and oral forms of communication to learn and demonstrate
8 understanding of mathematics skills.

9 **"§ 115C-83.29. Mathematics diagnostic assessments.**

10 (a) Fourth and fifth grade students shall be assessed at least three times per school year
11 with formative and diagnostic mathematics assessments made available to local school
12 administrative units by the State Board of Education pursuant to G.S. 115C-174.11(a1) that meet
13 the following criteria:

- 14 (1) Are valid and reliable.
- 15 (2) Align with the North Carolina Standard Course of Study.
- 16 (3) Align with this Part.
- 17 (4) Yield data that can be used with the Education Value-Added Assessment
18 System (EVAAS) to analyze student data to identify root causes for difficulty
19 with mathematics skill development and to determine actions to address them.

20 (b) The Department of Public Instruction shall provide for EVAAS analysis all formative
21 and diagnostic assessment data collected pursuant to this section for fourth and fifth grade. The
22 Department shall use a uniform template for all data collected, and the template shall be used
23 each time data is provided. The template shall include clear designations for each data component
24 reported.

25 **"§ 115C-83.32. Interventions and Mathematics Success Plans (MSPs).**

26 (a) Local boards of education shall address difficulties with mathematics skill
27 development identified through administration of formative and diagnostic assessments with
28 instructional supports and services. Local boards of education are encouraged to partner with
29 community organizations, businesses, and other groups to provide volunteers, mentors, or tutors
30 to assist with the provision of instructional supports and services that enhance mathematics skill
31 development and proficiency.

32 (b) Students who are not grade level proficient in mathematics skills by the end of fifth
33 grade, as demonstrated by the end-of-grade assessment required by G.S. 115C-174.11(c)(1),
34 shall be provided with intervention and remediation services documented in a Mathematics
35 Success Plan (MSP) that meets the requirements of this section. Students shall continue to receive
36 an MSP through the end of eighth grade or when the student demonstrates grade level proficiency
37 on the end-of-grade assessment, whichever is earlier.

38 (c) The MSP shall be regularly adjusted based on multiple data sources, indicating that
39 the student is not progressing toward grade level standards in one or more major mathematics
40 skills. Based on the most recently collected data, an MSP shall include the following information,
41 specific to the identified student:

- 42 (1) The specific mathematics skill deficiencies identified by the assessment data.
- 43 (2) Goals and benchmarks for growth.
- 44 (3) The means by which progress will be monitored and evaluated.
- 45 (4) The specific additional mathematics interventions the student will receive.
- 46 (5) Any additional services the teacher deems appropriate to accelerate the
47 student's mathematics skill development.

48 (d) A student's parent or guardian shall be given notice that the student has been identified
49 as having difficulty with mathematics skill development and that an MSP has been developed.
50 The notice shall provide the parent or guardian the following:

- 1 (1) Specific strategies that can be easily understood and implemented to assist the
 2 student in becoming grade level proficient in mathematics skills.
 3 (2) Encouragement to select one or more strategies for use at home that build on
 4 the student's interests and are most likely to engage the student and result in
 5 mathematics skills improvement.
 6 (3) Direction to free online or hard copy mathematics resources and tools that can
 7 be accessed via a prominently displayed area on the homepage of the primary
 8 website maintained by the Department of Public Instruction.
 9 (e) A multitiered system of support intervention may be used to satisfy the requirements
 10 of this section if all of the components of subsection (c) of this section are incorporated in the
 11 intervention.
 12 (f) The Department shall develop the following model documentation of compliance
 13 with the requirements of this section:
 14 (1) An MSP checklist.
 15 (2) An alternative document for use with a multitiered system of support
 16 intervention.

17 **"§ 115C-83.35. Reporting requirements.**

- 18 (a) Each local board of education shall report annually in writing to the State Board of
 19 Education by September 1 the following information on the prior school year:
 20 (1) The number and percentage of fourth grade students demonstrating and not
 21 demonstrating grade level mathematics proficiency on the end-of-grade
 22 mathematics assessment.
 23 (2) The number and percentage of fifth grade students demonstrating and not
 24 demonstrating grade level mathematics proficiency on the end-of-grade
 25 mathematics assessment.
 26 (3) For students who received a Mathematics Success Plan pursuant to
 27 G.S. 115C-83.32:
 28 a. A description of mathematics interventions provided to students.
 29 b. The number and percentage of sixth grade students demonstrating and
 30 not demonstrating grade level mathematics proficiency on the
 31 end-of-grade mathematics assessment.
 32 c. The number and percentage of seventh grade students demonstrating
 33 and not demonstrating grade level mathematics proficiency on the
 34 end-of-grade mathematics assessment.
 35 d. The number and percentage of eighth grade students demonstrating
 36 and not demonstrating grade level mathematics proficiency on the
 37 end-of-grade mathematics assessment.
 38 (b) The State Board of Education shall establish a uniform format for local boards of
 39 education to report the required information listed in subsection (a) of this section and shall
 40 provide the format to local boards of education no later than 90 days prior to the annual due date.
 41 The State Board of Education shall compile annually this information and submit a State-level
 42 summary to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of
 43 Representatives, and the Joint Legislative Education Oversight Committee annually by
 44 December 15. The State-level summary shall include, for each local school administrative unit,
 45 every component listed in subsection (a) of this section.
 46 (c) Local boards of education shall fully complete all information required by this section
 47 in the uniform format provided by the State Board."

48 **SECTION 7.21.(b)** G.S. 115C-174.11 reads as rewritten:

49 **"§ 115C-174.11. Components of the testing program.**

- 50 (a) Reading Assessment Instruments for Kindergarten, First, Second, and Third Grades.
 51 – The State Board of Education shall develop, adopt, and provide to the local school

1 administrative units developmentally appropriate individualized assessment instruments aligned
2 with the standard course of study and Part 1A of Article 8 of this Chapter for the kindergarten,
3 first, second, and third grades. Local school administrative units shall use these assessment
4 instruments provided to them by the State Board for kindergarten, first, second, and third grade
5 students to assess progress, diagnose difficulties, and inform instruction and remediation needs.
6 Local school administrative units shall not use standardized tests for summative assessment of
7 kindergarten, first, and second grade students except as required as a condition of receiving
8 federal grants.

9 (a1) Mathematics Assessment Instruments for Fourth and Fifth Grades. – The State Board
10 of Education shall adopt and provide to the local school administrative units at least five
11 developmentally appropriate individualized formative and diagnostic assessment instruments
12 aligned with the standard course of study and Part 1C of Article 8 of this Chapter for the fourth
13 and fifth grades. Local school administrative units shall select one of the assessment instruments
14 made available to them by the State Board to assess progress, diagnose difficulties, and inform
15 instruction and remediation needs for fourth and fifth grade students. Local school administrative
16 units shall not use these formative and diagnostic assessments for summative assessment of
17 fourth and fifth grade students except as required as a condition of receiving federal grants.

18 (b) Repealed by Session Laws 2009-451, s. 7.20(c), effective July 1, 2009.

19 (c) Annual Testing Program. –

20 (1) The State Board of Education shall adopt the tests for grades three through 12
21 that are required by federal law or as a condition of a federal grant. These tests
22 shall be designed to measure progress toward reading, communication skills,
23 and mathematics for grades three through eight, and toward competencies for
24 grades nine through 12. Students who do not pass the tests adopted for eighth
25 grade shall be provided remedial instruction in the ninth grade.

26 (2) If the State Board of Education finds that additional testing in grades three
27 through 12 is desirable to allow comparisons with national indicators of
28 student achievement, that testing shall be conducted with the smallest size
29 sample of students necessary to assure valid comparisons with other states.

30 (3) Repealed by Session Laws 2014-78, s. 3(a), effective July 1, 2014.

31 (4) To the extent funds are made available, the State Board of Education shall use
32 a competitive bid process to adopt one nationally norm-referenced college
33 admissions test to make available to local school administrative units, regional
34 schools, and charter schools to administer to all students in the eleventh grade
35 unless the student has already taken a comparable test and scored at or above
36 a level set by the State Board. The State Board of Education shall require the
37 administration of an alternate to the nationally norm-referenced college
38 admissions test or an alternate precursor test to the nationally norm-referenced
39 college admissions test to a student who (i) exhibits severe and pervasive
40 delays in all areas of conceptual, linguistic, and academic development and in
41 adaptive behaviors, including communication, daily living skills, and
42 self-care, (ii) is following the extended content standards of the Standard
43 Course of Study as provided in G.S. 115C-81.5, or is following a course of
44 study that, upon completing high school, may not lead to admission into a
45 college-level course of study resulting in a college degree, and (iii) has a
46 written parental request for an alternate assessment.

47 The State Board of Education shall ensure that parents of students enrolled
48 in all public schools, including charter and regional schools, have the
49 necessary information to make informed decisions regarding participation in
50 the nationally norm-referenced college admissions test and precursor test.

1 Alternate assessment and nationally norm-referenced college admissions
2 test assessment results of students with disabilities shall be included in school
3 accountability reports, including charter and regional schools, provided by the
4 State Board of Education.

5 (d) Except as provided in subsection (c) of this section, the State Board of Education shall
6 not require the public schools to administer any standardized tests except for those required by
7 federal law or as a condition of a federal grant.

8 The State Board of Education shall adopt and provide to local school administrative units all
9 tests required by federal law or as a condition of a federal grant."

10 **SECTION 7.21.(c)** Section 6(d)(5) of S.L. 2018-32 reads as rewritten:

11 "(5) Part 1A, North Carolina Read to Achieve Program, ~~and Part 1B of Article 8,~~
12 ~~Part 1B, School Performance Performance,~~ and Part 1C of Article 8, Math
13 That Counts."

14 **SECTION 7.21.(d)** G.S. 115C-301 reads as rewritten:

15 "**§ 115C-301. Allocation of teachers; class size.**

16 ...

17 (c) Maximum Class Size for Kindergarten Through ~~Third-Fifth~~ Grade. – The average
18 class size for kindergarten through ~~third-fifth~~ grade in a local school administrative unit shall at
19 no time exceed the funded allotment ratio of teachers to students in kindergarten through ~~third~~
20 fifth grade. At the end of the second school month and for the remainder of the school year, the
21 size of an individual class in kindergarten through ~~third-fifth~~ grade shall not exceed the allotment
22 ratio by more than three students. The funded class size allotment ratio for kindergarten through
23 ~~third-fifth~~ grade shall be as follows:

24 (1) For kindergarten, one teacher per 18 students.

25 (2) For first grade, one teacher per 16 students.

26 (3) For second grade, one teacher per 17 students.

27 (4) For third grade, one teacher per 17 students.

28 (5) For fourth grade, one teacher per 24 students.

29 (6) For fifth grade, one teacher per 24 students.

30 In grades ~~four-six~~ through 12, local school administrative units shall have the maximum
31 flexibility to use allotted teacher positions to maximize student achievement.

32 (c1) Class Size Exceptions for Kindergarten Through ~~Third-Fifth~~ Grade. – Class size
33 requirements for kindergarten through ~~third-fifth~~ grade provided in subsection (c) of this section
34 shall not apply to the following classes:

35 (1) Dual language immersion classes. For the purposes of this subsection, dual
36 language immersion classes are classes in which (i) at least one-third of the
37 students' dominant language is English and (ii) instruction involves both
38 English and a target foreign language with a minimum of fifty percent (50%)
39 of core content taught in the target foreign language in order to promote dual
40 language proficiency for all students.

41 (2) Program enhancement classes.

42 ...

43 (f) Biannual Reports. – At the end of October and end of February of each school year,
44 each local board of education, through the superintendent, shall file a report, based on
45 information provided by the principal, for each school within the local school administrative unit
46 with the Superintendent of Public Instruction. The report shall be filed in a format prescribed by
47 the Superintendent of Public Instruction and shall include the organization for each school in the
48 local school administrative unit, including the following information:

49 (1) For each class in each grade level at each school, the following:

50 a. The duties of the teacher.

51 b. The source of funds used to pay for the teacher.

1 c. The number of students assigned to the class, including all exceptions
2 to individual class size maximums in kindergarten through ~~third-fifth~~
3 grade that exist at that time.

4 (2) For each school, the following:

5 a. The number of program enhancement teachers.

6 b. The source of funds used to pay each program enhancement teacher.

7 (3) The average class size for each grade from kindergarten through ~~third-fifth~~
8 grade in the local school administrative unit.

9 (4) Any other information the Superintendent of Public Instruction may require.

10 The Superintendent of Public Instruction shall conduct periodic audits of the information
11 reported by the local superintendent under this subsection to confirm the accuracy of reporting
12 at the local school administrative unit and school level of the average and individual class size
13 for students in kindergarten through ~~third-fifth~~ grade. If the Superintendent of Public Instruction
14 finds that a local board of education is exceeding class size requirements without application to
15 the State Board for an allotment adjustment or a waiver of those class size requirements, the State
16 Board may impose the penalty set forth in subsection (j) of this section until such time the local
17 board of education receives a waiver or the schools in the unit meet the class size requirements
18 for kindergarten through ~~third-fifth~~ grade.

19 (g) Waivers and Allotment Adjustments. – Local boards of education shall report
20 exceptions to the class size requirements set out for kindergarten through ~~third-fifth~~ grade and
21 significant increases in class size at other grade levels to the State Board and shall request
22 allotment adjustments at any grade level, waivers from the requirements for kindergarten through
23 ~~third-fifth~~ grade, or both. Within 45 days of receipt of reports, the State Board of Education,
24 within funds available, may allot additional positions at any grade level. The State Board shall
25 not grant waivers for excess class size in kindergarten through ~~third-fifth~~ grade, except under the
26 following circumstances:

27 (1) Emergencies or acts of God that impact the availability of classroom space or
28 facilities.

29 (2) An unanticipated increase in student population of an individual school in
30 excess of two percent (2%) of the average daily membership of that school.

31 (3) Organizational problems in geographically isolated local school
32 administrative units in which the average daily membership is less than one
33 and one-half per square mile.

34 (4) Classes organized for a solitary curricular area.

35 (5) A charter school closure.

36 The State Board shall report on all waivers to the Joint Legislative Commission on
37 Governmental Operations within 30 days of the grant of the waiver. The report shall include the
38 local school administrative unit, school, and class or classes for which the waiver was granted,
39 the statutory grounds for the waiver, and the terms of the waiver. A waiver for excess class size
40 in kindergarten through ~~third-fifth~~ grade shall not become effective until the State Board submits
41 the report to the Joint Legislative Commission on Governmental Operations.

42 Upon notification from the State Board that the reported exception does not qualify for an
43 allotment adjustment or a waiver, the local board of education shall take action to correct the
44 exception within 30 days. Within 60 days of notification by the State Board, the Superintendent
45 of Public Instruction shall request an updated report from the local board of education on the size
46 of each class in kindergarten through ~~third-fifth~~ grade for each school within the local school
47 administrative unit. If the Superintendent of Public Instruction finds that a local board of
48 education is continuing to exceed class size requirements, the State Board may impose the
49 penalty set forth in subsection (j) of this section until such time the schools in the unit meet the
50 class size requirements for kindergarten through ~~third-fifth~~ grade.

51"

1 **SECTION 7.21.(e)** G.S. 115C-47(10) reads as rewritten:

2 "(10) To Assure Appropriate Class Size. – It shall be the responsibility of local
3 boards of education to assure that the class size requirements set forth in
4 G.S. 115C-301 for kindergarten through ~~third~~-fifth grade are met. Any teacher
5 who believes that the requirements of G.S. 115C-301 have not been met shall
6 make a report to the principal and superintendent, and the superintendent shall
7 immediately determine whether the requirements have in fact not been met. If
8 the superintendent determines the requirements have not been met, he or she
9 shall make a report to the next local board of education meeting. The local
10 board of education shall take action to meet the requirements of the statute. If
11 the local board cannot organizationally correct the exception, it shall
12 immediately apply to the State Board of Education for additional personnel or
13 a waiver of the class size requirements, as provided in G.S. 115C-301(g).

14 Upon notification from the State Board of Education that the reported
15 exception does not qualify for an allotment adjustment or a waiver under
16 provisions of G.S. 115C-301, the local board, within 30 days, shall take action
17 necessary to correct the exception, as required in G.S. 115C-301(g).

18 At the end of October and end of February of each school year, the local board
19 of education, through the superintendent, shall file a report with the
20 Superintendent of Public Instruction, in a format prescribed by the
21 Superintendent of Public Instruction, describing the organization for each
22 school in the local school administrative unit, as required by
23 G.S. 115C-301(f).

24 In addition to assuring that the requirements of G.S. 115C-301 are met, each
25 local board of education shall also have the duty to provide an adequate
26 number of classrooms to meet the requirements of that statute."

27 **SECTION 7.21.(f)** G.S. 115C-276(k) reads as rewritten:

28 "(k) To Submit Organization Reports and Other Information to the State Board. – Each
29 year the superintendent of each local school administrative unit shall submit to the State Board
30 of Education statistical reports, certified by the chairman of the board of education, showing the
31 organization of the schools in his or her unit and any additional information the State Board may
32 require. At the end of the second month of school each year, local boards of education, through
33 the superintendent, shall report school organization, employees' duties, and class sizes to the State
34 Board. As of February 1 each year, local boards of education, through the superintendent, shall
35 report all exceptions to individual class size maximums in kindergarten through ~~third~~-fifth grade
36 that occur at that time."

37 **SECTION 7.21.(g)** G.S. 115C-311(i) reads as rewritten:

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

45 **SECTION 7.21.(h)** This section is effective when it becomes law. The reporting
46 requirements established in G.S. 115C-83.35 shall apply beginning with reports based on data
47 from the 2023-2024 school year. Subsections (d), (e), (f), and (g) of this section become effective
48 beginning with the 2024-2025 school year. The remainder of the section applies beginning with
49 the 2023-2024 school year.

50
51 **INCREASING ENGAGEMENT IN STEM**

1 **SECTION 7.22.(a)** Program; Purpose. – The Superintendent of Public Instruction
2 shall establish the Increasing Engagement in STEM Program (Program) for the 2023-2025 fiscal
3 biennium. The purpose of the Program is to provide grant funds to public school units to engage
4 in experiential science, technology, engineering, and math (STEM) education programs.

5 **SECTION 7.22.(b)** Grant Application Time Line. – The Superintendent shall
6 develop and publish an application for the Program on or before September 15 of each year of
7 the 2023-2025 fiscal biennium. Public school units may submit applications for this grant until
8 November 15 of each year of the 2023-2025 fiscal biennium. The Superintendent shall select
9 recipients of the grants by December 15 of each year of the 2023-2025 fiscal biennium.

10 **SECTION 7.22.(c)** Grant Applications. – The application created by the
11 Superintendent shall require a plan of how the public school unit would use grant funds to
12 increase STEM engagement of sixth, seventh, and eighth grade students. Applicant plans shall
13 include the following:

- 14 (1) Evidence that the plan uses high-quality instruction methods and includes
15 research-based best practices in the area of STEM education to further the
16 purpose of the Program.
- 17 (2) How grant funds will be used to further the purpose of the Program. Allowable
18 uses of funds include, but are not limited to, the following:
 - 19 a. Stipends for teachers who participate with the Program.
 - 20 b. Partnering with third-party vendors to provide services or host
21 competitions that further the purpose of the Program.
- 22 (3) How the public school unit would sustain their plan beyond the end of the
23 grant period.
- 24 (4) Any other factors or criteria the Superintendent deems appropriate to advance
25 the purpose of the Program.

26 **SECTION 7.22.(d)** Grant Recipients. – After reviewing the submitted applications,
27 the Superintendent shall select applicants to receive grants for the Program. The Superintendent
28 shall determine the size of grants awarded to each public school unit while ensuring a distribution
29 of grant funds to each of the various sizes of public school units referenced in subdivision (3) of
30 this subsection. When selecting applicants to receive grants, the Superintendent shall adhere to
31 the following criteria:

- 32 (1) The total number of recipients shall not exceed 20 public school units.
- 33 (2) Recipients shall reflect the geographic diversity of the State.
- 34 (3) Recipients shall reflect the population diversity of public school units in the
35 State by selecting recipients from the following:
 - 36 a. Up to five public school units consisting of no more than one school.
 - 37 b. Up to five units with an average daily membership from the previous
38 school year of 4,000 students or fewer.
 - 39 c. Up to five units with an average daily membership from the previous
40 school year of between 4,001 and 20,000 students.
 - 41 d. Up to five units with an average daily membership from the previous
42 school year of 20,001 students or greater.

43 If there are fewer than five applicants in any of the categories listed in subdivision (3)
44 of this subsection, the Superintendent may, in the Superintendent's discretion, award additional
45 grants to applicants from other categories.

46 **SECTION 7.22.(e)** Initial Report. – The Superintendent of Public Instruction shall
47 submit an initial report on the application process for the Program to the Joint Legislative
48 Education Oversight Committee by May 15, 2024. The initial report shall include the following:

- 49 (1) A list of public school units that applied for grants.
- 50 (2) A list of public school units that received grants.

1 (3) A summary of how the grant funds will be spent on Program activities
2 according to the plans submitted by grant recipients.

3 (4) Any other information the Superintendent deems relevant.

4 **SECTION 7.22.(f)** Continuing and Final Reports. – At the conclusion of each school
5 year grants are awarded, public school units that received grants shall report to the Superintendent
6 any information required by the Superintendent on the outcomes of their plans. The
7 Superintendent shall submit a final report to the Joint Legislative Education Oversight
8 Committee by December 15, 2025. The final report shall include the following:

9 (1) An accounting of expenditures.

10 (2) The number and percentage of students enrolled in the school who participated
11 in the Program, including demographic data for participating students.

12 (3) Student performance data in STEM-related courses.

13 (4) How public school units would continue to use grant funds in the future if the
14 Program were to continue beyond the 2024-2025 school year.

15 (5) Any recommendations by the Superintendent to modify the Program to be
16 more effective at furthering the purpose of the Program.

17 **SECTION 7.22.(g)** Appropriation. – Of the funds appropriated in this act from the
18 ARPA Temporary Savings Fund to the Department of Public Instruction, the sum of one million
19 dollars (\$1,000,000) in nonrecurring funds for each year of the 2023-2025 fiscal biennium shall
20 be used to implement the provisions of this section.

21 **SECTION 7.22.(h)** Evaluation. – As a condition of receipt of grant funds, a public
22 school unit shall designate both students who complete the grant-funded activities in the
23 Common Education Data Analysis and Reporting System and a matched set of students with
24 similar demographic characteristics who did not complete the grant-funded activities, when
25 possible, in a manner directed by the Department of Public Instruction that will allow future
26 analysis of outcomes for these students related to all of the following:

27 (1) Enrollment in STEM-related elective clusters in high school.

28 (2) Graduation from high school within four years of entry.

29 (3) Enrollment in a postsecondary STEM-related major, degree program, or
30 certificate program within three years of high school graduation.

31 (4) Completion of a postsecondary STEM-related major, degree program, or
32 certificate program within six years of high school graduation.

33 (5) Employment in a STEM-related field within eight years of high school
34 graduation.

35 The North Carolina Longitudinal Data System shall, in cooperation with all agencies
36 with relevant data, report annually to the Joint Legislative Education Oversight Committee on
37 the outcomes for both groups of students on each available data point beginning December 15,
38 2028, and ending December 15, 2039.

39 **SECTION 7.22.(i)** It is the intent of the General Assembly to reauthorize this
40 Program for the 2025-2026 school year.

41 **AFTER-SCHOOL ROBOTICS GRANT PROGRAM**

42 **SECTION 7.23.(a)** Program; Purpose. – There is established the Educational and
43 Competitive After-School Robotics Grant Program (Program). The purpose of the Program shall
44 be to (i) promote evidence-based, after-school programs for robotics education and competition
45 and (ii) motivate students to pursue education and career opportunities in science, technology,
46 engineering, and mathematics while building critical life and work-related skills.

47 **SECTION 7.23.(b)** Eligibility. – Any public school unit is eligible to apply to the
48 Department of Public Instruction for a grant to develop an educational and competitive
49 after-school robotics program with a robotics partner. As used in this subsection, the term
50 "robotics partner" shall refer to a third-party entity, such as a nonprofit organization or institution
51

1 of higher education, approved by the Department of Public Instruction that is able to provide
2 adequate support for an after-school robotics program. In order to provide adequate support, a
3 robotics partner must meet at least all of the following criteria:

- 4 (1) Have a national presence in robotics education and competition.
- 5 (2) Provide adequate instruction and programming for students and adult
6 volunteers in (i) robotics education, (ii) project-based learning, and (iii)
7 competitive robotics.
- 8 (3) Promote a safe and equitable social environment.

9 **SECTION 7.23.(c)** Applications; Criteria and Guidelines. – No later than August 1
10 of each year that funds are made available for the Program, the Department shall develop and
11 publish criteria and guidelines for the application process for the Program in the upcoming school
12 year, including any documentation required to be submitted by the applicants. The Department
13 shall accept applications until September 30 of each school year. Applications shall include, at a
14 minimum, the following information:

- 15 (1) Evidence that the applicant has or will be able to establish a relationship with
16 a robotics partner.
- 17 (2) A proposed budget for the educational and competitive after-school robotics
18 program.

19 **SECTION 7.23.(d)** Award and Use of Funds. – From funds made available for the
20 Program, the Department shall award grants to the selected applicants by October 31. Funds may
21 be used for any of the following purposes:

- 22 (1) Establish a relationship with a robotics partner.
- 23 (2) Purchase robotics kits.
- 24 (3) Provide stipends for coaches.
- 25 (4) Make payments associated with participation in a robotics league or robotics
26 competition.
- 27 (5) Pay fees incurred as part of the administration of a robotics team.

28 **SECTION 7.23.(e)** Reporting. – No later than October 15 of each year in which
29 funds are made available for the Program, the Department shall report the following information
30 from the prior school year to the Joint Legislative Education Oversight Committee and the Fiscal
31 Research Division:

- 32 (1) Number and amounts of grants awarded.
- 33 (2) Identities of the public school units receiving grants.
- 34 (3) Identities of public school units that applied for grants but did not receive one.
- 35 (4) The extent to which students participating in after-school robotics programs
36 funded by the Program experienced measurable improvement in academic
37 performance, if any.

38 **THREAT ASSESSMENT TEAMS**

39 **SECTION 7.24.(a)** G.S. 115C-105.46, 115C-105.47A, and 115C-105.48 are
40 codified into Part 1 of Article 8C of Chapter 115C of the General Statutes, Local Plans for
41 Alternative Schools/Alternative Learning Programs and Maintaining Safe and Orderly Schools.
42 Part 1 shall be entitled "Local Plans for Alternative Schools/Alternative Learning Programs."
43 The remaining sections of Article 8C of Chapter 115C of the General Statutes shall be codified
44 into Part 2, which shall be entitled "Maintaining Safe and Orderly Schools."

45 **SECTION 7.24.(b)** Article 8C of Chapter 115C of the General Statutes is amended
46 by adding a new section to read:

47 **"§ 115C-105.65. Threat assessment teams.**

48 (a) Definitions. – The following definitions apply in this section:

- 49 (1) Superintendent. – The superintendent or, if there is no superintendent, the staff
50 member with the highest decision-making authority.

1 (2) Threat assessment. – A fact-based process of identifying, assessing, and
2 managing behavior that may pose a risk of violence or other harm to self or
3 others.

4 (3) Threat assessment team. – A multidisciplinary team that includes, but is not
5 limited to, persons with expertise in counseling, instruction, school
6 administration, and law enforcement that conducts threat assessments in a
7 public school unit when threatening behavior has been communicated and
8 when a student has engaged in threatening behavior that warrants further
9 evaluation. When practicable, at least one school psychologist, one staff
10 member knowledgeable about and experienced in working with students with
11 special needs, and one staff member knowledgeable about and experienced in
12 working with students with disabilities shall be assigned to the threat
13 assessment team. If a school psychologist is not available, the school may
14 assign a licensed mental health professional instead. Members of a threat
15 assessment team who are not employees of the public school unit may review
16 student records as provided in 34 C.F.R. § 99.31(a)(1)(i)(B) pursuant to a
17 written agreement with the public school unit of the requirements and
18 responsibilities for use of student records under the federal Family
19 Educational Rights and Privacy Act.

20 (4) Threatening behavior. – Any communication or action that indicates that an
21 individual may pose a danger to the safety or well-being of school staff or
22 students through acts of violence or other behaviors that would cause harm to
23 self or others. These behaviors may be expressed or communicated orally,
24 visually, in writing, electronically, or through any other means and may be
25 considered threatening regardless of whether a direct verbal threat is
26 expressed.

27 (b) The Center for Safer Schools shall develop guidance for threat assessment teams for
28 public school units, and all public school units shall have access to the guidance. The Center shall
29 develop the guidance by (i) collecting information and best practices from schools with existing
30 threat assessment teams and (ii) consulting with the Task Force for Safer Schools, Disability
31 Rights North Carolina, the North Carolina School Psychology Association, the State Bureau of
32 Investigation, and relevant State government agencies. This guidance shall not reference or
33 reveal any information that has been excluded as a public record under G.S. 115C-47(40), Part 2
34 of Article 8C of this Chapter, or any other relevant statute. The guidance shall include, at a
35 minimum, the best practices for the following:

36 (1) Assessment of and intervention with an individual whose behavior poses a
37 risk to the safety of school staff, students, or self, including suggested
38 definitions of threat levels with examples of behavior that would be
39 considered a threat under the given definitions.

40 (2) If the individual is a student or minor, involvement of the individual's parent
41 or legal guardian throughout the threat assessment process.

42 (3) Referral to LME/MCOs, as provided in G.S. 122C-115.4(b)(9), for evaluation
43 or treatment, when appropriate.

44 (4) Compliance with the Family Educational Rights and Privacy Act (FERPA),
45 20 U.S.C. § 1232g, the Individuals with Disabilities Education Act (IDEA),
46 20 U.S.C. § 1400, et seq., and Article 9 of Chapter 115C of the General
47 Statutes.

48 (c) The governing body of a public school unit shall develop a policy for the
49 establishment of threat assessment teams. In developing these policies, the unit shall consult the
50 guidance issued by the Center for Safer Schools released pursuant to subsection (b) of this
51 section. These policies shall not reference or reveal any information that has been excluded as a

1 public record under G.S. 115C-47(40), Part 2 of Article 8C of this Chapter, or any other relevant
2 statute.

3 (d) The superintendent or the superintendent's designee shall establish a committee
4 charged with coordination and monitoring of the threat assessment teams operating within the
5 unit, which may be an existing committee established by the unit. The committee shall include
6 individuals with expertise in human resources, education, school administration, mental health,
7 and law enforcement.

8 (e) The superintendent of a public school unit shall establish a multidisciplinary threat
9 assessment team for each school within the unit. In the discretion of the superintendent, an
10 established threat assessment team may serve more than one school in the unit. Each team shall
11 have the following duties and responsibilities:

12 (1) Provide training to students, faculty, and staff regarding recognition and
13 reporting of threatening behavior that may indicate a risk of harm to the
14 community, school, or self.

15 (2) Establish a written policy defining how threats will be assessed, including any
16 scale or classification system that will be used to indicate various levels of
17 threats and the standard response to each level of threat. A copy of the policy
18 shall be sent to the Center for Safer Schools.

19 (3) Identify members of the school community to whom threatening behavior
20 should be reported.

21 (4) Implement policies adopted by the governing body of the public school unit
22 pursuant to subsection (c) of this section.

23 (5) Utilize anonymous reporting applications for students to share information
24 about school safety concerns requiring investigation.

25 (6) Upon finding a credible threat, a threat assessment team may take any of the
26 following actions:

27 a. Recommend that the individual involved be referred for mental health
28 services. If the individual is a student or minor, the parents shall be
29 notified of the recommendation and encouraged to contact the
30 student's primary care provider, insurance, or the local Medicaid
31 management entity or managed care organization.

32 b. Provide notice to individuals who are the subject of threatening
33 behavior and, if the individual is a student or a minor, provide notice
34 to the student's parent or legal guardian. All notices shall be in
35 accordance with the Family Educational Rights and Privacy Act, 20
36 U.S.C. § 1232g.

37 c. Provide notice to the appropriate local law enforcement agency.

38 (f) Any information shared among members of the threat assessment team pursuant to
39 this section shall remain confidential, shall not be a public record subject to Chapter 132 of the
40 General Statutes, and shall only be released in connection with an emergency under the standards
41 established by the Family Educational Rights and Privacy Act in 20 U.S.C. § 1232g(b)(1)(I).

42 (g) Any threat assessment team may submit a request to the Center for Safer Schools, in
43 a manner to be determined by the Center, for a training session on the implementation or
44 operation of a threat assessment team. Within 30 days of any training conducted pursuant to this
45 section, the Center shall send a brief to all assessment teams giving an overview of the training,
46 including any solutions reached or lessons learned.

47 (h) Each threat assessment team established pursuant to this section shall report
48 quantitative data on its activities to the Center for Safer Schools as required by the Center. The
49 Center is authorized to share these reports with any agency it consults with to develop policies
50 pursuant to this section. Such data shall include, at a minimum, the following:

- 1 (1) Number of threat assessments conducted annually and demographic
 2 information on the individuals assessed.
 3 (2) Total number of threat assessments that resulted in a determination that the
 4 behavior being assessed posed a threat, and any information on the scale or
 5 classification of the threat, as described by the written policy required by
 6 subdivision (e)(2) of this section.
 7 (3) All actions and the results of those actions taken in response to finding a threat.
 8 (4) Number, subject, and solution or outcome of any technical assistance requests.
 9 (i) No governing body of a public school unit, nor its members, employees, designees,
 10 agents, or volunteers, shall be liable in civil damages to any party for any loss or damage caused
 11 by any act or omission relating to the participation in or implementation of any component of the
 12 threat assessment team policies required by this section, unless that act or omission amounts to
 13 gross negligence, wanton conduct, or intentional wrongdoing. Nothing in this section shall be
 14 construed to impose any specific duty of care or standard of care.
 15 (j) Nothing in this section shall preclude public school personnel from acting
 16 immediately to address threatening behavior that is an imminent risk.
 17 (k) Any action taken pursuant to this section, or a rule or policy developed pursuant to
 18 this section, shall comply with the Constitution of the United States, the North Carolina
 19 Constitution, and Article 27 of this Chapter."

20 **SECTION 7.24.(c)** G.S. 115C-105.57(c)(2)c. reads as rewritten:

21 "c. Threat assessment, assessment and threat assessment teams, including
 22 development of guidance pursuant to G.S. 115C-105.65(b).

23 **SECTION 7.24.(d)** G.S. 122C-115.4(b) is amended by adding a new subdivision to
 24 read:

25 "(9) Each LME/MCO shall receive referrals from school superintendents or
 26 designees in accordance with G.S. 115C-105.65 related to students who are
 27 uninsured or are covered by Medicaid and not enrolled in a prepaid health plan
 28 residing in the LME/MCO's catchment area. Within 10 calendar days after
 29 receipt of a referral, the LME/MCO shall contact the student's parent or legal
 30 guardian using the information provided on the referral and shall provide
 31 assistance with identifying appropriate existing mental health resources
 32 available to the student. The assistance shall include identifying sources of
 33 funding to assist with the cost of mental health services as well as providing
 34 referrals to appropriate mental health service providers and mental health
 35 services."

36 **SECTION 7.24.(e)** The Center for Safer Schools shall develop guidance for threat
 37 assessment teams as required by G.S. 115C-105.65(b), as enacted by this section, no later than
 38 December 31, 2023. Public school units shall establish threat assessment teams as required by
 39 G.S. 115C-105.65, as enacted by this section, no later than March 1, 2024.

40 **SECTION 7.24.(f)** G.S. 115C-47 is amended by adding a new subdivision to read:

41 "(68) Peer-to-Peer Student Support Programs. – Local boards of education shall
 42 require peer-to-peer student support programs be established at all schools
 43 with grades six and higher and are encouraged to implement peer-to-peer
 44 student support programs as appropriate in other grades."

45 **SECTION 7.24.(g)** G.S. 115C-316.1(a) is amended by adding a new subdivision to
 46 read:

47 "(5) Coordinating and providing training for students in peer-to-peer student
 48 support programs that address areas such as conflict resolution, general health
 49 and wellness, and mentoring. The Center for Safer Schools will support school
 50 counselors in the administration and delivery of peer-to-peer student support
 51 programs."

1 **SECTION 7.24.(h)** Subsections (f) and (g) of this section are effective when they
2 become law. Local boards of education are encouraged to establish peer-to-peer student support
3 groups, as identified in G.S. 115C-47(68) and G.S. 115C-316.1(a), as amended by this section,
4 by the 2023-2024 school year and shall establish peer-to-peer student support groups by the
5 2024-2025 school year.

6 **SECTION 7.24.(i)** G.S. 115C-105.49 reads as rewritten:

7 "**§ 115C-105.49. School safety exercises.**

8 (a) At least once annually, each ~~local school administrative public school~~ public school unit shall
9 require each school under its control to hold a full school-wide tabletop exercise and drill based
10 on the procedures documented in its School Risk Management Plan ~~(SRMP)~~ (SRMP) and shall
11 report the date and time the drill is conducted to the Center for Safer Schools. The drill shall
12 include a practice school lockdown due to an intruder on school grounds. Each school is
13 encouraged to hold a tabletop exercise and drill for multiple hazards included in its SRMP.
14 Schools are strongly encouraged to include local law enforcement agencies and emergency
15 management agencies in their tabletop exercises and drills. The purpose of the tabletop exercises
16 and drills shall be to permit participants to (i) discuss simulated emergency situations in a
17 low-stress environment, (ii) clarify their roles and responsibilities and the overall logistics of
18 dealing with an emergency, and (iii) identify areas in which the SRMP needs to be modified.

19 ...

20 (d) The Department of Public Safety, Division of Emergency Management, and the
21 Center for Safer Schools shall provide guidance and recommendations to ~~local school~~
22 administrative public school units on the types of multiple hazards to plan and respond to,
23 including intruders on school grounds."

24 **SECTION 7.24.(j)** G.S. 115C-105.49A(b) reads as rewritten:

25 (b) In constructing the SRRMS, the Division of Emergency Management in collaboration
26 with the Department of Public Instruction and the Center for Safer Schools shall leverage the
27 existing enterprise risk management database, the School Risk Management Planning tool
28 managed by the Division of Emergency Management. The Division of Emergency Management
29 shall also leverage the ~~local school administrative public school~~ unit and participating nonpublic
30 school schematic diagrams of school facilities. Where technically feasible, the SRRMS shall
31 integrate any anonymous tip lines established pursuant to G.S. 115C-105.51 and any
32 911-initiated panic alarm systems authorized as part of a SRMP pursuant to G.S. 115C-47(40).
33 The Division of Emergency Management ~~and the Center for Safer Schools~~ shall collaborate with
34 the Department of Public ~~Instruction, Division of School Operations,~~ Instruction, the Center for
35 Safer Schools, and the North Carolina 911 Board in the design, implementation, and maintenance
36 of the SRRMS."

37 **SECTION 7.24.(k)** G.S. 115C-105.52 reads as rewritten:

38 "**§ 115C-105.52. School crisis kits.**

39 (a) The ~~Department of Public Instruction and the~~ Center for Safer Schools, in
40 consultation with the Department of Public ~~Safety and the Department of Public Instruction,~~
41 ~~Division of School Operations,~~ may Safety, shall develop and adopt policies on the placement of
42 school crisis kits in schools and on the contents of those kits. The kits ~~should~~ shall include, at a
43 minimum, basic first-aid supplies and communications devices.

44 (b) The principal of each school, in coordination with the law enforcement agencies that
45 are part of the ~~local board of education's public school unit's~~ public school unit's School Risk Management Plan, may
46 place one or more crisis kits at appropriate locations in the school."

47 **SECTION 7.24.(l)** G.S. 115C-105.53 reads as rewritten:

48 "**§ 115C-105.53. Schematic diagrams and emergency access to school buildings for local**
49 **law enforcement agencies.**

50 (a) Each ~~local school administrative public school~~ public school unit shall provide the following to
51 local law enforcement agencies: (i) schematic diagrams, including digital schematic diagrams,

1 and (ii) either keys to the main entrance of all school buildings or emergency access to key storage
2 devices such as KNOX® boxes for all school buildings. ~~Local school administrative~~ Public
3 school units shall provide updates of the schematic diagrams to local law enforcement agencies
4 when substantial modifications such as new facilities or modifications to doors and windows are
5 made to school buildings. ~~Local school administrative~~ Public school units shall also be
6 responsible for providing local law enforcement agencies with updated access to school buildings
7 when changes are made to the locks and other access control devices of the main entrances or to
8 key storage devices such as KNOX® boxes.

9 (b) The Department of Public ~~Instruction~~, Instruction and the Center for Safer Schools,
10 in consultation with the Department of Public Safety, shall develop standards and guidelines for
11 the preparation and content of schematic diagrams and necessary updates. ~~Local school~~
12 administrative Public school units and participating nonpublic schools may use these standards
13 and guidelines to assist in the preparation of their schematic diagrams.

14"

15 **SECTION 7.24.(m)** G.S. 115C-105.54(a) reads as rewritten:

16 "(a) Each ~~local school administrative~~ public school unit shall provide the following to the
17 Division of Emergency Management (Division) at the Department of Public Safety: (i) schematic
18 diagrams, including digital schematic diagrams, and (ii) emergency response information
19 requested by the Division for the School Risk Management Plan (SRMP). ~~Local school~~
20 administrative Public school units shall also provide updated schematic diagrams and emergency
21 response information to the Division when such updates are made. The Division shall ensure that
22 the diagrams and emergency response information are securely stored and distributed as provided
23 in the SRMP to first responders, emergency personnel, and school personnel and approved by
24 the Department of Public Instruction."

25 **SECTION 7.24.(n)** G.S. 115C-75.9 is amended by adding a new subsection to read:

26 "(q) School Safety. – Innovative schools shall comply with the requirements for public
27 school units in Part 2 of Article 8C of Chapter 115C of the General Statutes."

28 **SECTION 7.24.(o)** Article 9C of Chapter 115C of the General Statutes is amended
29 by adding a new section to read:

30 "**§ 115C-150.16. School safety.**

31 A school governed by this Article shall comply with the requirements for public school units
32 in Part 2 of Article 8C of this Chapter."

33 **SECTION 7.24.(p)** G.S. 115C-218.75(b), (d), (e), and (e1) are repealed.

34 **SECTION 7.24.(q)** G.S. 115C-218.75 is amended by adding a new subsection to
35 read:

36 "(k) Each charter school shall comply with the requirements for public school units in Part
37 2 of Article 8C of this Chapter."

38 **SECTION 7.24.(r)** G.S. 115C-238.66(7a), (7b), (7c), (7d), and (7e) are repealed.

39 **SECTION 7.24.(s)** G.S. 115C-238.66 is amended by adding a new subdivision to
40 read:

41 "(19) Each regional school shall comply with the requirements for public school
42 units in Part 2 of Article 8C of this Chapter."

43 **SECTION 7.24.(t)** G.S. 116-239.8(b)(10), (11), (12), and (13) are repealed.

44 **SECTION 7.24.(u)** G.S. 116-239.8(b) is amended by adding a new subdivision to
45 read:

46 "(22) Laboratory schools shall comply with the requirements for public school units
47 in Part 2 of Article 8C of Chapter 115C of the General Statutes."

48 **SECTION 7.24.(v)** G.S. 115C-551 reads as rewritten:

49 "**§ 115C-551. Voluntary participation in the State programs.**

50 (a) Any ~~such private church school or school of religious charter~~ may, on a voluntary
51 basis, participate in any State operated or sponsored program which would otherwise be available

1 to such school, including but not limited to the high school competency testing and statewide
2 testing programs.

3 (b) All private church schools and all schools of religious charter are encouraged to do
4 the following:

- 5 (1) School Risk Management Plan. – In coordination with local law enforcement
6 agencies, adopt a School Risk Management Plan (SRMP) relating to incidents
7 of school violence. In constructing and maintaining these plans, the school
8 may utilize the School Risk and Response Management System (SRRMS)
9 established pursuant to G.S. 115C-105.49A. These plans are not considered a
10 public record as the term "public record" is defined under G.S. 132-1 and shall
11 not be subject to inspection and examination under G.S. 132-6.
- 12 (2) Schematic diagrams and school crisis kits. – Provide schematic diagrams and
13 keys to the main entrance of school facilities to local law enforcement
14 agencies, in addition to implementing the provisions in G.S. 115C-105.52.
- 15 (3) School safety exercises. – At least once a year, hold a full school-wide
16 lockdown exercise with local law enforcement and emergency management
17 agencies that are part of the private school's SRMP.
- 18 (4) Safety information provided to the Department of Public Safety, Division of
19 Emergency Management. – Provide the following: (i) schematic diagrams,
20 including digital schematic diagrams, and (ii) emergency response
21 information requested by the Division for the SRMP. The schematic diagrams
22 and emergency response information are not considered public records as the
23 term "public record" is defined under G.S. 132-1 and shall not be subject to
24 inspection and examination under G.S. 132-6."

25 **SECTION 7.24.(w)** G.S. 115C-559 reads as rewritten:

26 **"§ 115C-559. Voluntary participation in the State programs.**

27 (a) Any such-qualified nonpublic school may, on a voluntary basis, participate in any
28 State operated or sponsored program which would otherwise be available to such school,
29 including but not limited to the high school competency testing and statewide testing programs.

30 (b) All qualified nonpublic schools are encouraged to do the following:

- 31 (1) School Risk Management Plan. – In coordination with local law enforcement
32 agencies, adopt a School Risk Management Plan (SRMP) relating to incidents
33 of school violence. In constructing and maintaining these plans, the school
34 may utilize the School Risk and Response Management System (SRRMS)
35 established pursuant to G.S. 115C-105.49A. These plans are not considered a
36 public record as the term "public record" is defined under G.S. 132-1 and shall
37 not be subject to inspection and examination under G.S. 132-6.
- 38 (2) Schematic diagrams and school crisis kits. – Provide schematic diagrams and
39 keys to the main entrance of school facilities to local law enforcement
40 agencies, in addition to implementing the provisions in G.S. 115C-105.52.
- 41 (3) School safety exercises. – At least once a year, hold a full school-wide
42 lockdown exercise with local law enforcement and emergency management
43 agencies that are part of the private school's SRMP.
- 44 (4) Safety information provided to the Department of Public Safety, Division of
45 Emergency Management. – Provide the following: (i) schematic diagrams,
46 including digital schematic diagrams, and (ii) emergency response
47 information requested by the Division for the SRMP. The schematic diagrams
48 and emergency response information are not considered public records as the
49 term "public record" is defined under G.S. 132-1 and shall not be subject to
50 inspection and examination under G.S. 132-6."

1 **SECTION 7.24.(x)** Except as otherwise provided, this section is effective when it
2 becomes law and applies beginning with the 2024-2025 school year.

3 4 **REMOTE CHARTER ACADEMIES**

5 **SECTION 7.26.(a)** Article 14A of Chapter 115C of the General Statutes is amended
6 by adding a new Part to read:

7 "Part 7. Remote Charter Academies.

8 **"§ 115C-218.120. Remote charter academies.**

9 (a) As part of an application or modification of a charter, a nonprofit may apply to the
10 State Board of Education for approval to include a remote charter academy that meets the
11 requirements of this Part as part of the nonprofit's charter. A charter that includes a remote charter
12 academy may do any of the following:

13 (1) Provide only remote instruction to enrolled students served by the charter in
14 accordance with this Part.

15 (2) Provide remote instruction to students enrolled in the remote charter academy
16 and provide in-person instruction to other students served by the charter.

17 (3) Provide enrolled students both remote instruction and in-person instruction. A
18 student who receives more than half of the student's instruction through
19 remote instruction shall be classified as enrolled in the charter's remote charter
20 academy.

21 (b) As part of the application or modification of a charter, the nonprofit shall designate
22 which of the following enrollment areas the remote charter academy will use to enroll students:

23 (1) A statewide remote charter academy that admits students in accordance with
24 G.S. 115C-218.45.

25 (2) A regional remote charter academy that, notwithstanding
26 G.S. 115C-218.45(a), admits students only from the county in which the
27 charter school facility is located and the counties of the State geographically
28 contiguous to that county.

29 (c) A remote charter academy provides instruction primarily online through a
30 combination of synchronous and asynchronous instruction delivered to students in a remote
31 location outside of the charter school facility. A remote charter academy may include any
32 combination of grade levels.

33 (d) Notwithstanding G.S. 115C-84.3, an approved remote charter academy may satisfy
34 the minimum required number of instructional days or hours for the school calendar through
35 remote instruction.

36 **"§ 115C-218.121. Remote charter academy enrollment.**

37 (a) A student shall not be assigned to attend a remote charter academy without parental
38 consent. A board of directors shall require an application to secure parental consent prior to
39 enrollment of a student in a remote charter academy.

40 (b) A remote charter academy shall identify characteristics for successful remote learning
41 and establish criteria for admittance to a remote charter academy and shall make that information
42 available to parents.

43 (c) A student may not be denied admission to the remote charter academy solely on the
44 basis that the student is a child with a disability. If a student is admitted to a remote charter
45 academy, that student's IEP team, as defined in G.S. 115C-106.3, or section 504 team, 29 U.S.C.
46 § 794, must plan for a successful student entry and accommodations necessary to provide for a
47 free appropriate public education in the remote charter academy.

48 (d) A charter that provides in-person instruction may reassign a student to in-person
49 instruction during the school year if the board of directors determines that in-person instruction
50 would better ensure academic success for that student. The board of directors may delegate this
51 authority to the chief administrator.

"§ 115C-218.122. Remote charter academy requirements.

(a) Except as provided in this Part, a remote charter academy shall meet the same requirements as for other charter schools established by this Article.

(b) A remote charter academy shall provide all of the following to enrolled students:

(1) Any hardware and software needed to participate in the remote charter academy. Students may not be charged rental fees but may be charged damage fees for abuse or loss of hardware or software under rules adopted by the State Board of Education.

(2) Access to a learning management platform that enables monitoring of student performance and school-owned devices, as well as allows video conferencing and supervised text-based chat for synchronous communication.

(3) Access to the internet that is available during instructional hours, evenings, and weekends.

(4) Technical support that is available during instructional hours.

(5) For children with an individualized education program (IEP), as defined in G.S. 115C-106.3, or a section 504 plan, 29 U.S.C. § 794, adaptive or assistive devices, transportation, and in-person services as required by that program or plan.

(c) A remote charter academy may require students to attend in person to fulfill State-mandated student assessments. A remote charter academy may conduct optional in-person meetings between students and instructors or parents and instructors at a charter school facility.

(d) The employees of a remote charter academy shall meet the same licensure and evaluation requirements as required by G.S. 115C-218.90. The remote charter academy shall ensure sufficient digital teaching and learning support staff, including, at a minimum, the following:

(1) An instructional technology facilitator.

(2) A school library media coordinator.

(3) A data manager.

(4) Sufficient remote technicians to ensure technical support throughout the instructional day for staff and students.

"§ 115C-218.123. Remote charter academy approval process.

(a) A nonprofit seeking to provide a remote charter academy shall submit to the State Board of Education as part of the application for approval or modification of a charter a plan that provides for the following:

(1) Whether the enrollment area of the remote charter academy will be statewide or regional.

(2) The range of grades for which the remote charter academy will offer courses.

(3) The method by which the remote charter academy will monitor calendar compliance, enrollment, daily attendance, course credit accrual, progress toward graduation, and course completion.

(4) Hardware, software, and learning management platforms that support online learning.

(5) The measures used to ensure that both synchronous and asynchronous remote instruction time, practice, and application components support learning growth that continues toward mastery of student achievement goals for the charter's educational program.

(6) The professional development that will be provided to those teaching in the remote charter academy related to the pedagogy of providing remote instruction.

(7) The identified characteristics for successful remote learning and criteria for admission to the remote charter academy. The board of directors shall identify

1 the means by which information will be communicated to the parents and legal
2 guardians of prospective applicants and current enrollees about the remote
3 charter academy and those characteristics and criteria to allow for informed
4 decisions about enrollment.

5 (8) Any school nutrition services or transportation services that will be provided
6 to students.

7 (b) The State Board of Education shall review and approve a charter or charter
8 modification for the creation of a remote charter academy that meets the requirements established
9 in this Part for a term of five years. The State Board of Education shall approve a minimum of
10 two statewide remote charter academies that meet the qualifications of this Part for operation
11 beginning with the 2026-2027 school year and thereafter.

12 **"§ 115C-218.124. Operation and renewal of remote charter academies.**

13 (a) Each approved remote charter academy shall adhere to the plan submitted to and
14 approved by the State Board of Education as part of the approved charter unless the board of
15 trustees obtains a charter modification.

16 (b) Each approved remote charter academy shall receive a school code.

17 (c) A nonprofit may apply for renewal of the remote charter academy for additional terms
18 of five years. The State Board shall consider compliance with the requirements of this Part and
19 success of the remote charter academy in the prior five years in determining whether to approve
20 a request for renewal of a remote charter academy.

21 **"§ 115C-218.125. Evaluation.**

22 The State Board of Education shall evaluate the success of remote charter academies
23 approved under this Part. Success shall be measured by school performance scores and grades,
24 retention rates, attendance rates, and, for grades nine through 12, high school completion and
25 dropout rates. The Board shall report by November 15 of each year to the Joint Legislative
26 Education Oversight Committee on the evaluation of these academies and on any recommended
27 statutory changes."

28 **SECTION 7.26.(b)** G.S. 115C-84.3(c) reads as rewritten:

29 "(c) Except as provided in Part 7 of Article 14A or Part 3A of Article 16 of this Chapter
30 or subsection (b) of this section, a public school unit shall not use remote instruction to satisfy
31 the minimum required number of instructional days or hours for the school calendar."

32 **SECTION 7.26.(c)** G.S. 115C-218, 115C-218.1, 115C-218.2, 115C-218.3,
33 115C-218.5, 115C-218.6, 115C-218.7, and 115C-218.8 are codified into Part 1 of Article 14A of
34 Chapter 115C of the General Statutes, Governance and Applications for Charter Schools.
35 G.S. 115C-218.10, 115C-218.15, 115C-218.20, 115C-218.25, 115C-218.30, 115C-218.35,
36 115C-218.37, 115C-218.40, 115C-218.42, 115C-218.45, 115C-218.50, 115C-218.55,
37 115C-218.60, 115C-218.65, 115C-218.70, 115C-218.75, 115C-218.80, 115C-218.85, and
38 115C-218.90 are codified into Part 2 of Article 14A of Chapter 115C of the General Statutes,
39 Operation of Charter Schools. G.S. 115C-218.94, 115C-218.95, and 115C-218.100 are codified
40 into Part 3 of Article 14A of Chapter 115C of the General Statutes, Evaluation of Charter Schools.
41 G.S. 115C-218.105 is codified into Part 4 of Article 14A of Chapter 115C of the General Statutes,
42 Funding of Charter Schools. G.S. 115C-218.110 is codified into Part 5 of Article 14A of Chapter
43 115C of the General Statutes, Reporting on Charter Schools. G.S. 115C-218.115 is codified into
44 Part 6 of Article 14A of Chapter 115C of the General Statutes, Charter Schools Pre-K Programs.

45 **SECTION 7.26.(d)** Section 8.35 of S.L. 2014-100, as amended by Section 8.13 of
46 S.L. 2016-94, Section 7.13 of S.L. 2018-5, and Section 7.13 of S.L. 2022-74, reads as rewritten:

47 **"SECTION 8.35.(a)** Notwithstanding G.S. 115C-218.5 or any other provision of law to the
48 contrary, the State Board of Education shall establish a pilot program to authorize the operation
49 of two virtual charter schools serving students in kindergarten through twelfth grade. The State
50 Board shall establish an application process to allow student enrollment in the selected virtual
51 charter schools beginning with the 2015-2016 school year. A virtual charter school participating

1 in the pilot may serve any grade span of students in kindergarten through twelfth grade. The pilot
2 program shall continue for a period of ~~40-11~~ school years and shall end with the ~~2024-2025~~
3 2025-2026 school year.

4 **"SECTION 8.35.(b)** The virtual charter schools participating in the pilot program authorized
5 by this section shall be subject to the statutes and rules applicable to charter schools pursuant to
6 Article 14A of Chapter 115C of the General Statutes, except as follows:

- 7 (1) The maximum student enrollment in any participating school ~~shall be no~~
8 ~~greater than 1,500 in its first year of operation and may increase by twenty~~
9 ~~percent (20%) for each participating school up to a maximum student~~
10 ~~enrollment of 2,592 in the fourth year of the pilot. The State Board of~~
11 ~~Education may waive this maximum student enrollment threshold, beginning~~
12 ~~in the fourth year of the school's operation, if the State Board determines that~~
13 ~~doing so would be in the best interest of North Carolina students for the~~
14 ~~2023-2024 school year shall be the authorized student enrollment for that~~
15 ~~participating school for the 2021-2022 school year plus enrollment growth of~~
16 ~~up to twenty percent (20%) of that enrollment. For the remaining years of the~~
17 ~~pilot, the participating schools may increase enrollment in accordance with~~
18 ~~G.S. 115C-218.7(b).~~

19 ...

20 **"SECTION 8.35.(e)** The State Board of Education shall provide State funding to a virtual
21 charter school participating in the pilot program as provided in G.S. 115C-218.105(a) and
22 G.S. 115C-218.105(b). ~~The amount allocated pursuant to G.S. 115C-218.105(a)(1) shall not,~~
23 ~~however, include the allocation for low wealth counties supplemental funding and the allocation~~
24 ~~for small county supplemental funding.~~ Virtual charter schools participating in the pilot program
25 shall also be subject to the requirements in G.S. 115C-218.105(c) through G.S. 115C-218.105(e).
26 ~~The amount of local funds provided to participating schools pursuant to G.S. 115C-218.105(e)~~
27 ~~shall be the lesser of seven hundred ninety dollars (\$790.00) per pupil or the amount computed~~
28 ~~in accordance with G.S. 115C-218.105(e).~~

29"

30 **SECTION 7.26.(e)** A virtual charter school that participated in the pilot program
31 authorized by Section 8.35 of S.L. 2014-100, as amended by Section 8.13 of S.L. 2016-94,
32 Section 7.13 of S.L. 2018-5, Section 7.13 of S.L. 2022-74, and this section, shall be eligible to
33 apply to the State Board of Education for a charter renewal as a remote charter academy as
34 provided in Article 14A of Chapter 115C of the General Statutes.

35 **SECTION 7.26.(f)** This section is effective when it becomes law and applies
36 beginning with the 2023-2024 school year.

37 **SCHOOL HEALTH PERSONNEL ALLOTMENT**

38 **SECTION 7.27.(a)** G.S. 115C-47(67) reads as rewritten:

39 "(67) ~~To Provide at Least One School Psychologist.~~ School Health Services. – Local
40 boards of education shall ~~ensure that each local school administrative unit~~
41 ~~employs at least one full-time, permanent school psychologist.~~ provide school
42 health support services in accordance with G.S. 115C-316.5."

43 **SECTION 7.27.(b)** G.S. 115C-105.25(b)(13) reads as rewritten:

44 "(13) No positions shall be transferred out of the allocation for school ~~psychologists~~
45 health personnel except as provided in this subdivision. Positions allocated for
46 school ~~psychologists~~ health personnel may be converted to dollar equivalents
47 for contracted services directly related to school ~~psychology.~~ psychology,
48 school counseling, school nursing, and school social work. These positions
49 shall be converted at the minimum salary for ~~school psychologists~~ the position
50 on the "A" Teachers Salary Schedule."
51

1 **SECTION 7.27.(c)** G.S. 115C-315 is amended by adding a new subsection to read:
2 "(d2) School Nurses. – The State Board of Education, in accordance with subsection (d) of
3 this section, may adopt rules to establish the qualifications and training required to be hired or
4 contracted for as a certified school nurse except the Board may not require or impose a
5 requirement that would require a nurse to obtain a four-year degree as a condition of
6 employment."

7 **SECTION 7.27.(d)** G.S. 115C-315(d1) is repealed.

8 **SECTION 7.27.(e)** G.S. 115C-316.1 reads as rewritten:

9 "**§ 115C-316.1. Duties of school counselors.**

10 (a) School counselors shall implement a comprehensive ~~developmental~~—school
11 counseling program in their schools. ~~Counselors shall spend at least eighty percent (80%) of their~~
12 ~~work time~~ schools providing direct services to students. ~~Direct services do not include the~~
13 ~~coordination of standardized testing.~~ Direct services shall consist of:

- 14 (1) ~~Delivering~~ In coordination with the school career development coordinator, if
15 any, delivering the school guidance curriculum through large group guidance,
16 interdisciplinary curriculum development, group activities, and parent
17 workshops.
- 18 (2) ~~Guiding individual student planning through individual or small group~~
19 ~~assistance and individual or small group advisement.~~
- 20 (3) Providing responsive services through consultation with students, families,
21 and staff; individual and small group counseling; crisis counseling; referrals;
22 and peer facilitation.
- 23 (4) Performing other student services listed in the Department of Public
24 Instruction school counselor job description that has been approved by the
25 State Board of Education.

26 (b) ~~School counseling program support activities do not include the coordination of~~
27 ~~standardized testing. During the remainder of their work time, school counselors may assist other~~
28 ~~staff with the coordination of standardized testing.~~ counselors shall not spend their work time
29 coordinating standardized testing."

30 **SECTION 7.27.(f)** Article 21 of Chapter 115C of the General Statutes is amended
31 by adding a new section to read:

32 "**§ 115C-316.1A. Duties of career development coordinators.**

33 (a) Career development coordinators shall spend at least eighty percent (80%) of their
34 work time providing direct services to students. Direct services for career development
35 coordinators shall consist of:

- 36 (1) In coordination with the school counselor, if any, delivering the school
37 guidance curriculum through large group guidance, interdisciplinary
38 curriculum development, group activities, and parents workshops.
- 39 (2) Guiding individual students through navigating the academic, training, and
40 employment opportunities available to the student through individual or small
41 group advisement.
- 42 (3) Performing other student services listed in the Department of Public
43 Instruction career development coordinator job description that has been
44 approved by the State Board of Education.

45 (b) Career development coordinators may spend the remainder of their work time
46 assisting other staff with the coordination of standardized testing."

47 **SECTION 7.27.(g)** G.S. 115C-316.2 reads as rewritten:

48 "**§ 115C-316.2. School ~~mental-health support~~ personnel reports.**

49 (a) Definition. – For purposes of this section, the term "school ~~mental-health support~~
50 personnel" refers to school psychologists, school counselors, school nurses, and school social
51 workers.

1"

2 **SECTION 7.27.(h)** G.S. 115C-316.5 reads as rewritten:

3 "**§ 115C-316.5. School ~~psychologists~~ health personnel allotment.**

4 (a) For the purposes of this section, the term "school health personnel" refers to the same
5 positions listed in G.S. 115C-316.2(a).

6 To the extent funds are made available, the State Board of Education shall establish a funding
7 allotment for school ~~psychologist~~ health personnel positions. The State Board is authorized to
8 adopt rules for the allocation of school ~~psychologist~~ health personnel positions pursuant to this
9 allotment. Rules adopted by the State Board pursuant to this section shall include, at a minimum,
10 the following requirements:

11 (1) School ~~psychologist~~ health personnel positions are allocated on the basis of
12 average daily membership.

13 (2) Each local school administrative unit receives sufficient funding for at least
14 one school psychologist ~~position~~ in accordance with
15 G.S. 115C-47(67)-~~position~~.

16 (3) Local school administrative units are encouraged to fill positions under this
17 allotment with full-time, permanent employees. If the local school
18 administrative unit is unable to fill these positions by hiring a full-time,
19 permanent employee, the allocation for the position may be converted to a
20 dollar equivalent for the unit to contract with a third party to provide the
21 relevant services for an amount of hours equivalent to the hours a full-time
22 position employee would provide."

23 **SECTION 7.27.(i)** The State Board of Education has authority to adopt temporary
24 rules to enact the provisions of this section until such a time as permanent rules can be adopted.
25 The State Board shall also develop and distribute guidelines to all local school administrative
26 units to assist with the implementation of this section. Each local board of education shall develop
27 a transition plan for implementing this section within existing resources.

28 COMMUNITIES IN SCHOOLS REPORTING

29 **SECTION 7.28.** No later than August 15, 2023, Communities in Schools of North
30 Carolina, Inc., shall report to the Joint Legislative Education Oversight Committee at least the
31 following information from the prior fiscal year:

32 (1) A detailed accounting of how State funds were spent by the program.

33 (2) An accounting of any other funding received from other sources.

34 (3) Any planned expenditures or future uses of received funds not reflected in the
35 accounting required by subdivision (1) of this section.

36 (4) The number of students served by the program, including generalized data on
37 the age, grade level, and location of students served.

38 (5) A description of how the program evaluates the effectiveness of the program
39 or student success.

40 (6) Outcomes achieved by the program.

41 (7) Any other information the program deems relevant for the Committee to
42 know.
43

44 ALLOW SCHOOLS IN ALL ZONING DISTRICTS

45 **SECTION 7.29.(a)** G.S. 160D-701 reads as rewritten:

46 "**§ 160D-701. Purposes.**

47 (a) Zoning regulations shall be made in accordance with a comprehensive plan and shall
48 be designed to promote the public health, safety, and general welfare. To that end, the regulations
49 may address, among other things, the following public purposes: to provide adequate light and
50 air; to prevent the overcrowding of land; to avoid undue concentration of population; to lessen
51

1 congestion in the streets; to secure safety from fire, panic, and dangers; to facilitate the efficient
2 and adequate provision of transportation, water, sewerage, schools, parks, and other public
3 requirements; and to promote the health, safety, morals, or general welfare of the community.
4 The regulations shall be made with reasonable consideration, among other things, as to the
5 character of the district and its peculiar suitability for particular uses and with a view to
6 conserving the value of buildings and encouraging the most appropriate use of land throughout
7 the local government's planning and development regulation jurisdiction.

8 ~~(b) The regulations may not include, as a basis for denying a zoning or rezoning request~~
9 ~~from a school, the level of service of a road facility or facilities abutting the school or proximately~~
10 ~~located to the school. Zoning regulations shall provide that schools are a permitted use in all~~
11 ~~zoning districts, as provided in G.S. 160D-913.1."~~

12 **SECTION 7.29.(b)** Article 9 of Chapter 160D of the General Statutes is amended
13 by adding a new section to read:

14 **"§ 160D-913.1. Schools are a permitted use.**

15 (a) Local government development regulations shall provide that a school is a permitted
16 use as a matter of right in all zoning districts. The procedures of Article 6 of this Chapter shall
17 not apply to a school. No development regulation for any zoning district may require a school to
18 only be located on a site contiguous to a State-maintained road or highway.

19 (b) No school may be sited closer than within a 300 linear foot radius of an adult
20 establishment, as defined in G.S. 14-202.10.

21 (c) Prior to the commencement of any construction on a site, a school shall notify the
22 local government with development jurisdiction of the school's intent to construct. Notice under
23 this section shall be in writing at least 60 days prior to the commencement of construction. A
24 notice given under this section shall be valid for two years, excluding any time the school has a
25 building permit application pending before the local government.

26 (d) This section shall not apply to zoning districts dedicated to industrial purposes
27 inconsistent with school traffic and usage. Article 6 of this Chapter shall apply to a school
28 desiring to construct a site in a zoning district dedicated to industrial purposes inconsistent with
29 school traffic and usage.

30 (e) As used in this section, the following definitions shall apply:

31 (1) Construction. – The building, erection, renovation, or establishment of school
32 buildings, facilities, and infrastructure and shall not include routine
33 maintenance and repair.

34 (2) School. – As defined in G.S. 160A-307.1(b)(2)."

35 **SECTION 7.29.(c)** G.S. 160A-307.1 reads as rewritten:

36 **"§ 160A-307.1. Limitation on city requirements for street improvements related to schools.**

37 (a) A city may only require street improvements related to schools that are required for
38 safe ingress and egress to the municipal street system and that are physically connected to a
39 driveway on the school site. The required improvements shall not exceed those required pursuant
40 to G.S. 136-18(29). G.S. 160A-307 shall not apply to schools. A city may only require street
41 improvements related to schools as provided in ~~G.S. 160A-372.~~ G.S. 160D-804. The cost of any
42 improvements to the municipal street system pursuant to this section shall be reimbursed by the
43 city. Any agreement between a school and a city to make improvements to the municipal street
44 system shall not include a requirement for acquisition of right-of-way by the school, unless the
45 school is owned by an entity that has eminent domain power. Any right-of-way costs incurred by
46 a school for required improvements pursuant to this section shall be reimbursed by the city.
47 Notwithstanding any provision of this Chapter to the contrary, a city may not condition the
48 approval of any ~~zoning, rezoning, or permit request~~ development approval on the waiver or
49 reduction of any provision of this section.

50 (b) ~~The term~~ As used in this section, the following definitions shall apply:

51 (1) Development approval. – As defined in G.S. 160D-102.

(2) "school," as used in this section, means any facility engaged in the educational instruction of children in any grade or combination of grades from kindergarten through the twelfth grade at which attendance satisfies the compulsory attendance law and includes charter schools authorized under G.S. 115C-218.5.School. – Any facility, including relocatable or modular units as either accessory or primary facilities, that is part of a public school unit, as defined in G.S. 115C-5, or part of any nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes."

SECTION 7.29.(d) G.S. 14-202.11(c) reads as rewritten:

"(c) ~~Nothing~~ Except as provided in this subsection, nothing in this section shall be deemed to preempt local government regulation of the location or operation of adult establishments or other sexually oriented businesses to the extent consistent with the constitutional protection afforded free speech. In addition to any local regulation established under G.S. 160D-902, no adult establishment may be located closer than within a 300 linear foot radius of a school, as defined in G.S. 160A-307.1(b)(2)."

SECTION 7.29.(e) This section becomes effective December 1, 2023, and applies to school zoning applications pending or submitted on or after that date.

CODIFY USE OF SPECIAL STATE RESERVE FUND FOR TRANSPORTATION/TRANSPORTATION RESERVE FUND FOR HOMELESS AND FOSTER STUDENTS

SECTION 7.30.(a) Part 1 of Article 17 of Chapter 115C of the General Statutes is amended by adding two new sections to read:

"§ 115C-250.3. Extraordinary Transportation Costs Grant.

(a) There is established the Extraordinary Transportation Costs Grant Program (Program). The Program shall use funds from the Special State Reserve Fund (SSRF) to cover extraordinary costs associated with the transportation of high-needs students with disabilities.

(b) The Department of Public Instruction shall provide an application for local school administrative units and charter schools to apply for extraordinary transportation funds and may provide additional eligibility guidelines not inconsistent with this section. SSRF transportation funds shall be awarded to qualifying local school administrative units or charter schools consistent with the following:

- (1) In determining extraordinary transportation costs, the Department shall consider total prior-year transportation expenditures for high-needs children with disabilities, including expenditures from local funds and all other funding sources, as a proportion of total expenditures.
- (2) Applicants with highest extraordinary transportation costs shall receive highest priority in the award of grant funds.
- (3) Funds may be awarded during the initial year of a high-needs student's enrollment in the local school administrative unit or charter school or in subsequent years of the student's enrollment.

"§ 115C-250.5. Homeless and foster student transportation grant.

(a) There is established the Transportation Reserve Fund for Homeless and Foster Students to provide for a grant program to cover extraordinary school transportation costs for homeless and foster students. For the purposes of this section, "homeless" is defined in accordance with the definition in the federal McKinney-Vento Homeless Assistance Act.

(b) The Department of Public Instruction shall provide an application process for local school administrative units and charter schools to apply for funds to cover extraordinary transportation costs for qualifying students. The Department shall establish eligibility guidelines and shall award funds consistent with the following requirements:

- 1 (1) In determining extraordinary transportation costs, the Department shall
2 consider total prior-year transportation expenditures for homeless and foster
3 children, including expenditures from local funds and all other funding
4 sources, as a proportion of total expenditures.
- 5 (2) Priority shall be given to applicants in proportion to the extent that their
6 applications and prior-year expenditures demonstrate use of available federal
7 funds to cover the cost of transporting homeless and foster children.
- 8 (3) Awards shall not exceed fifty percent (50%) of extraordinary transportation
9 costs as determined pursuant to this subsection.
- 10 (4) Awards shall not be issued on a pro rata basis to each eligible applicant."
11 **SECTION 7.30.(b)** Section 7.12(b) of S.L. 2021-180 is repealed.
12

13 **SCHOOL HEALTH PERSONNEL PROFESSION ENTRY REPORT**

14 **SECTION 7.31.(a)** No later than January 15, 2024, the State Superintendent shall
15 study and report the following to the Joint Legislative Education Oversight Committee and the
16 Fiscal Research Division:

- 17 (1) Policies, practices, standards, and curriculum adopted or implemented, as
18 appropriate, by the State Board of Education, the Department of Public
19 Instruction, educator preparation programs, and public school units for
20 persons to receive training, licensure, and employment as school health
21 support personnel in public school units.
- 22 (2) Barriers persons face when entering each school health support profession
23 because of the policies, practices, standards, and curriculum identified in
24 subdivision (1) of this subsection.
- 25 (3) Recommendations and any actions already taken to (i) reduce and eliminate
26 the barriers to entry identified in subdivision (2) of this subsection and (ii)
27 improve the number and quality of school health support personnel employed
28 in public school units.

29 **SECTION 7.31.(b)** For purposes of this section, the term "school health personnel"
30 refers to school psychologists, school counselors, school nurses, and school social workers.
31

32 **MEDICAID REIMBURSEMENT REQUIRED FOR RESIDENTIAL SCHOOLS**

33 **SECTION 7.32.** Section 7.16(a) of S.L. 2021-180 reads as rewritten:

34 **"SECTION 7.16.(a)** The Department of Public Instruction shall enter into a contract with a
35 third-party entity for any administrative services necessary to receive maximum reimbursement
36 for medically necessary health care services for which payment is available under the North
37 Carolina Medicaid Program provided to eligible students attending the Governor Morehead
38 School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina
39 School for the Deaf. The provisions of the contract shall ensure that the residential schools
40 receive reimbursement for these services in a timely manner. If the Department of Public
41 Instruction has not executed the contract required by this section by January 1, 2024, then the
42 estimated amount that would have been reimbursed on a monthly basis had the contract been
43 executed shall be deducted from the Department's budget and shall be appropriated directly to
44 the residential schools until the contract is executed. Funds shall be deducted from Budget Code
45 13510, Fund Code 1000 of the Department's budget, except any funds appropriated for the Center
46 for Safer Schools shall not be reduced, deducted, or transferred under this section."
47

48 **DRIVER EDUCATION ADMINISTRATION FUNDS**

49 **SECTION 7.33.** G.S. 115C-215(g) reads as rewritten:

50 ~~"(g) The Department of Public Instruction shall have a full-time director and other~~
51 ~~professional, administrative, technical, and clerical personnel as may be necessary for the~~

1 ~~statewide administration of the driver education program.~~ Of the funds appropriated to the
2 Department of Public Instruction each fiscal year pursuant to subsection (f) of this section, the
3 Department may use up to ~~two percent (2%) of those funds~~ one hundred sixty-four thousand six
4 hundred ninety dollars (\$164,690), as adjusted to reflect legislative salary increments, retirement
5 rate adjustments, and health benefit adjustments, for the direct costs for the statewide
6 administration of the program, including any necessary positions."
7

8 **ONLINE CLASSROOM SAFETY AND ANTI-BULLYING**

9 **SECTION 7.34.(a)** Of the funds to be appropriated by this act from the ARPA
10 Temporary Savings Fund to the Department of Public Instruction for the 2023-2025 fiscal
11 biennium, the sum of seven million five hundred thousand dollars (\$7,500,000) in nonrecurring
12 funds shall be allocated in each year of the fiscal biennium to support contracting with third
13 parties for technology to mitigate cyberbullying, monitor student internet activity, monitor
14 classroom educational devices, and assist with suicide prevention services. The Department shall
15 allocate funds in accordance with the following:

- 16 (1) Two million five hundred thousand dollars (\$2,500,000) in each year of the
17 fiscal biennium shall be allocated to the public school units on the basis of
18 average daily membership for the schools to contract with a third party to
19 provide the services identified in this section.
- 20 (2) Two million five hundred thousand dollars (\$2,500,000) in each year of the
21 fiscal biennium for the Department to contract with Gaggle.Net, Inc., to
22 provide the services identified in this section.
- 23 (3) Two million five hundred thousand dollars (\$2,500,000) in each year of the
24 fiscal biennium for the Department to contract with Liminex, Inc., d/b/a
25 GoGuardian, to provide the services identified in this section.

26 **SECTION 7.34.(b)** Of the funds appropriated by this act from the ARPA Temporary
27 Savings Fund to the Department of Public Instruction for the 2023-2025 fiscal biennium, the sum
28 of two million five hundred thousand dollars (\$2,500,000) in nonrecurring funds shall be
29 allocated in each year of the fiscal biennium for the Department to contract with a third party to
30 provide public school units the services to prevent, detect, and remediate advanced malware
31 threats.
32

33 **RESET SCHOOL MEAL DEBT**

34 **SECTION 7.35.** Of the funds appropriated in this act to the Department of Public
35 Instruction in nonrecurring funds for the 2023-2024 fiscal year, the Department shall allocate up
36 to seven million eight hundred thousand dollars (\$7,800,000) to all school food authorities to
37 satisfy any outstanding school meal debt. If this amount is insufficient to satisfy all outstanding
38 school food authority debt by the end of the 2023-2024 fiscal year, the Department is authorized
39 to draw on the State Public School Fund in an amount needed to satisfy any remaining debt.
40

41 **SCHOOL SAFETY GRANTS**

42 **SECTION 7.36.(a)** Definitions. – For the purposes of this section, the following
43 definitions shall apply:

- 44 (1) Community partner. – A public or private entity, including, but not limited to,
45 a nonprofit corporation or a local management entity/managed care
46 organization (LME/MCO), that partners with a public school unit to provide
47 services or pay for the provision of services for the unit.
- 48 (2) School health support personnel. – School psychologists, school counselors,
49 school nurses, and school social workers.

50 **SECTION 7.36.(b)** Program; Purpose. – For the 2023-2025 fiscal biennium, the
51 Superintendent of Public Instruction shall establish the 2023-2025 School Safety Grants Program

1 (Program). The purpose of the Program shall be to improve safety in public school units by
2 providing grants in each fiscal year of the 2023-2025 fiscal biennium for (i) services for students
3 in crisis, (ii) school safety training, (iii) safety equipment in schools, and (iv) subsidizing the
4 School Resource Officer Grants Program.

5 **SECTION 7.36.(c) Grant Applications.** – A public school unit may submit an
6 application to the Superintendent of Public Instruction for one or more grants pursuant to this
7 section in each year of the 2023-2025 fiscal biennium. The application shall include an
8 assessment, to be performed in conjunction with a local law enforcement agency, of the need for
9 improving school safety within the public school unit that would receive the funding or services.
10 The application shall identify current and ongoing needs and estimated costs associated with
11 those needs.

12 **SECTION 7.36.(d) Criteria and Guidelines.** – By January 15, 2024, the
13 Superintendent of Public Instruction shall develop criteria and guidelines for the administration
14 and use of the grants pursuant to this section, including any documentation required to be
15 submitted by applicants. In assessing grant applications, the Superintendent of Public Instruction
16 shall consider at least all of the following factors:

- 17 (1) The level of resources available to the public school unit that would receive
18 the funding.
- 19 (2) Whether the public school unit has received other grants for school safety.
- 20 (3) The overall impact on student safety in the public school unit if the identified
21 needs are funded.

22 **SECTION 7.36.(e) Grants for Students in Crisis.** – Of the funds appropriated in this
23 act from the ARPA Temporary Savings Fund to the Department of Public Instruction by this act
24 for the grants provided in this section, the Superintendent of Public Instruction, in consultation
25 with the Department of Health and Human Services, shall award grants to public school units to
26 contract with community partners to provide or pay for the provision of any of the following
27 crisis services:

- 28 (1) Crisis respite services for parents or guardians of an individual student to
29 prevent more intensive or costly levels of care.
- 30 (2) Training and expanded services for therapeutic foster care families and
31 licensed child placement agencies that provide services to students who (i)
32 need support to manage their health, welfare, and safety and (ii) have any of
33 the following:
 - 34 a. Cognitive or behavioral problems.
 - 35 b. Developmental delays.
 - 36 c. Aggressive behavior.
- 37 (3) Evidence-based therapy services aligned with targeted training for students
38 and their parents or guardians, including any of the following:
 - 39 a. Parent-child interaction therapy.
 - 40 b. Trauma-focused cognitive behavioral therapy.
 - 41 c. Dialectical behavior therapy.
 - 42 d. Child-parent psychotherapy.
- 43 (4) Any other crisis service, including peer-to-peer mentoring, that is likely to
44 increase school safety. Of the funds appropriated in this act from the ARPA
45 Temporary Savings Fund to the Department of Public Instruction by this act
46 for the grants provided in this section, the Superintendent shall use no more
47 than three hundred fifty thousand dollars (\$350,000) in each year of the
48 2023-2025 fiscal biennium for the services identified in this subdivision.

49 **SECTION 7.36.(f) Grants for Training to Increase School Safety.** – Of the funds
50 appropriated in this act from the ARPA Temporary Savings Fund to the Department of Public
51 Instruction by this act for the grants provided in this section, the Superintendent of Public

1 Instruction, in consultation with the Department of Health and Human Services, shall award
2 grants to public school units to contract with community partners to address school safety by
3 providing training to help students develop healthy responses to trauma and stress. The training
4 shall be targeted and evidence-based and shall include any of the following services:

- 5 (1) Counseling on Access to Lethal Means (CALM) training for school health
6 support personnel, local first responders, and teachers on the topics of suicide
7 prevention and reducing access by students to lethal means.
- 8 (2) Training for school health support personnel on comprehensive and
9 evidence-based clinical treatments for students and their parents or guardians,
10 including any of the following:
 - 11 a. Parent-child interaction therapy.
 - 12 b. Trauma-focused cognitive behavioral therapy.
 - 13 c. Behavioral therapy.
 - 14 d. Dialectical behavior therapy.
 - 15 e. Child-parent psychotherapy.
- 16 (3) Training for students and school employees on community resilience models
17 to improve understanding and responses to trauma and significant stress.
- 18 (4) Training for school health support personnel on Modular Approach to
19 Therapy for Children with Anxiety, Depression, Trauma, or Conduct
20 problems (MATCH-ADTC), including any of the following components:
 - 21 a. Trauma-focused cognitive behavioral therapy.
 - 22 b. Parent and student coping skills.
 - 23 c. Problem solving.
 - 24 d. Safety planning.
- 25 (5) Any other training, including the training on the facilitation of peer-to-peer
26 mentoring, that is likely to increase school safety. Of the funds appropriated
27 in this act from the ARPA Temporary Savings Fund to the Department of
28 Public Instruction by this act for the grants provided in this section, the
29 Superintendent shall use no more than three hundred fifty thousand dollars
30 (\$350,000) in each year of the 2023-2025 fiscal biennium for the services
31 identified in this subdivision.

32 **SECTION 7.36.(g)** Grants for Safety Equipment. – Of the funds appropriated in this
33 act from the ARPA Temporary Savings Fund to the Department of Public Instruction by this act
34 for the grants provided in this section, the Superintendent of Public Instruction shall award grants
35 to public school units for (i) the purchase of safety equipment for school buildings and (ii)
36 training associated with the use of safety equipment purchased pursuant to this subsection.
37 Notwithstanding G.S. 115C-218.105(b), charter schools may receive grants for school safety
38 equipment pursuant to this subsection.

39 **SECTION 7.36.(g1)** Subsidizing School Resource Officer Grants Program. – If the
40 Superintendent of Public Instruction receives applications for grants for school resource officers
41 under G.S. 115C-105.60 in excess of the amount of funding appropriated for school resource
42 officer grants in the 2023-2025 fiscal biennium, the Superintendent may use the funds
43 appropriated in this act from the ARPA Temporary Savings Fund to the Department of Public
44 Instruction for the grants provided for in this Program to cover the unmet need for school resource
45 officer grants.

46 **SECTION 7.36.(h)** Supplement Not Supplant. – Grants provided to public school
47 units pursuant to the Program shall be used to supplement and not to supplant State or non-State
48 funds already provided for these services.

49 **SECTION 7.36.(i)** Administrative Costs. – Of the funds appropriated in this act from
50 the ARPA Temporary Savings Fund to the Department of Public Instruction by this act for the
51 grants provided in this section, the Superintendent of Public Instruction may retain a total of up

1 to one hundred thousand dollars (\$100,000) in each fiscal year of the 2023-2025 fiscal biennium
2 for administrative costs associated with the Program.

3 **SECTION 7.36.(j)** Report. – No later than April 1 of each fiscal year in which funds
4 are awarded pursuant to this section, the Superintendent of Public Instruction shall report on the
5 Program to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight
6 Committee on Health and Human Services, the Joint Legislative Oversight Committee on Justice
7 and Public Safety, the Joint Legislative Commission on Governmental Operations, the Senate
8 Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Fiscal
9 Research Division. The report shall include at least the following information:

- 10 (1) The identity of each public school unit and community partner that received
11 grant funds through the Program.
- 12 (2) The amount of funding received by each entity identified pursuant to
13 subdivision (1) of this subsection.
- 14 (3) The services, training, and equipment purchased with grant funds by each
15 entity that received a grant.
- 16 (4) Recommendations for the implementation of additional effective school
17 safety measures.

18 **LIFE CHANGING EXPERIENCES**

19 **SECTION 7.37.(a)** Of the funds appropriated in this act to the Department of Public
20 Instruction, the Department shall use the sum of five hundred thousand dollars (\$500,000) in
21 nonrecurring funds for each year of the 2023-2025 fiscal biennium to contract with the Children
22 and Parent Resource Group, Inc., to design, implement, and evaluate the Life Changing
23 Experiences School Program (Project) in the 2023-2024 and 2024-2025 school years. The Project
24 shall be operated and administered for students in grades six through 11 in at least the following
25 local school administrative units: Cleveland County Schools, Greene County Schools, Lenoir
26 County Public Schools, Lincoln County Schools, McDowell County Schools, Mitchell County
27 Schools, and Pitt County Schools. The Department may select one or more additional local school
28 administrative units to participate in the Project if the funds are sufficient to support additional
29 units. These contract funds shall not be used for any purpose other than to implement the Project
30 in the local school administrative units, which consists of interactive, holistic, and
31 evidence-based multimedia education programs that are screened via in-person school
32 assemblies, internet-based and synchronized remote access, or a combination of the two. The
33 Project shall include theme-specific programs and certain additional follow-up applications that
34 address dangerous life- and community-threatening activities that negatively impact teenagers,
35 including alcohol and other drugs, dangerous driving, violence, and bullying. The goal of these
36 programs is to increase positive intentions and behavioral outcomes by teaching students the
37 techniques and skills that empower them to reach meaningful life goals, employ positive
38 behaviors, and start businesses and social enterprises.

39 **SECTION 7.37.(b)** The Children and Parent Resource Group, Inc., in consultation
40 with the Department of Public Instruction, shall submit a report on the Project authorized by
41 subsection (a) of this section by March 15, 2024, to the Joint Legislative Education Oversight
42 Committee and the Fiscal Research Division. The report shall include an accounting of
43 expenditures and student outcome data related to the operation of the Project.
44

45 **BEHAVIORAL INTERVENTION GRANTS**

46 **SECTION 7.38.(a)** Definitions. – For the purposes of this section, the following
47 definitions apply:

- 48 (1) Behavior intervention program. – A program that identifies and evaluates
49 students whose behavior has hindered or interfered with the academic success
50 of students or operation of an educational environment, then integrates a range
51

of solutions, including mental or behavioral health services, into the students' academic program to support or treat the underlying causes of the behavior.

- (2) Community partner. – A public or private entity, including, but not limited to, a nonprofit corporation or a local management entity/managed care organization (LME/MCO), that partners with a public school unit to provide services or pay for the provision of services for the unit.

SECTION 7.38.(b) Program; Purpose. – For the 2023-2025 fiscal biennium, the Superintendent of Public Instruction shall establish the 2023-2025 Behavioral Intervention Grants Program (Program) to allow public school units to establish, update, or expand student behavior intervention programs to facilitate a student's continued in-person attendance at school and completion of the student's intended academic program.

SECTION 7.38.(c) Criteria and Guidelines. – No later than September 1, 2023, the Superintendent shall do the following:

- (1) Develop guidelines for administration of the grant, including the means of application.
- (2) Develop criteria for the approval of applications and determination of award amount. This criteria shall prioritize grants to schools without an existing behavioral intervention program and shall also consider the average daily membership, suspension rate, expulsion rate, and dropout rate of the school.
- (3) Develop guidelines for the use of grant funds.

SECTION 7.38.(d) Supplement Not Supplant. – Funds awarded to public school units pursuant to this section shall supplement and not supplant funds from any other source provided for the same purpose.

SECTION 7.38.(e) Report. – No later than December 15, 2024, the Superintendent shall report on the Program to the Joint Legislative Education Oversight Committee and the Fiscal Research Division. The report shall include at least the following information:

- (1) The public school units that participated and the community partners they contracted with, if any.
- (2) The amount awarded to each public school unit.
- (3) The services, training, or equipment purchased with grant funds.
- (4) Recommendations for future behavioral intervention programs.

CHARTER SCHOOL REVIEW BOARD

SECTION 7.39.(a) G.S. 115C-218 reads as rewritten:

"§ 115C-218. Purpose of charter schools; role of State Board of Education; establishment of North Carolina Charter Schools ~~Advisory~~ Review Board and North Carolina Office of Charter Schools.

...

(a1) State Board of Education. – The State Board of Education shall have the following duties regarding charter schools:

- (1) Rulemaking. – To establish all rules for the operation and approval of charter schools. Any rule adopted by the State Board must first be approved by the Charter Schools Review Board.
- (2) Funding. – To allocate funds to charter schools.
- (3) Appeals. – To hear appeals from decisions of the Charter Schools Review Board under G.S. 115C-218.9.
- (4) Accountability. – To ensure accountability from charter schools for school finances and student performance.

(b) North Carolina Charter Schools ~~Advisory~~ Review Board. –

- (1) ~~Advisory~~ Review Board. – There is created the North Carolina Charter Schools ~~Advisory~~ Review Board, hereinafter referred to in this Article as the

- 1 ~~Advisory-Review Board. The Advisory-Review Board shall be located~~
2 ~~administratively within the Department of Public Instruction and shall report~~
3 ~~to the State Board of Education.~~
- 4 (2) Membership. – The State Superintendent of Public Instruction, or the
5 Superintendent's designee, shall be the secretary of the ~~Advisory Board and a~~
6 ~~nonvoting member.~~ Review Board. The Advisory-Review Board shall consist
7 of the following ~~11~~ 12 voting members:
- 8 a. Repealed by Session Laws 2016-126, 4th Ex. Sess., s. 17, effective
9 January 1, 2017.
- 10 a1. The Superintendent of Public Instruction or the Superintendent's
11 designee.
- 12 b. Four members appointed by the General Assembly upon the
13 recommendation of the President Pro Tempore of the Senate, in
14 accordance with G.S. 120-121.
- 15 c. Four members appointed by the General Assembly upon the
16 recommendation of the Speaker of the House of Representatives, in
17 accordance with G.S. 120-121.
- 18 d. Two members appointed by the State Board of Education who are not
19 current members of the State Board of Education and who are charter
20 school advocates in North Carolina.
- 21 e. The Lieutenant Governor or the Lieutenant Governor's designee.
- 22 (3) Covered board. – The ~~Advisory-Review Board~~ shall be treated as a board for
23 purposes of Chapter 138A of the General Statutes.
- 24 (4) Qualifications of members. – Members appointed to the ~~Advisory-Review~~
25 Board shall collectively possess strong experience and expertise in public and
26 nonprofit governance, management and finance, assessment, curriculum and
27 instruction, public charter schools, and public education law. All appointed
28 members of the ~~Advisory-Review Board~~ shall have demonstrated an
29 understanding of and a commitment to charter schools as a strategy for
30 strengthening public education.
- 31 ...
- 32 (6) Presiding officers and quorum. – The ~~Advisory-Review Board~~ shall annually
33 elect a chair and a vice-chair from among its membership. The chair shall
34 preside over the ~~Advisory-Review Board's~~ meetings. In the absence of the
35 chair, the vice-chair shall preside over the ~~Advisory-Review Board's~~ meetings.
36 A majority of the ~~Advisory-Review Board~~ constitutes a quorum.
- 37 (7) Meetings. – Meetings of the ~~Advisory-Review Board~~ shall be held upon the
38 call of the chair or the vice-chair with the approval of the chair.
- 39 (8) Expenses. – Members of the ~~Advisory-Review Board~~ shall be reimbursed for
40 travel and subsistence expenses at the rates allowed to State officers and
41 employees by G.S. 138-6(a).
- 42 (9) Removal. – Any appointed member of the ~~Advisory-Review Board~~ may be
43 removed by a vote of at least two-thirds of the members of the ~~Advisory~~
44 Review Board at any duly held meeting for any cause that renders the member
45 incapable or unfit to discharge the duties of the office.
- 46 (10) Powers and duties. – The ~~Advisory-Review Board~~ shall have the following
47 duties:
- 48 a. To make recommendations to the State Board of Education on the
49 adoption of rules regarding all aspects of charter school operation,
50 including time lines, standards, and criteria for acceptance and

- 1 approval of applications, monitoring of charter schools, and grounds
- 2 for revocation of charters.
- 3 b. To review ~~applications and make recommendations to the State Board~~
- 4 ~~for final approval of charter applications and approve or deny charter~~
- 5 ~~applications, renewals, and revocations.~~
- 6 c. To make recommendations to the State Board on actions ~~regarding a~~
- 7 ~~charter school, including renewals of charters, nonrenewals of~~
- 8 ~~charters, and revocations of charters before the State Board on appeal~~
- 9 ~~under G.S. 115C-218.9.~~
- 10 d. To undertake any other duties and responsibilities as assigned by the
- 11 State Board.
- 12 (11) Duties of the chair of the ~~Advisory Review~~ Board. – In addition to any other
- 13 duties prescribed in this Article, the chair of the ~~Advisory Review~~ Board, or
- 14 the chair's designee, shall advocate for the recommendations of the ~~Advisory~~
- 15 ~~Review~~ Board at meetings of the State Board ~~upon the request of the State~~
- 16 Board.
- 17 (c) North Carolina Office of Charter Schools. –
- 18 ...
- 19 (2) Executive Director. – The Executive Director shall report to and serve at the
- 20 pleasure of the Superintendent of Public Instruction at a salary established by
- 21 the Superintendent within the funds appropriated for this purpose. The duties
- 22 of the Executive Director shall include presenting the recommendations and
- 23 decisions of the ~~Advisory Review~~ Board at meetings of the State Board ~~upon~~
- 24 ~~the request of the State Board.~~
- 25 (3) Powers and duties. – The Office of Charter Schools shall have the following
- 26 powers and duties:
- 27 a. Serve as staff to the ~~Advisory Review~~ Board and fulfill any task and
- 28 duties assigned to it by the ~~Advisory Review~~ Board.
- 29"

SECTION 7.39.(b) G.S. 115C-218.2 reads as rewritten:

"§ 115C-218.2. Opportunity to correct applications; opportunity to address Advisory Review Board.

(a) ~~The State Board of Education and the Advisory Review~~ Board shall provide timely notification to an applicant of any format issues or incomplete information in the initial application and provide the applicant at least five business days to correct those issues in the initial application. If the applicant submits the corrections within the five business days, equal consideration shall be given to that application.

(b) Before taking action regarding a charter school or charter school applicant, including ~~recommendations on~~ preliminary or final approval of charter applications, renewals of charters, nonrenewals of charters, and revocations of charters, the ~~Advisory Review~~ Board or a committee of the ~~Advisory Review~~ Board shall provide an opportunity for the applicant or charter board member to address the ~~Advisory Review~~ Board or its committee, if present, at a meeting."

SECTION 7.39.(c) G.S. 115C-218.3 reads as rewritten:

"§ 115C-218.3. Fast-track replication of high-quality charter schools.

Upon recommendations by the Office of Charter Schools and the Charter Schools ~~Advisory~~ Review Board, the State Board of Education shall adopt a process and rules for fast-track replication of high-quality charter schools currently operating in the State. The State Board of Education shall not require a planning year for applicants selected through the fast-track replication process. In addition to the requirements for charter applicants set forth in this Article, the fast-track replication process adopted by the State Board of Education shall, at a minimum,

1 require a board of directors of a charter school to demonstrate one of the following in order to
2 qualify for fast-track replication:

- 3 (1) The board of directors operates charter schools and can demonstrate both of
4 the following:
- 5 a. The majority of charter schools in this State governed by the board of
6 directors has student academic outcomes from the three prior school
7 years that are equal to or greater than the student academic outcomes
8 in the local school administrative unit in which each charter school is
9 located.
- 10 b. The board of directors can provide three years of financially sound
11 audits for each school it governs.
- 12 (2) The board of directors agrees to contract with an education management
13 organization or charter management organization that can demonstrate both
14 of the following:
- 15 a. The majority of the charter schools in this State managed by the
16 organization has student academic outcomes from the three prior
17 school years that are equal to or greater than the student academic
18 outcomes in the local school administrative unit in which each charter
19 school is located.
- 20 b. The organization can provide three years of financially sound audits
21 for each school it governs.

22 The State Board of Education shall ensure that the rules for a fast-track replication process
23 provide that decisions by the ~~State Board of Education Review Board~~ on whether to grant a
24 charter through the replication process are completed in less than 120 days from the application
25 submission date. The ~~State Review Board~~ shall provide a decision no later than October 15 of
26 the year immediately preceding the year of the proposed school ~~opening-opening, and any appeal~~
27 of the Review Board's decision shall be heard and decided no later than December 1 of the same
28 year."

29 **SECTION 7.39.(d)** G.S. 115C-218.5 reads as rewritten:

30 "**§ 115C-218.5. Final approval of applications for charter schools.**

- 31 (a) The ~~State Review Board~~ may grant final approval of an application if it finds the
32 following:
- 33 (1) The application meets the requirements set out in this Article and such other
34 requirements as may be adopted by the State Board of Education.
- 35 (2) The applicant has the ability to operate the school and would be likely to
36 operate the school in an educationally and economically sound manner.
- 37 (3) Granting the application would achieve one or more of the purposes set out in
38 G.S. 115C-218.

39 In reviewing applications for the establishment of charter schools within a local school
40 administrative unit, the ~~State Review Board~~ is encouraged to give preference to applications that
41 demonstrate the capability to provide comprehensive learning experiences to students identified
42 by the applicants as at risk of academic failure.

43 (b) The ~~State Review Board~~ shall make final decisions on the approval or denial of
44 applications by August 15 of a calendar year on all applications it receives prior to a date
45 established by the Office of Charter Schools for receipt of applications in that application cycle.
46 The ~~State Review Board~~ may make the final decision for approval contingent upon the successful
47 completion of a planning period prior to enrollment of students.

48 (c) The ~~State Board of Education Review Board~~ may authorize a school before the
49 applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the
50 authority is necessary for it to raise working capital. The State Board shall not allocate any funds
51 to the school until the school has obtained space.

1 (d) The ~~State Board of Education~~ Review Board may grant the initial charter for a period
2 not to exceed 10 years.

3 (e), (f) Repealed by Session Laws 2016-79, s. 1.1, effective June 30, 2016, and applicable
4 beginning with the 2016-2017 school year.

5 (g) A charter school shall be entitled to automatically extend any deadline to begin
6 operations or commence the term of its charter until the next school year if it notifies the ~~State~~
7 Review Board by June 30 that it is seeking land use or development approvals for its selected
8 site or facilities or if it is challenging the denial of any requested land use or development
9 approvals. The term of the charter issued by the ~~State Board~~ shall be tolled during the period of
10 any extension or extensions issued under this section."

11 **SECTION 7.39.(e)** G.S. 115C-218.6 reads as rewritten:

12 **"§ 115C-218.6. Review and renewal of charters.**

13 (a) The ~~State Board of Education~~ Review Board shall review the operations of each
14 charter school at least once prior to the expiration of its charter to ensure that the school is meeting
15 the expected academic, financial, and governance standards.

16 (b) The ~~State Board of Education~~ Review Board shall renew a charter upon the request
17 of the chartering entity for subsequent periods of 10 years, unless one of the following applies:

- 18 (1) The charter school has not provided financially sound audits for the
19 immediately preceding three years.
- 20 (2) The charter school's student academic outcomes for the immediately
21 preceding three years have not been comparable to the academic outcomes of
22 students in the local school administrative unit in which the charter school is
23 located.
- 24 (3) The charter school is not, at the time of the request for renewal of the charter,
25 substantially in compliance with State law, federal law, the school's own
26 bylaws, or the provisions set forth in its charter granted by the ~~State Board of~~
27 Education Review Board.

28 If one of the conditions set forth in subdivisions (1) through (3) of this subsection applies,
29 then the ~~State~~ Review Board may renew the charter for a period of less than 10 years or not renew
30 the charter."

31 **SECTION 7.39.(f)** G.S. 115C-218.7 reads as rewritten:

32 **"§ 115C-218.7. Material revisions of charters.**

33 (a) A material revision of the provisions of a charter shall be made only upon the approval
34 of the ~~State Board of Education~~ Review Board.

35 (b) Enrollment growth of greater than twenty percent (20%) shall be considered a
36 material revision of the charter if the charter is currently identified as low-performing. The ~~State~~
37 Review Board shall not approve a material revision for enrollment growth of greater than twenty
38 percent (20%) for a charter that is currently identified as low-performing. Enrollment growth of
39 greater than thirty percent (30%) shall be considered a material revision of the charter for any
40 charter school that is not identified as low-performing. The ~~State~~ Review Board may approve
41 such additional enrollment growth of greater than thirty percent (30%) only if it finds all of the
42 following:

- 43 (1) The actual enrollment of the charter school is within ten percent (10%) of its
44 maximum authorized enrollment.
- 45 (2) The charter school has commitments for ninety percent (90%) of the requested
46 maximum growth.
- 47 (3) The charter school is not currently identified as low-performing.
- 48 (4) The charter school meets generally accepted standards of fiscal management.
- 49 (5) The charter school is, at the time of the request for the enrollment increase,
50 substantially in compliance with State law, federal law, the charter school's

1 own bylaws, and the provisions set forth in its charter granted by the State
2 Review Board.

3 (c) For the purposes of calculating actual enrollment and maximum authorized
4 enrollment under subdivision (1) of subsection (b) of this section, if a charter school is pursuing
5 a material revision of enrollment growth based on a proposed capital expansion of the charter
6 school, but fails to meet the requirements of subdivision (1) of subsection (b) of this section, the
7 State-Review Board shall have the discretion to investigate and determine whether subdivision
8 (1) of subsection (b) of this section may be waived to grant the school's material revision request
9 to allow the capital expansion to move forward. In making such a determination, the charter
10 school shall provide the State-Review Board with documentation to show evidence that
11 demonstrates sufficiently in the State-Review Board's discretion all of the following:

- 12 (1) The requested increase in enrollment growth is within a reasonable margin of
13 the threshold necessary to support the requested material revision.
- 14 (2) The charter school has secured financing for its proposed capital expansion
15 conditioned on its obtaining the requested material revision of enrollment
16 growth.

17 (d) If a charter school presents evidence of a proposed capital expansion as part of a
18 request for a material revision of enrollment growth under this section that is granted by the State
19 Review Board, and the charter school is not able to realize that capital expansion within two
20 years of the grant of the material revision, the charter shall reflect the maximum authorized
21 enrollment immediately preceding that material revision."

22 **SECTION 7.39.(g)** G.S. 115C-218.8 reads as rewritten:

23 **"§ 115C-218.8. Nonmaterial revisions of charters.**

24 It shall not be considered a material revision of a charter and shall not require prior approval
25 of the State-Review Board for a charter school to do any of the following:

- 26 (1) Increase its enrollment during the charter school's second year of operation
27 and annually thereafter in accordance with G.S. 115C-218.7(b).
- 28 (2) Increase its enrollment during the charter school's second year of operation
29 and annually thereafter in accordance with planned growth as authorized in its
30 charter.
- 31 (3) Expand to offer one grade higher or lower than the charter school currently
32 offers if the charter school has (i) operated for at least three years, (ii) has not
33 been identified as continually low-performing as provided in
34 G.S. 115C-218.94, and (iii) has been in financial compliance as required by
35 the rules adopted by the State Board."

36 **SECTION 7.39.(h)** Article 14A of the General Statutes is amended by adding a new
37 section to read:

38 **"§ 115C-218.9. Appeals to the State Board of Education.**

39 (a) An applicant, charter school, or the State Superintendent may appeal a final decision
40 of the Review Board to grant, renew, revoke, or amend a charter by submitting notice to the Chair
41 of the State Board of Education within 10 days of the Review Board's decision. Copies of the
42 notice shall be sent to the Executive Director of the Office of Charter Schools, the State
43 Superintendent, the Chair of the Review Board, and the applicant or charter school affected.

44 (b) The State Board shall review appealed decisions de novo. The party submitting the
45 appeal, and the applicant or charter school affected, may provide any information to the State
46 Board the party believes the Board should consider in reviewing the Review Board's decision.

47 (c) The State Board shall issue a written decision in any matter appealed under this
48 section within 60 days of the date the notice of appeal was submitted. The State Board of
49 Education has the final decision-making authority on the approval of charter application,
50 renewals, revocations, and amendments."

51 **SECTION 7.39.(i)** G.S. 115C-218.15 reads as rewritten:

1 **"§ 115C-218.15. Charter school operation.**

2 (a) A charter school that is approved by the ~~State~~ Review Board shall be a public school
3 within the local school administrative unit in which it is located. All charter schools shall be
4 accountable to the ~~State~~ Review Board for ensuring compliance with applicable laws and the
5 provisions of their charters.

6 ...

7 (c) A charter school shall operate under the written charter signed by the ~~State Board and~~
8 ~~the applicant~~ State Superintendent and the applicant. A charter school is not required to enter
9 into any other contract. The charter shall incorporate the information provided in the application,
10 as modified during the charter approval process, and any terms and conditions imposed on the
11 charter school by the ~~State Board of Education~~ Review Board, or if the approval is granted
12 through an appeal pursuant to G.S. 115C-218.9, any conditions imposed by the State Board of
13 Education. No other terms may be imposed on the charter school as a condition for receipt of
14 local funds.

15 (d) The board of directors of the charter school shall decide matters related to the
16 operation of the school, including budgeting, curriculum, and operating procedures.

17 (e) The board of directors of the private nonprofit corporation operating the charter
18 school may have members who reside outside of the State. However, the State Board of
19 Education may require by ~~policy~~ rule that a majority of the board of directors and all officers of
20 the board of directors reside within the State.

21"

22 **SECTION 7.39.(j)** G.S. 115C-218.20(b) reads as rewritten:

23 "(b) No civil liability shall attach to the State Board of Education, the Charter Schools
24 Review Board, the Superintendent of Public Instruction, or to any of their members or employees,
25 individually or collectively, for any acts or omissions of the charter school."

26 **SECTION 7.39.(k)** G.S. 115C-218.30 reads as rewritten:

27 **"§ 115C-218.30. Accountability; reporting requirements to State Board of Education.**

28 ...

29 (c) The school shall report at least annually to the Review Board and the State Board of
30 Education the information required by rules adopted by the State Board."

31 **SECTION 7.39.(l)** G.S. 115C-218.35(c) reads as rewritten:

32 "(c) The local board of education shall make a decision on the charter's request to lease a
33 building or land within 90 days of the request. If the local board of education does not make a
34 decision within 90 days of the request of the charter school, the local board of education shall
35 provide a written explanation of its reasons for not acting on the request within the 90-day time
36 period to the North Carolina Charter Schools ~~Advisory~~ Review Board and the Joint Legislative
37 Education Oversight Committee."

38 **SECTION 7.39.(m)** G.S. 115C-218.45 reads as rewritten:

39 **"§ 115C-218.45. Admission requirements.**

40 ...

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

42 ...

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

- 46 a. Children or grandchildren of persons (i) employed full time by the
47 charter school or (ii) working full time in the daily operation of the
48 charter school, including children of persons employed by an
49 education management organization or charter management
50 organization for the charter school.
51 b. Children or grandchildren of the charter school's board of directors.

1 ...
 2 (g1) If a procedure for a weighted lottery reflecting the mission of the school has been
 3 approved by the ~~State-Review~~ Board as part of the charter, and a lottery is needed under
 4 subsection (h) of this section, the lottery shall be conducted according to the procedure in the
 5 charter.

6"

7 **SECTION 7.39.(n)** G.S. 115C-218.90 reads as rewritten:

8 "**§ 115C-218.90. Employment requirements.**

9 (a) Employees. –

10 ...

11 (4) The employees of the charter school shall be deemed employees of the local
 12 school administrative unit for purposes of providing certain State-funded
 13 employee benefits, including membership in the Teachers' and State
 14 Employees' Retirement System and the State Health Plan for Teachers and
 15 State Employees. The State Board of Education provides funds to charter
 16 schools, ~~approves the original members of the boards of directors of the~~
 17 ~~charter schools, has the authority to grant, supervise, and revoke charters,~~
 18 schools and demands full accountability from charter schools for school
 19 finances and student performance. Accordingly, it is the determination of the
 20 General Assembly that charter schools are public schools and that the
 21 employees of charter schools are public school employees. Employees of a
 22 charter school whose board of directors elects to become a participating
 23 employer under G.S. 135-5.3 are "teachers" for the purpose of membership in
 24 the North Carolina Teachers' and State Employees' Retirement System. In no
 25 event shall anything contained in this Article require the North Carolina
 26 Teachers' and State Employees' Retirement System to accept employees of a
 27 private employer as members or participants of the System.

28 ...

29 (b) Criminal History Checks. –

30 ...

31 (2) There shall be no liability for negligence on the part of the State Board of
 32 ~~Education-Education, the State Superintendent, the Review Board,~~ or the
 33 board of directors of the charter school, or their employees, arising from any
 34 act taken or omission by any of them in carrying out the provisions of this
 35 subsection. The immunity established by this subsection shall not extend to
 36 gross negligence, wanton conduct, or intentional wrongdoing that would
 37 otherwise be actionable. The immunity established by this subsection shall be
 38 deemed to have been waived to the extent of indemnification by insurance,
 39 indemnification under Articles 31A and 31B of Chapter 143 of the General
 40 Statutes, and to the extent sovereign immunity is waived under the Tort
 41 Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes."

42 **SECTION 7.39.(o)** G.S. 115C-218.95 reads as rewritten:

43 "**§ 115C-218.95. Causes for nonrenewal or termination; disputes.**

44 (a) The ~~State Board of Education-Review Board~~ may terminate, not renew, or seek
 45 applicants to assume the charter through a competitive bid process established by the ~~State~~
 46 Review Board upon any of the following grounds:

- 47 (1) Failure to meet the requirements for student performance contained in the
 48 charter;
 49 (2) Failure to meet generally accepted standards of fiscal management;
 50 (3) Violations of law;

- 1 (4) Material violation of any of the conditions, standards, or procedures set forth
2 in the charter;
- 3 (5) Two-thirds of the faculty and instructional support personnel at the school
4 request that the charter be terminated or not renewed; or
- 5 (6) Other good cause identified.

6 (b) Repealed by Session Laws 2016-79, s. 1.7(b), effective June 30, 2016, and applicable
7 beginning with the 2016-2017 school year.

8 (b1) If a charter school is continually low-performing, the ~~State-Review~~ Board is
9 authorized to terminate, not renew, or seek applicants to assume the charter through a competitive
10 bid process established by the ~~State-Review~~ Board. However, the ~~State-Review~~ Board shall not
11 terminate or not renew the charter of a continually low-performing charter school solely for its
12 continually low-performing status if the charter school has met growth in each of the immediately
13 preceding three school years or if the charter school has implemented a strategic improvement
14 plan approved by the ~~State-Review~~ Board and is making measurable progress toward student
15 performance goals. The State Board shall develop rules on the assumption of a charter by a new
16 entity that includes all aspects of the operations of the charter school, including the status of the
17 employees. Public assets shall transfer to the new entity and shall not revert to the local school
18 administrative unit in which the charter school is located pursuant to G.S. 115C-218.100(b).

19 (c) The ~~State-Review~~ Board of ~~Education~~ shall develop and implement a process to
20 address contractual and other grievances between a charter school and the local board of
21 education during the time of its charter.

22 (d) The ~~State-Review~~ Board and the charter school are encouraged to make a good-faith
23 attempt to resolve the differences that may arise between them. They may agree to jointly select
24 a mediator. The mediator shall act as a neutral facilitator of disclosures of factual information,
25 statements of positions and contentions, and efforts to negotiate an agreement settling the
26 differences. The mediator shall, at the request of either the ~~State-Review~~ Board or a charter
27 school, commence a mediation immediately or within a reasonable period of time. The mediation
28 shall be held in accordance with rules and standards of conduct adopted under Chapter 7A of the
29 General Statutes governing mediated settlement conferences but modified as appropriate and
30 suitable to the resolution of the particular issues in disagreement.

31 Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation
32 proceedings shall be conducted in private. Evidence of statements made and conduct occurring
33 in a mediation are not subject to discovery and are inadmissible in any court action. However, no
34 evidence otherwise discoverable is inadmissible merely because it is presented or discussed in a
35 mediation. The mediator shall not be compelled to testify or produce evidence concerning
36 statements made and conduct occurring in a mediation in any civil proceeding for any purpose,
37 except disciplinary hearings before the State Bar or any agency established to enforce standards
38 of conduct for mediators. The mediator may determine that an impasse exists and discontinue the
39 mediation at any time. The mediator shall not make any recommendations or public statement of
40 findings or conclusions. The ~~State-Review~~ Board and the charter school shall share equally the
41 mediator's compensation and expenses. The mediator's compensation shall be determined
42 according to rules adopted under Chapter 7A of the General Statutes."

43 **SECTION 7.39.(p)** G.S. 115C-218.105 reads as rewritten:

44 **"§ 115C-218.105. State and local funds for a charter school.**

45 ...

46 (c4) The local school administrative unit and charter school may use the process for
47 mediation of differences between the ~~State-Review~~ Board and a charter school provided in
48 G.S. 115C-218.95(d) to resolve differences on calculation and transference of the per pupil share
49 of the local current expense fund. In the event the local school administrative unit and the charter
50 school disagree on the amount owed to the charter school, the local school administrative unit
51 may delay transfer of the disputed amount but shall not delay the transfer of the undisputed

1 amount. The amount transferred under this subsection that consists of revenue derived from
2 supplemental taxes shall be transferred only to a charter school located in the tax district for
3 which these taxes are levied and in which the student resides.

4 (d) The local school administrative unit shall also provide each charter school to which
5 it transfers a per pupil share of its local current expense fund with all of the following information
6 within the 30-day time period provided in subsection (c) of this section:

- 7 (1) The total amount of monies the local school administrative unit has in each of
8 the funds listed in G.S. 115C-426(c).
- 9 (2) The student membership numbers used to calculate the per pupil share of the
10 local current expense fund.
- 11 (3) How the per pupil share of the local current expense fund was calculated.
- 12 (4) Any additional records requested by a charter school from the local school
13 administrative unit in order for the charter school to audit and verify the
14 calculation and transfer of the per pupil share of the local current expense
15 fund.

16 In addition, the local school administrative unit shall provide to the State Board of Education
17 and the Review Board all of the information required by this subsection for each charter school
18 to which it transfers a per pupil share of its local current expense fund. This information shall be
19 provided to the State Board of Education by November 1 of each year. The State Board shall
20 adopt ~~a policy rules, as approved by the Review Board,~~ to govern the collection of this
21 information. The State Board shall issue a letter of noncompliance to a local school
22 administrative unit that does not provide the State Board and Review Board with the information
23 required by this subsection.

24"

25 **SECTION 7.39.(q)** G.S. 115C-218.110(a) reads as rewritten:

26 "(a) ~~The State Board of Education-Charter Schools Review Board~~ shall distribute
27 information announcing the availability of the charter school process described in this Article to
28 each local school administrative unit and public postsecondary educational institution and,
29 through press releases, to each major newspaper in the State."

30 **SECTION 7.39.(r)** G.S. 115C-296.2(b)(1) reads as rewritten:

31 "(1) A "North Carolina public school" is a school operated by a local board of
32 education, the Department of Health and Human Services, the Division of
33 Juvenile Justice of the Department of Public Safety, or The University of
34 North Carolina; a school affiliated with The University of North Carolina; or
35 a charter school approved by the ~~State Board of Education-Charter Schools~~
36 Review Board."

37 **SECTION 7.39.(s)** G.S. 135-5.3(b1) read as rewritten:

38 "(b1) The board of directors of a charter school operated by a private nonprofit corporation
39 or a charter school operated by a municipality that has received ~~State Board of Education-Charter~~
40 Schools Review Board approval under G.S. 115C-218.5 may elect to become a participating
41 employer in the Retirement System in accordance with this Article."

42 **SECTION 7.39.(t)** G.S. 135-48.54(b) reads as rewritten:

43 "(b) No later than two years after both parties have signed the written charter under
44 G.S. 115C-218.15, the board of directors of a charter school operated by a private nonprofit
45 corporation or a charter school operated by a municipality shall elect whether to become a
46 participating employer in the Plan in accordance with this Article. This election shall be in writing
47 and filed with the ~~Plan-Plan, the Charter Schools Review Board,~~ and the State Board of
48 Education. This election is effective for each charter school employee as of the date of that
49 employee's entry into eligible service."

50 **SECTION 7.39.(u)** The current members of the Charter Schools Advisory Board
51 shall serve as initial members of the Charter Schools Review Board. Notwithstanding

1 G.S. 115C-218(b), as amended by this act, upon the expiration of the current term of the Charter
2 Schools Review Board Members, (i) one term expiring in 2023 shall be replaced with an
3 appointment by the General Assembly upon the recommendation of the Speaker of the House of
4 Representatives, in accordance with G.S. 120-121, and (ii) two terms expiring in 2023 shall be
5 replaced with an appointment by the General Assembly upon the recommendation of the
6 President Pro Tempore of the Senate, in accordance with G.S. 120-121. Those members shall be
7 appointed for two-year terms. As those terms expire in 2025 and thereafter, or as vacancies occur
8 prior to the expiration of those terms, those members on the North Carolina Charter Schools
9 Review Board shall be appointed in accordance with G.S. 115C-218.

10 11 **NBPTS PARTICIPATION FEE GRANT PROGRAM**

12 **SECTION 7.40.** Article 20 of Chapter 115C of the General Statutes is amended by
13 adding a new section to read:

14 **"§ 115C-296.2A. National Board for Professional Teaching Standards certification** 15 **participation fee grant program.**

16 (a) Notwithstanding G.S. 115C-296.2, to the extent the General Assembly provides funds
17 for this purpose, the Department of Public Instruction shall establish a grant program for
18 qualifying public schools to improve teacher quality and mitigate learning loss by reimbursing
19 teachers for the cost of the participation fee for National Board for Professional Teaching
20 Standards (NBPTS) certification.

21 (b) Definitions. – The following definitions shall apply in this section:

22 (1) Public school. – Any of the following:

23 a. A school in a public school unit.

24 b. A school providing elementary or secondary instruction operated by
25 The University of North Carolina under Article 4 or Article 29 of
26 Chapter 116 of the General Statutes.

27 (2) Qualifying public school. – A public school that meets any of the following
28 criteria:

29 a. Is identified as a low-performing school pursuant to G.S. 115C-105.37
30 or G.S. 115C-218.94.

31 b. Enrolled a student body in the school year prior to the application for
32 reimbursement consisting of at least ten percent (10%) of students
33 identified by the Department as at-risk students.

34 (c) Grant Applications and Approval. – The governing board of a qualifying public
35 school may apply to the Department of Public Instruction for grant funds to reimburse teachers
36 employed in the qualifying public school for the cost of the participation fee for NBPTS
37 certification. The Department shall develop criteria and guidelines for governing bodies of public
38 schools that receive grant funds to follow when administering the reimbursements. The criteria
39 shall include at least the following:

40 (1) Governing bodies of public schools receiving grant funds shall prioritize
41 reimbursements for teachers based on the need of the school where the teacher
42 is employed at the time of the reimbursement, including at least the following
43 criteria:

44 a. A teacher employed in a qualifying public school with more qualifying
45 factors, as identified in sub-subdivisions a. and b. of subdivision (2) of
46 subsection (b) of this section, shall receive priority over a teacher
47 employed in a qualifying public school with fewer qualifying factors.

48 b. For teachers employed in qualifying schools pursuant to
49 sub-subdivision b. of subdivision (2) of subsection (b) of this section,
50 teachers employed in schools with a higher percentage of at-risk

1 students shall receive priority over teachers employed in schools with
 2 a lower percentage of at-risk students.

3 (2) Governing bodies of public schools receiving grant funds shall not require a
 4 teacher to complete the NBPTS certification process in order to receive a
 5 reimbursement.

6 (d) Report. – No later than January 15 of each year in which funds are awarded, the
 7 Department shall report to the Joint Legislative Education Oversight Committee and the Fiscal
 8 Research Division on the impact of the program, including at least the following information:

9 (1) Governing bodies of public schools applying for and receiving grants.

10 (2) Number of teachers receiving reimbursements.

11 (3) Demographic information of teachers receiving reimbursements.

12 (4) Employment status of teachers receiving reimbursements, including the
 13 public school where the teacher is employed and whether the teacher remains
 14 employed with his or her original qualifying public school.

15 (5) Licensure areas of teachers receiving reimbursements.

16 (6) Effect of the program on the performance and growth of students taught by
 17 teachers receiving reimbursements."

18
 19 **REQUIRE ETHICS TRAINING FOR CERTAIN SCHOOL EMPLOYEES AND REVISE**
 20 **TERMS AND CONDITIONS OF SCHOOL FINANCE OFFICER EMPLOYMENT**

21 **SECTION 7.41.(a)** Article 22 of Chapter 115C of the General Statutes is amended
 22 by adding a new Part to read:

23 "Part 10. Employee Ethics Training.

24 **"§ 115C-335.15. Ethics training for certain public school employees.**

25 All employees of a local school administrative unit involved in the making or administering
 26 of contracts, as described in G.S. 14-234, shall receive a minimum of two hours of ethics training,
 27 as follows:

28 (1) The training shall be required once in every odd-numbered year.

29 (2) Upon assuming the responsibility of making or administering contracts, a
 30 school employee shall receive an initial training within 90 days and
 31 subsequent trainings in every odd-numbered year thereafter.

32 (3) The training shall include position-specific education on conflicts of interest
 33 and ethical standards of conduct.

34 (4) The training may be provided by the School of Government at the University
 35 of North Carolina at Chapel Hill or another qualified source at the choice of
 36 the local board of education."

37 **SECTION 7.41.(b)** All employees of a local school administrative unit involved in
 38 the making or administering of contracts as of the effective date of this act shall receive an initial
 39 training to comply with G.S. 115C-335.15, as enacted by subsection (a) of this section, within
 40 six months of the effective date of this act.

41 **SECTION 7.41.(c)** G.S. 115C-435 reads as rewritten:

42 **"§ 115C-435. School finance officer.**

43 (a) Each local school administrative unit shall have a school finance officer who shall be
 44 appointed or designated by the superintendent of schools and approved by the board of ~~education,~~
 45 ~~with the school finance officer serving at the pleasure of the superintendent.~~ education. The duties
 46 of school finance officer may be conferred on any officer or employee of the local school
 47 administrative unit or, upon request of the superintendent, with approval by the board of
 48 education and the board of county commissioners, on the county finance officer. In counties
 49 where there is more than one local school administrative unit, the duties of finance officer may
 50 be conferred on any one officer or employee of the several local school administrative units by
 51 agreement between the affected superintendents with the concurrence of the affected board of

1 education and the board of county commissioners. The position of school finance officer is
2 hereby declared to be an office that may be held concurrently with other appointive, but not
3 elective, offices pursuant to Article VI, Sec. 9, of the Constitution.

4 (b) Local boards of education may, upon the recommendation of the superintendent, elect
5 school finance officers for a term of from one to four years. The term may not, however, exceed
6 the expiration date of the superintendent's contract, unless the remaining time of the
7 superintendent's contract is less than one year. If there is less than one year remaining on the
8 superintendent's contract, the school finance officer shall be given a contract through the next
9 school year.

10 (c) The term of employment shall be stated in a written contract which shall be entered
11 into between the board of education and the school finance officer, a copy of which shall be filed
12 with the Superintendent of Public Instruction as a matter of information. The school finance
13 officer may not be dismissed during the term to which he or she is elected except for misconduct
14 of such a nature as to indicate he or she is unfit to continue in the school finance officer's position,
15 incompetence, neglect of duty, or failure or refusal to carry out validly assigned duties."

16 **SECTION 7.41.(d)** Subsection (c) of this section applies to contracts entered into
17 between school finance officers and local boards of education on or after the date this act becomes
18 law.

20 CAREER AND COLLEGE READY GRADUATE PROGRAM 21 CHANGES/CODIFICATION

22 **SECTION 7.42.(a)** Article 8 of Chapter 115C of the General Statutes is amended by
23 adding a new section to read:

24 **"§ 115C-81.90. Career and College Ready Graduate Program.**

25 (a) Program Established. – The State Board of Education and the State Board of
26 Community Colleges shall establish a program that introduces college developmental
27 mathematics and developmental reading and English content during high school and provides
28 opportunities in all high schools statewide for college remediation for students prior to high
29 school graduation through cooperation with community college partners. Students who are
30 enrolled in the Occupational Course of Study to receive their high school diplomas shall not be
31 required to participate in the program or be required to take mandatory remedial courses as
32 provided for in this section, unless a parent specifically requests through the individualized
33 education program (IEP) process that the student participates. The program shall require at least
34 the following:

35 (1) Establishment by the State Board of Community Colleges of measures for
36 determining student readiness and preparation for college coursework by
37 using ACT scores, student grade point averages, or other measures used by
38 the State Board of Community Colleges to determine college readiness for
39 entering students. Exemptions based on student achievement and
40 postsecondary plans may be jointly recommended by the Department of
41 Public Instruction and the Community Colleges System Office to the State
42 Board of Community Colleges for their approval.

43 (2) Changes in curriculum, policy, and rules as needed by the State Board of
44 Community Colleges and the State Board of Education to make remedial
45 content mandatory for students who do not meet readiness indicators by the
46 beginning of their senior year or who do not qualify for an exemption prior to
47 high school graduation.

48 (3) High schools to use content approved by the State Board of Community
49 Colleges, in consultation with the State Board of Education.

- 1 (4) To ensure students shall not require remediation upon placement at a North
2 Carolina community college, the State Board of Community Colleges shall
3 establish the following for the program:
4 a. Appropriate measures of successful completion of the remedial
5 content to ensure students are prepared for coursework at a North
6 Carolina community college without need for further remediation in
7 mathematics or reading and English.
8 b. The length of time following high school graduation in which a student
9 who successfully completed high school remedial content will not be
10 required to enroll in developmental courses at a North Carolina
11 community college.
- 12 (5) Delivery of remedial content by high school faculty consistent with policies
13 adopted by the State Board of Community Colleges and the State Board of
14 Education. The policies shall include, at a minimum, the following
15 requirements:
16 a. High school faculty teaching the approved remedial content shall
17 successfully complete training requirements as determined by the
18 State Board of Community Colleges, in consultation with the State
19 Board of Education.
20 b. The North Carolina Community College System shall periodically
21 review the remedial content and professional development
22 requirements to ensure appropriate instructional delivery.
- 23 (b) Report. – Beginning December 15, 2023, and annually thereafter, the State Board of
24 Community Colleges and the State Board of Education shall jointly report to the Fiscal Research
25 Division and the Joint Legislative Education Oversight Committee on program outcomes,
26 including impact on remediation rates by public school units in both mathematics and reading
27 and English for recent high school graduates entering a North Carolina community college."

28 **SECTION 7.42.(b)** G.S. 115C-12(9d)a. reads as rewritten:

- 29 "a. The Board may develop exit standards that shall be required for high
30 school graduation. The Board shall require the following for high
31 school graduation:
32 1. Successful completion of instruction in cardiopulmonary
33 resuscitation as provided in G.S. 115C-81.25(c)(10).
34 2. A passing grade in the semester course on the Founding
35 Principles of the United States of America and the State of
36 North Carolina described in G.S. 115C-81.45(d)(1).
37 3. Participation in the Career and College Ready Graduate
38 Program for students who do not meet readiness indicators by
39 the beginning of their senior year unless qualifying for an
40 exemption prior to high school graduation pursuant to
41 G.S. 115C-81.90."

42 **SECTION 7.42.(c)** G.S. 115D-5 is amended by adding a new subsection to read:

- 43 "(z) The State Board of Community Colleges shall establish the Career and College Ready
44 Graduate Program with the State Board of Education for the purpose of introducing college
45 developmental mathematics and developmental reading and English content during high school
46 and providing opportunities in all high schools statewide for college remediation for students
47 prior to high school graduation through cooperation with community college partners in
48 accordance with G.S. 115C-81.90. Beginning December 15, 2023, and annually thereafter, the
49 State Board of Community Colleges and the State Board of Education shall jointly report to the
50 Joint Legislative Education Oversight Committee on program outcomes, including impact on

1 remediation rates by public school units in both mathematics and reading and English for recent
2 high school graduates entering a North Carolina community college."

3 **SECTION 7.42.(d)** Section 10.13 of S.L. 2015-241, as amended by Section 10.5 of
4 S.L. 2016-94 and Section 9.4 of S.L. 2018-5, is repealed.

5 **SECTION 7.42.(e)** This section applies beginning with the 2023-2024 school year.
6

7 **COMBINING OF THE EDUCATION AND WORKFORCE INNOVATION**
8 **COMMISSION GRANT PROGRAMS**

9 **SECTION 7.43.** Article 6C of Chapter 115C of the General Statutes reads as
10 rewritten:

11 "Article 6C.

12 "Education and Workforce Innovation and CTE Grade Expansion Program.

13 **"§ 115C-64.15. North Carolina Education and Workforce Innovation Commission.**

14 (a) There is created the North Carolina Education and Workforce Innovation
15 Commission (Commission). The Commission shall be located administratively in the
16 Department of Public Instruction but shall exercise all its prescribed powers independently of the
17 Department of Public Instruction. Of the funds appropriated for the Education and Workforce
18 Innovation and CTE Grade Expansion Program established under G.S. 115C-64.16, up to ten
19 percent (10%) of those funds each fiscal year may be used by the Department of Public
20 Instruction to provide technical assistance and administrative assistance, including staff, to the
21 Commission and for reimbursements and expenses for the Commission for the Education and
22 Workforce Innovation Program and the ~~Career and Technical Education Grade Expansion and~~
23 CTE Grade Expansion Program.

24 (b) The Commission shall consist of the following 14 members:

- 25 (1) The Secretary of Commerce or his or her designee.
- 26 (2) The State Superintendent of Public Instruction or his or her designee.
- 27 (3) The Chair of the State Board of Education or his or her designee.
- 28 (4) The President of The University of North Carolina or his or her designee.
- 29 (5) The President of the North Carolina Community College System or his or her
30 designee.
- 31 (6) Three members appointed by the Governor who have experience in education.
- 32 (7) Three members appointed by the General Assembly upon recommendation of
33 the Speaker of the House of Representatives, as provided in G.S. 120-121,
34 who have experience in businesses operating in North Carolina.
- 35 (8) Three members appointed by the General Assembly upon the
36 recommendation of the President Pro Tempore of the Senate, as provided in
37 G.S. 120-121, who have experience in businesses operating in North Carolina.

38 (b1) Members appointed by the Governor or the General Assembly shall serve for
39 three-year terms commencing July 1 of the year of appointment and may serve successive terms.

40 (c) The Commission members shall elect a chair from the membership of the
41 Commission. The Commission shall meet at least three times annually on the call of the Chair or
42 as additionally provided by the Commission. A quorum is six members of the Commission.
43 Members may not ~~send designees to Commission meetings nor may they~~ vote by proxy.

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

48 ~~(d1) The Commission shall develop and administer, in coordination with the State Board~~
49 ~~of Education and the Superintendent of Public Instruction, and in collaboration with the North~~
50 ~~Carolina Career and Technical Education Foundation, Inc., the Career and Technical Education~~

1 ~~Grade Expansion Program, as established under G.S. 115C-64.17, and shall make awards of~~
2 ~~grants under the Program.~~

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

6 (e) ~~The Commission, in consultation with the North Carolina Career and Technical~~
7 ~~Education Foundation, Inc., Commission~~ shall publish a report on the Education and Workforce
8 Innovation and CTE Grade Expansion Program ~~and the Career and Technical Education Grade~~
9 ~~Expansion Program~~ on or before April 30 of each year. The report shall be submitted to the
10 Senate Appropriations Committee on Education/Higher Education, the House Appropriations
11 Committee on Education, the Fiscal Research Division, the Joint Legislative Education Oversight
12 Committee, the State Board of Education, the State Board of Community Colleges, and the Board
13 of Governors of The University of North Carolina. The report shall include at least all of the
14 following information:

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

18 (2) Recommended statutory and policy changes.

19 (3) Recommendations for improvement of ~~each~~ the program.

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

24 "**§ 115C-64.16. The Education and Workforce Innovation ~~Program~~ and CTE Grade**
25 **Expansion Program; innovation grants.**

26 (a) Program Establishment. – There is established the Education and Workforce
27 Innovation and CTE Grade Expansion Program (Program) to foster innovation in education that
28 will lead to more students graduating career and college ~~ready~~ and to prioritize the inclusion of
29 students in sixth and seventh grades through grant awards provided to selected local school
30 administrative units and charter schools.

31 (a1) Types of Grant Awards. – Funds appropriated to the Program shall be used to award
32 competitive grants depending on the needs of the State, as determined by the Commission, by
33 dividing the grants between each type as innovation grants pursuant to the provisions of this
34 section or as grants for grade expansion for career and technical education pursuant to the
35 provisions of G.S. 115C-64.17.

36 (a2) Innovation Grants. – Competitive grants shall be awarded to an a charter school, an
37 individual school, school in a local school administrative unit, a local school administrative unit,
38 or a regional partnership of more than one local school administrative unit to advance
39 comprehensive, high-quality education that equips teachers and other hired personnel with the
40 knowledge and skill required to succeed with all students. Before receiving ~~a~~ an innovation grant,
41 applicants must meet all of the following conditions:

42 (1) Form a partnership, for the purposes of the grant, with either a public or private
43 university or a community college.

44 (2) Form a partnership, for the purposes of the grant, with regional businesses and
45 business leaders.

46 (3) Demonstrate the ability to sustain innovation once grant funding ends.

47 (b) Applicant Categories and Specific ~~Requirements.~~ Requirements for Innovation
48 Grants. –

49 (1) Individual schools. – ~~Individual public schools~~ Charter schools and individual
50 public schools in local school administrative units must demonstrate all of the
51 following in their applications:

- 1 a. Partnerships with business and industry to determine the skills and
2 competencies needed for students' transition into growth sectors of the
3 regional economy.
- 4 b. Aligned pathways to employment, including students' acquisition of
5 college credit or industry recognized credentials.
- 6 c. Development of systems, infrastructure, capacity, and culture to
7 enable teachers and school leaders to continuously focus on improving
8 individual student achievement.
- 9 (2) Local school administrative units. – Local school administrative units must
10 demonstrate all of the following in their applications:
11 a. Implementation of comprehensive reform and innovation.
12 b. Appointment of a senior leader to manage and sustain the change
13 process with a specific focus on providing parents with a portfolio of
14 meaningful options among schools.
- 15 (3) Regional partnerships of two or more local school administrative units. –
16 Partnerships of two or more local school administrative units must
17 demonstrate all of the following in their applications:
18 a. Implementation of resources of partnered local school administrative
19 units in creating a tailored workforce development system for the
20 regional economy and fostering innovation in each of the partnered
21 local school administrative units.
22 b. Promotion of the development of knowledge and skills in career
23 clusters of critical importance to the region.
24 c. Benefits of the shared strengths of local businesses and higher
25 education.
26 d. Usage of technology to deliver instruction over large geographic
27 regions and build networks with industry.
28 e. Implementation of comprehensive reform and innovation that can be
29 replicated in other local school administrative units.
- 30 (c) Consideration of Factors in Awarding of Innovation Grants. – All applications must
31 include information on at least the following in order to be considered for ~~a~~ an innovation grant:
32 (1) Describe the aligned pathways from school to high-growth careers in regional
33 economies.
34 (2) Leverage technology to efficiently and effectively drive teacher and principal
35 development, connect students and teachers to online courses and resources,
36 and foster virtual learning communities among faculty, higher education
37 partners, and business partners.
38 (3) Establish a comprehensive approach to enhancing the knowledge and skills of
39 teachers and administrators to successfully implement the proposed
40 innovative program and to graduate all students ready for work and college.
41 (4) Link to a proven provider of professional development services for teachers
42 and administrators capable of providing evidence-based training and tools
43 aligned with the goals of the proposed innovative program.
44 (5) Form explicit partnerships with businesses and industry, which may include
45 business advisory councils, internship programs, and other customized
46 projects aligned with relevant workforce skills.
47 (6) Partner with community colleges or public or private universities to enable
48 communities to challenge every student to graduate with workplace
49 credentials or college credit.
50 (7) Align K-12 and postsecondary instruction and performance expectations to
51 reduce the need for college remediation courses.

- 1 (8) Secure input from parents to foster broad ownership for school choice options
2 and to foster greater understanding of the need for continued education beyond
3 high school.
- 4 (9) Provide a description of the funds that will be used and a proposed budget for
5 five years each of the grant years.
- 6 (10) Describe the source of matching funds required in subsection (d) of this
7 section.
- 8 (11) Establish a strategy to achieve meaningful analysis of program outcomes due
9 to the receipt of grant funds under this section.

10 (d) ~~Matching Private and Local Funds.~~ Funds for Innovation Grants. – All innovation
11 grant applicants must match fifty percent (50%) of all State dollars. Matching funds shall not
12 include other State funds. Matching funds may include in-kind contributions.

13 (e) Awards for Innovation Grants. – Any innovation grants awarded by the Commission
14 may be spent over a five-year period from the initial award. Grants may be awarded for new or
15 existing projects. Grant funds shall not revert but shall be available until expended.

16 (f) Innovation Grant Recipient Reporting Requirements. – No later than September 1 of
17 each year, ~~a~~ an innovation grant recipient shall submit to the Commission an annual report for
18 the preceding grant year that describes the academic progress made by the students and the
19 implementation of program initiatives.

20 **"§ 115C-64.17. ~~The Career and Technical Education Grade Expansion Program Grants.~~**

21 (a) ~~Program Establishment.~~ CTE Grade Expansion Grants. – ~~There is established the~~
22 ~~Career and Technical Education Grade Expansion Program (Program) to expand Career and~~
23 ~~Technical Education Grade Expansion grants shall be awarded under the Program for the purpose~~
24 ~~of expanding career and technical education (CTE) programs by prioritizing the inclusion of~~
25 ~~students in sixth and seventh grade through grant awards provided to selected local school~~
26 ~~administrative units and charter schools for up to seven years. Funds appropriated for the~~
27 ~~Program Grant funds shall be allocated to selected local school administrative units and charter~~
28 ~~schools as competitive grants of (i) up to seven hundred thousand dollars (\$700,000) for the~~
29 ~~2017-2018 fiscal year and (ii) grants, to the extent funds are available, of up to one million dollars~~
30 ~~(\$1,000,000) for the 2018-2019 fiscal year and subsequent fiscal years. Grant funds shall be used~~
31 ~~only for employing additional licensed personnel in career and technical education areas, career~~
32 ~~development coordination areas, and support service areas necessary for expanding the CTE~~
33 ~~program to sixth and seventh grade students. The funds may be used for CTE programs at one or~~
34 ~~more schools in the local school administrative unit. For a local school administrative unit, the~~
35 ~~funds may be used for CTE programs at one or more schools in the unit. Grant funds allocated~~
36 ~~to the local school administrative unit or charter school each fiscal year under the Program shall~~
37 ~~not revert but shall be available for the purpose of the grant program until expended.~~

38 (b) Consideration of Factors in Awarding of CTE Grade Expansion Grants. – Local
39 school administrative units and charter schools applying for ~~the Program~~ CTE grade expansion
40 grants shall submit an application that includes at least the following information:

- 41 (1) A plan for expansion of the CTE program to sixth and seventh grade students,
42 including the specific programs that will be expanded, the significance of CTE
43 in the local school administrative ~~unit,~~ unit or charter school, and how a grade
44 expansion would enhance the education program and the community.
- 45 (2) A request for the amount of funds, a description of how the funds will be used,
46 and any other sources of funds available to accomplish the purposes of this
47 program.
- 48 (3) A proposed budget for seven years that provides detail on the use of the
49 amount of funds to add personnel, increase career development efforts, and
50 provide support services.

1 (4) A strategy to achieve meaningful analysis of program outcomes due to the
2 receipt of grant funds under this section.

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

15 (d) Allocation of Funds. – Of the funds available for the Program in each fiscal year, the
16 Commission shall first allocate funds to applicants who received CTE grade expansion grant
17 funds for the prior fiscal year for up to seven years. After funds are allocated to prior fiscal year
18 grant recipients, any remaining funds may be used by the Commission to select new grant
19 ~~recipients.~~ recipients, as provided in G.S. 115C-64.16(a1). ~~The Commission, in consultation with~~
20 ~~the Superintendent of Public Instruction,~~ Commission shall establish rules regarding any
21 requirements for grant recipients to continue eligibility to receive funds each fiscal year,
22 including timely and accurate reporting as required under subsection (e) of this section.

23 (e) Reporting Requirements. – No later than August 1 of each year, for up to seven years
24 after the initial grant award, a grant recipient shall submit to the Department of Public Instruction,
25 Local Planning Systems Regional Services staff within the Division of Career and Technical
26 Education, an annual report for the preceding year in which CTE grade expansion grant funds
27 were expended that provides at least the following information on the program for sixth and
28 seventh grade students:

- 29 (1) The use of grant funds, including the CTE programs and courses that have
30 been expanded in the local school administrative unit or charter school to
31 include sixth and seventh grade students.
- 32 (2) The number of students enrolled in CTE courses as part of the expansion.
- 33 (3) The number of students who subsequently enrolled in CTE courses in high
34 school.
- 35 (4) The number of students who subsequently participated in internships,
36 cooperative education, or apprenticeship programs.
- 37 (5) The number of students who subsequently earned (i) college credit and (ii)
38 approved industry certification and credentials.
- 39 (6) Any other information the Division of Career and Technical Education deems
40 necessary.

41 The Superintendent of Public Instruction shall provide a report to the Commission by October
42 15 of each year based on the information reported to the Local Planning Systems Regional
43 Services staff under this subsection, including how the grant recipients compare to CTE programs
44 statewide and whether the programs are aligned with the Master Plan for Career and Technical
45 Education adopted by the State Board."

46 **TEACHER ASSISTANT TUITION REIMBURSEMENT PROGRAM**

47 **SECTION 7.44.(a)** Article 17D of Chapter 115C of the General Statutes is amended
48 by adding a new section to read:

49 **"§ 115C-269.31. Teacher Assistant Tuition Reimbursement Grant Program.**
50

1 (a) Purpose. – The Department of Public Instruction shall establish the Teacher Assistant
2 Tuition Reimbursement Grant Program (Program). The purpose of the Program is to provide
3 tuition assistance to part-time or full-time teacher assistants working in local school
4 administrative units to pursue a college degree that will result in teacher licensure.

5 (b) Applications; Grant Priority. – Local school administrative units may apply to
6 participate in the Program pursuant to a process to be established by the Department of Public
7 Instruction. The application shall identify current and ongoing needs for licensed teachers and
8 the expected number of eligible teacher assistants that would participate in the Program. In
9 evaluating applications, the Department shall prioritize local school administrative units
10 according to the following order:

11 (1) Local school administrative units that received funds under the Teacher
12 Assistant Tuition Reimbursement Pilot Program established in Section 8.29
13 of S.L. 2016-94, as amended by Section 7.20 of S.L. 2017-57, Section 6(m)
14 of S.L. 2017-189, and Section 7.21 of S.L. 2018-5.

15 (2) Local school administrative units located, in whole or in part, in a county with
16 at least one local school administrative unit that received low-wealth
17 supplemental funding in the previous fiscal year.

18 (3) All other local school administrative units.

19 (c) Award of Funds. – To the extent funds are made available for the Program, a local
20 school administrative unit receiving funds under the Program shall provide a teacher assistant
21 participating in the program an award of up to four thousand six hundred dollars (\$4,600) per
22 academic year per teacher assistant, up to four academic years to defray the costs of tuition and
23 fees at an educator preparation program at an institution of higher education while employed in
24 the local school administrative unit as a teacher assistant.

25 (d) Additional Criteria. – The following additional criteria shall apply under the Program:

26 (1) Tuition assistance awards granted under the Program may be provided for
27 part-time or full-time coursework.

28 (2) A local board of education may grant a teacher assistant academic leave to
29 pursue coursework that may only be taken during working hours.

30 (3) A teacher assistant shall fulfill the student teaching requirements of an
31 educator preparation program by working as a teacher assistant at his or her
32 employing local school administrative unit.

33 (4) A teacher assistant shall continue to receive salary and benefits while student
34 teaching in the local school administrative unit as provided for teacher
35 assistants in G.S. 115C-269.30(c).

36 (e) Selection of Teacher Assistants. – The Department shall establish criteria for initial
37 and continuing eligibility to participate in the Program. The Department shall adopt standards to
38 ensure that only qualified, potential recipients receive an award of funds for tuition and fees under
39 the Program. The standards shall include satisfactory academic progress toward achieving
40 teacher licensure. Local school administrative units receiving grants pursuant to the Program
41 shall select teacher assistants to receive funds under the Program and prioritize teacher assistants
42 who received an award in the prior academic year and who are making satisfactory academic
43 progress towards achieving teacher licensure. The Department of Public Instruction shall set
44 criteria for the application and selection of teacher assistants to receive tuition assistance awards
45 that includes at least the following:

46 (1) The teacher assistant shall be employed by the local board of education in the
47 local school administrative unit.

48 (2) The teacher assistant shall be enrolled or provide a statement of intent to enroll
49 in an accredited institution of higher education in North Carolina with an
50 educator preparation program approved by the State Board of Education to
51 pursue teacher licensure.

1 (3) The teacher assistant qualifies as a resident for tuition purposes under the
2 criteria set forth in G.S. 116-143.1 and in accordance with the coordinated and
3 centralized residency determination process administered by the Authority.

4 (f) Endorsement of Tuition Assistance Awards for Recipients. – Each local board of
5 education participating in the Program shall enter into a memorandum of understanding with the
6 institution of higher education in which an award recipient under the Program is enrolled that
7 includes procedures for at least the following:

8 (1) Remittance of the award from the local board of education to the institution
9 of higher education.

10 (2) Endorsement of the funds awarded to the recipient to the institution of higher
11 education for deposit into the account of the institution.

12 (3) Return of a pro rata share of funds to the local board of education in the event
13 a recipient (i) withdraws from the institution of higher education prior to the
14 end of a term or (ii) the recipient's employment with the local board of
15 education is terminated. The return of funds shall be consistent with
16 procedures used by the institution under federal Title IV programs.

17 (g) Local Report. – No later than September 1 of each year funds are awarded pursuant
18 to the Program, local boards of education participating in the Program shall report at least the
19 following information to the Department of Public Instruction:

20 (1) The number and amount of funds in tuition assistance awards provided to
21 teacher assistants.

22 (2) The number of teacher assistant recipients who achieved teacher licensure,
23 including the period of time from the issue of an initial tuition assistance
24 award to the time of achieving licensure.

25 (3) The number of recipients who remained employed in the local school
26 administrative unit after achieving teacher licensure.

27 (h) State Report. – No later than December 1 of each year funds are awarded pursuant to
28 the Program, the Department of Public Instruction shall aggregate the information provided
29 pursuant to subsection (d) of this section and report that information to the Joint Legislative
30 Education Oversight Committee."

31 **SECTION 7.44.(b)** Section 8.29 of S.L. 2016-94, as amended by Section 7.20 of
32 S.L. 2017-57, Section 6(m) of S.L. 2017-189, and Section 7.21 of S.L. 2018-5, is repealed.

33 **SECTION 7.44.(c)** This section applies beginning with the 2023-2024 school year.

34 35 **TEACHER APPRENTICE GRANT PROGRAM**

36 **SECTION 7.44A.(a)** Definitions. – The following definitions shall apply in this
37 section:

38 (1) Eligible high school graduate. – A graduate of a high school in a local school
39 administrative unit who was enrolled in a Career and College Promise
40 Transfer Pathway Program leading to an associate degree in teacher
41 preparation and earned one or more credits toward that degree.

42 (2) Eligible teacher apprentice. – An eligible high school graduate who meets the
43 following criteria:

44 a. Is employed as a teacher apprentice in an elementary school in the
45 same local school administrative unit where he or she graduated high
46 school.

47 b. Is enrolled part-time or full-time in a recognized educator preparation
48 program pursuing coursework toward a college degree that will result
49 in teacher licensure.

50 c. Qualifies as a resident for tuition purposes under the criteria set forth
51 in G.S. 116-143.1 and in accordance with the coordinated and

1 centralized residency determination process administered by the
2 Authority.

3 (3) Program. – Teacher Apprentice Grant Program.

4 (4) Teacher apprentice. – A teacher assistant who works with a teacher of record
5 to develop an expertise in teaching by observing best education practices and
6 gaining classroom experience with the goal of becoming a licensed teacher.

7 **SECTION 7.44A.(b)** Program Established. – The Department of Public Instruction
8 shall establish the Teacher Apprentice Grant Program for the 2023-2025 fiscal biennium. The
9 purpose of the Program is to provide grants to local school administrative units to award funds
10 for (i) the cost of tuition at an educator preparation program for eligible teacher apprentices and
11 (ii) salary supplements for teacher apprentices who become teachers in the unit.

12 **SECTION 7.44A.(c)** Applications; Grant Priority. – Local school administrative
13 units may submit applications to participate in the Program pursuant to a process to be established
14 by the Department of Public Instruction. The application shall identify current and ongoing needs
15 for licensed teachers and the expected number of eligible teacher apprentices that would
16 participate in the Program. In evaluating applications, the Department shall prioritize local school
17 administrative units who received funds under the Teacher Assistant Tuition Reimbursement
18 Pilot Program established in Section 8.29 of S.L. 2016-94, as amended by Section 7.20 of S.L.
19 2017-57, Section 6(m) of S.L. 2017-189, and Section 7.21 of S.L. 2018-5.

20 **SECTION 7.44A.(d)** Award of Funds. – To the extent funds are made available for
21 the Program, funds shall be awarded as follows:

22 (1) Funds for tuition. – Eligible teacher apprentices shall receive awards of up to
23 four thousand six hundred dollars (\$4,600) per academic semester, per eligible
24 teacher apprentice, up to four academic years to defray the costs of tuition and
25 fees for part-time or full-time coursework taken while employed in the local
26 school administrative unit as an eligible teacher apprentice.

27 (2) Funds for salary supplements. – Notwithstanding any other provision of law,
28 any eligible teacher apprentice who becomes a licensed teacher and accepts
29 employment in the same local school administrative unit shall receive a salary
30 supplement each month during his or her first four years of employment as a
31 teacher, without a break in service, equivalent to the difference between the
32 State-funded salary of the graduate and the State-funded salary of a similarly
33 situated teacher with four years of experience on the "A" Teachers Salary
34 Schedule, as long as the teacher remains teaching in the same local school
35 administrative unit.

36 **SECTION 7.44A.(e)** Additional Criteria. – The following additional criteria shall
37 apply to funds awarded under the Program:

38 (1) A local board of education may grant an eligible teacher apprentice academic
39 leave to pursue coursework that may only be taken during working hours.

40 (2) An eligible teacher apprentice shall fulfill the student teaching requirements
41 of an educator preparation program by working as a teacher apprentice at his
42 or her employing local school administrative unit.

43 (3) An eligible teacher apprentice shall continue to receive salary and benefits
44 while student teaching in the local school administrative unit as provided for
45 teacher assistants in G.S. 115C-269.30(c).

46 (4) Local boards of education receiving grants under the Program shall make
47 efforts to the promote the Program to high school students enrolled in a Career
48 and College Promise Transfer Pathway Program.

49 **SECTION 7.44A.(f)** Selection of Teacher Apprentices. – The Department shall
50 establish criteria for initial and continuing eligibility to participate in the Program. The
51 Department shall adopt standards to ensure that only qualified, potential recipients receive an

1 award of funds for tuition and fees under the Program. The standards shall include satisfactory
2 academic progress toward achieving teacher licensure. Local school administrative units
3 receiving grants pursuant to the Program shall prioritize for the award of funds for eligible teacher
4 apprentices who received an award in the prior academic year.

5 **SECTION 7.44A.(g)** Endorsement of tuition assistance awards for recipients. – Each
6 local board of education participating in the Program shall enter into a memorandum of
7 understanding with the institution of higher education in which an award recipient under the
8 Program is enrolled that includes procedures for at least the following:

- 9 (1) Remittance of the award from the local board of education to the institution
10 of higher education.
- 11 (2) Endorsement of the funds awarded to the recipient to the institution of higher
12 education for deposit into the account of the institution.
- 13 (3) Return of a pro rata share of funds to the local board of education in the event
14 a recipient (i) withdraws from the institution of higher education prior to the
15 end of a term or (ii) the recipient's employment with the local board of
16 education is terminated. The return of funds shall be consistent with
17 procedures used by the institution under federal Title IV programs.

18 **SECTION 7.44A.(h)** Report to the General Assembly. – The Department shall report
19 no later than May 15, 2023, and annually thereafter while funds are awarded under the Program,
20 to the Joint Legislative Education Oversight Committee regarding the Program, including at least
21 the following information:

- 22 (1) Funds awarded under the Program, including the following:
 - 23 a. Demographic information regarding eligible teacher apprentices.
 - 24 b. Number of award recipients by local school administrative unit and
25 educator preparation program.
- 26 (2) Placement rates, including the number of award recipients who have been
27 employed as licensed teachers in the same local school administrative unit in
28 which they worked as a teacher apprentice and the time frame from the
29 issuance of the initial award of funds to the time of achieving licensure.
- 30 (3) Recommendations to improve the Program and increase the number of
31 teachers in North Carolina.

32 **SECTION 7.44A.(i)** Notwithstanding any other provision of law or the Committee
33 Report described in Section 43.2 of this act to the contrary, the funds appropriated in this act for
34 the 2023-2025 fiscal biennium to the Department of Public Instruction shall be increased by five
35 million dollars (\$5,000,000) in nonrecurring funds for each year of the 2023-2025 fiscal
36 biennium in requirements and receipts to establish the Teacher Apprentice Grant Program in
37 accordance with this section.

39 **ECONOMICALLY DISADVANTAGED PUBLIC SCHOOL SUPPORT FUNDS**

40 **SECTION 7.45.** Part 2 of Article 8B of Chapter 115C of the General Statutes is
41 amended by adding a new section to read:

42 **"§ 115C-105.34. Economically disadvantaged public school support funds.**

43 (a) For purposes of this section, the following definitions shall apply:

- 44 (1) Curriculum. – Materials or programs related to courses offered by an
45 economically disadvantaged public school.
- 46 (2) Economically disadvantaged public school. – A school in a local school
47 administrative unit or a charter school with a student population that is
48 composed of at least eighty percent (80%) of students identified by the
49 Department of Public Instruction as economically disadvantaged students.
- 50 (3) Eligible employee. – Any full-time or part-time employee of a qualifying
51 economically disadvantaged public school.

1 (4) Qualifying economically disadvantaged public school. – An economically
2 disadvantaged public school that exceeded expected growth in the prior school
3 year, as determined by the State Board of Education pursuant to
4 G.S. 115C-83.15(c).

5 (b) The Department of Public Instruction shall establish the Economically Disadvantaged
6 Public Schools Support Program (Program) to provide funds to support the efforts of qualifying
7 economically disadvantaged public schools to continue to exceed growth in subsequent school
8 years. To the extent funds are provided to the Department for this purpose, the Department shall
9 allocate these funds annually to each governing body of an economically disadvantaged public
10 school based on the relative proportion of students in each qualifying economically
11 disadvantaged public school governed by that body. The governing body shall allocate those
12 funds to each qualifying economically disadvantaged public school based on the relative
13 proportion of students in each school. The funds shall be used for curriculum, activities necessary
14 to support students and instructional support personnel, and bonuses and retention programs for
15 eligible employees, in the discretion of the governing body of the charter school or the school in
16 the local school administrative unit, as appropriate.

17 (c) It is the intent of the General Assembly that funds provided pursuant to this section
18 will supplement and not supplant local funds."

20 **TEACHER ASSISTANT COMPLETION GRANTS PROGRAM**

21 **SECTION 7.46.(a)** Definition. – For purposes of this section, the term "qualifying
22 teacher assistant" shall refer to a person employed as a teacher assistant in a public school unit
23 who has successfully completed an educator preparation program after the effective date of this
24 act.

25 **SECTION 7.46.(b)** Program; Purpose. – Of the funds appropriated in this act from
26 the ARPA Temporary Savings Fund to the Department of Public Instruction for the 2023-2025
27 fiscal biennium, the Department of Public Instruction shall establish the Teacher Assistant
28 Completion Grant Program (Program) for the 2023-2025 fiscal biennium. The purpose of the
29 Program is to provide grants to public school units to be allocated to qualifying teacher assistants
30 in each year of the 2023-2025 fiscal biennium.

31 **SECTION 7.46.(c)** Applications and Awards. – Public school units with qualifying
32 teacher assistants may apply to the Department of Public Instruction to receive funds for grants
33 for qualifying teacher assistants employed in the unit. The Department shall prorate the award of
34 funds to public school units based on the number of qualifying teacher assistants in the unit.
35 Public school units shall award grants in each fiscal year in equal amounts to each qualifying
36 teacher assistant employed in the unit. A qualifying teacher assistant who receives a grant
37 pursuant to the Program in the 2023-2024 fiscal year shall not be eligible for an additional grant
38 in the 2024-2025 fiscal year.

39 **SECTION 7.46.(d)** Report. – No later than December 15 of each year that funds are
40 awarded under the Program, the Department shall report to the Joint Legislative Education
41 Oversight Committee on the impact of the Program, including at least the following:

- 42 (1) The identity of public school units receiving grants and the amounts allocated
43 to each unit under the Program.
- 44 (2) Grant amounts awarded to qualifying teacher assistants in the State and in
45 each public school unit.
- 46 (3) The impact of the Program on the performance and retention of qualifying
47 teacher assistants.

48 **SECTION 7.46.(e)** Notwithstanding any other provision of law or the Committee
49 Report described in Section 43.2 of this act to the contrary, the funds appropriated by this act for
50 the 2023-2025 fiscal biennium to the Department of Public Instruction for Teacher Assistant

1 Completion Grants shall be decreased by five million dollars (\$5,000,000) in nonrecurring funds
2 in requirements and receipts in each year of the 2023-2025 fiscal biennium.
3

4 **REVISE SCHOOL TRANSPORTATION FUNDS REQUIREMENTS**

5 **SECTION 7.47.** G.S. 115C-240(e) reads as rewritten:

6 "(e) The State Board of Education shall allocate to the respective local boards of education
7 funds appropriated from time to time by the General Assembly for the purpose of providing
8 transportation to the pupils enrolled in the public schools within this State. Such funds shall be
9 allocated by the State Board of Education ~~in accordance with~~ based on the efficiency of the local
10 school administrative units in transporting pupils. The efficiency of the units shall be calculated
11 using the number of pupils to be transported, the length of bus routes, road conditions and all
12 other circumstances affecting the cost of the transportation of pupils by school bus to the end that
13 the funds so appropriated may be allocated on a fair and equitable basis, according to the needs
14 of the respective local school administrative units and so as to provide the most efficient use of
15 such funds. units. Such allocation shall be made by the State Board of Education at the beginning
16 of each fiscal year, ~~except that the year, based on the most recently available data from a prior~~
17 school year. The State Board may reserve for future allocation from time to time within such
18 fiscal year as the need therefor shall be found to exist, a reasonable amount not to exceed ten
19 percent (10%) five percent (5%) of the total funds available for transportation in such fiscal year
20 from such appropriation. Prior to May 1 of the fiscal year in which the funds are reserved, the
21 reserved funds shall be allocated only in the event of an emergency need of a local school
22 administrative unit. In the event reserved funds remain by May 1 of that fiscal year, the State
23 Board shall allocate the remaining funds to all local school administrative units based on the
24 efficiency of the units in transporting pupils. If there is evidence of inequitable or inefficient use
25 of funds, the State Board of Education shall be empowered to review school bus routes
26 established by local boards pursuant to G.S. 115C-246 as well as other factors affecting the cost
27 of the transportation of pupils by school bus."
28

29 **TWELFTH GRADE TRANSITION PROGRAM/SCHOLARPATH**

30 **SECTION 7.48.** Of funds appropriated in this act from the ARPA Temporary
31 Savings Fund to the Department of Public Instruction, the Department shall use up to two million
32 five hundred thousand dollars (\$2,500,000) in nonrecurring funds for each year of the 2023-2025
33 fiscal biennium to contract with MyScholar, LLC, to use the ScholarPath platform to create the
34 Twelfth Grade Transition Program for all high school students. The Program shall consist of an
35 education planning and communication platform that helps students and parents prepare for
36 transition to twelfth grade, regardless of public school unit participation. The platform shall
37 utilize O*NET data and additional student surveys to connect and match students to pathways
38 that meet the interests of the students, current workforce initiatives, and opportunities in
39 high-demand careers. The platform shall give students the ability to be connected to colleges, the
40 workforce, and the military, while protecting student data through de-individualized and
41 encrypted methods. The platform shall be accessible by single sign-on through any North
42 Carolina school-provided email. The data collected shall be able to be housed in the State and
43 shall be used to help identify the workforce needs in the State. MyScholar, LLC, shall provide
44 requested information to the Economic Development Partnership of North Carolina, Department
45 of Labor, and the Department of Public Instruction.
46

47 **STUDY FOR STUDENTS WITH EXTRAORDINARY COSTS/REPORT**

48 **SECTION 7.49.** As used in this section, "Approved School" means a private school
49 with approved nonpublic education programs providing special education for students with
50 intensive needs. The Department of Public Instruction shall study the following and report any
51 legislative recommendations based on the outcomes of the study to the House Appropriations

1 Committee on Education, the Senate Appropriations Committee on Education/Higher Education,
2 and the Joint Legislative Education Oversight Committee by October 15, 2023:

- 3 (1) A method of improving options for children with disabilities with intensive
4 needs which require private placement in an Approved School consistent with
5 the student's individualized education program (IEP).
- 6 (2) A method of determining that placement in an Approved School is the means
7 that most appropriately suits the child's individual needs.
- 8 (3) Extraordinary costs incurred by the public school unit by student placement
9 in Approved Schools.
- 10 (4) Methods of creating a network of Approved Schools into which a child with
11 disabilities with intensive needs may be placed consistent with the student's
12 IEP.
- 13 (5) A method of prioritizing dispersal of funds to public school units to assist with
14 the cost associated with enrolling in an Approved School in early grades to
15 incentivize public school units to enroll students in the Approved Schools at
16 the earliest appropriate age.
- 17 (6) Recommendations on the proportion of a student's extraordinary cost to be
18 paid from local, State, and federal sources, respectively, and to identify
19 existing funds at each level that may be available for the purposes studied
20 pursuant to this section.
- 21 (7) A method to monitor overidentification of children with disabilities with
22 intensive needs.
- 23 (8) Methods to allow for Medicaid reimbursement for additional services, such as
24 transportation, and expanding the eligible age range to receive reimbursement
25 for services.
- 26 (9) An estimated range of costs associated with implementing the studied
27 methods.
- 28 (10) The advisability of one or more pilot programs with one or more Approved
29 Schools.
30

31 MONTESSORI TEACHING LICENSE

32 **SECTION 7.50.(a)** G.S. 115C-270.20(a) is amended by adding a new subdivision
33 to read:

34 "(7) Montessori License. – A license that only allows the holder of the license to
35 teach in a school that uses Montessori instruction as its primary method of
36 instruction. To receive this license, an individual shall meet the following
37 criteria:

38 a. Hold a valid credential from any of the following groups:

39 1. The American Montessori Society.

40 2. The Association Montessori Internationale.

41 3. A program accredited by the Montessori Accreditation Council
42 for Teacher Education.

43 b. Hold a bachelor's degree in any field.

44 c. Complete any examination requirements adopted by the State Board.

45 An individual holding a license pursuant to this subdivision may not teach
46 students in a public school that is not a Montessori school unless the individual
47 holds another license issued by the State for public school teachers."

48 **SECTION 7.50.(b)** This section is effective when it becomes law and applies to
49 applicants for Montessori licenses on or after that date.

50 PART VII-A. COMPENSATION OF PUBLIC SCHOOL EMPLOYEES

TEACHER SALARY SCHEDULE

SECTION 7A.1.(a) The following monthly teacher salary schedule shall apply for the 2023-2024 fiscal year to licensed personnel of the public schools who are classified as teachers. The salary schedule is based on years of teaching experience.

2023-2024 Teacher Monthly Salary Schedule

Years of Experience	"A" Teachers
0	\$3,857
1	\$3,962
2	\$4,066
3	\$4,170
4	\$4,274
5	\$4,379
6	\$4,483
7	\$4,587
8	\$4,691
9	\$4,796
10	\$4,900
11	\$5,004
12	\$5,108
13	\$5,213
14	\$5,317
15-24	\$5,421
25+	\$5,630

SECTION 7A.1.(b) Salary Supplements for Teachers Paid on This Salary Schedule.

- (1) Licensed teachers who have NBPTS certification shall receive a salary supplement each month of twelve percent (12%) of their monthly salary on the "A" salary schedule.
- (2) Licensed teachers who are classified as "M" teachers shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.
- (3) Licensed teachers with licensure based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the supplement provided to them as "M" teachers.
- (4) Licensed teachers with licensure based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the supplement provided to them as "M" teachers.
- (5) Certified school nurses shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.
- (6) School counselors who are licensed as counselors at the master's degree level or higher shall receive a salary supplement each month of one hundred dollars (\$100.00).

SECTION 7A.1.(c) For school psychologists, school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and school audiologists who are licensed as audiologists at the master's degree level or higher, the following shall apply:

- (1) The first step of the salary schedule shall be equivalent to the sixth step of the "A" salary schedule.
- (2) These employees shall receive the following salary supplements each month:

- 1 a. Ten percent (10%) of their monthly salary, excluding the supplement
2 provided pursuant to sub-subdivision b. of this subdivision.
3 b. Three hundred fifty dollars (\$350.00).
4 (3) These employees are eligible to receive salary supplements equivalent to those
5 of teachers for academic preparation at the six-year degree level or the
6 doctoral degree level.
7 (4) The twenty-sixth step of the salary schedule shall be seven and one-half
8 percent (7.5%) higher than the salary received by these same employees on
9 the twenty-fifth step of the salary schedule.

10 **SECTION 7A.1.(d)** Beginning with the 2014-2015 fiscal year, in lieu of providing
11 annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those
12 longevity payments are included in the monthly amounts under the teacher salary schedule.

13 **SECTION 7A.1.(e)** A teacher compensated in accordance with this salary schedule
14 for the 2023-2024 school year shall receive an amount equal to the greater of the following:

- 15 (1) The applicable amount on the salary schedule for the applicable school year.
16 (2) For teachers who were eligible for longevity for the 2013-2014 school year,
17 the sum of the following:
18 a. The salary the teacher received in the 2013-2014 school year pursuant
19 to Section 35.11 of S.L. 2013-360.
20 b. The longevity that the teacher would have received under the longevity
21 system in effect for the 2013-2014 school year provided in Section
22 35.11 of S.L. 2013-360 based on the teacher's current years of service.
23 c. The annual bonus provided in Section 9.1(e) of S.L. 2014-100.
24 (3) For teachers who were not eligible for longevity for the 2013-2014 school
25 year, the sum of the salary and annual bonus the teacher received in the
26 2014-2015 school year pursuant to Section 9.1 of S.L. 2014-100.

27 **SECTION 7A.1.(f)** As used in this section, the term "teacher" shall also include
28 instructional support personnel.
29

30 **REINSTATE EDUCATION-BASED SALARY SUPPLEMENTS FOR TEACHERS AND** 31 **INSTRUCTIONAL SUPPORT PERSONNEL**

32 **SECTION 7A.2.(a)** G.S. 115C-302.10 is repealed.

33 **SECTION 7A.2.(b)** Notwithstanding any other provision of law, for the 2023-2024
34 fiscal year, State Board of Education policy TCP-A-006, as it was in effect on June 30, 2013,
35 shall be used to determine (i) whether teachers and instructional support personnel are paid on
36 the "M" salary schedule and (ii) whether they receive a salary supplement for academic
37 preparation at the six-year or doctoral degree level.
38

39 **CONSOLIDATED TEACHER BONUS PROGRAM**

40 **SECTION 7A.3.(a)** Establish Consolidated Bonus Program. – The State Board of
41 Education shall establish a consolidated teacher bonus program for the 2023-2025 fiscal
42 biennium to reward teacher performance and encourage student learning and improvement. To
43 attain this goal, the Department of Public Instruction shall administer bonus pay to qualifying
44 teachers whose salaries are supported from State funds in January of 2024 and 2025, based on
45 data from the 2022-2023 and 2023-2024 school years, respectively, in accordance with this
46 section.

47 **SECTION 7A.3.(b)** Definitions. – For purposes of this section, the following
48 definitions shall apply:

- 49 (1) Eligible advanced course teacher. – A teacher of Advanced Placement
50 courses, International Baccalaureate Diploma Programme courses, or the

- 1 Cambridge Advanced International Certificate of Education (AICE) program
2 who meets the following criteria:
- 3 a. Is employed by, or retired having last held a position at, one or more
4 of the following:
- 5 1. A qualifying public school unit.
6 2. The North Carolina Virtual Public School program.
- 7 b. Taught one or more students who received a score listed in subsection
8 (c) of this section.
- 9 (2) Eligible career and technical education (CTE) teacher. – A teacher who meets
10 the following criteria:
- 11 a. Is employed by, or retired having last held a position at, a qualifying
12 public school unit.
- 13 b. Taught one or more students who attained approved industry
14 certifications or credentials consistent with G.S. 115C-156.2.
- 15 (3) Eligible growth teacher. – A teacher who meets at least one of the following
16 criteria:
- 17 a. Is employed by, or retired having last held a position at, a qualifying
18 public school unit and meets one of the following criteria:
- 19 1. Is in the top twenty-five percent (25%) of teachers in the State
20 according to the EVAAS student growth index score for third
21 grade reading from the previous school year.
- 22 2. Is in the top twenty-five percent (25%) of teachers in the State
23 according to the EVAAS student growth index score for fourth
24 or fifth grade reading from the previous school year.
- 25 3. Is in the top twenty-five percent (25%) of teachers in the State
26 according to the EVAAS student growth index score for fourth,
27 fifth, sixth, seventh, or eighth grade mathematics from the
28 previous school year.
- 29 b. Is employed by, or retired having last held a position at, a local school
30 administrative unit and meets one of the following criteria:
- 31 1. Is in the top twenty-five percent (25%) of teachers in the
32 teacher's respective local school administrative unit according
33 to the EVAAS student growth index score for third grade
34 reading from the previous school year.
- 35 2. Is in the top twenty-five percent (25%) of teachers in the
36 teacher's respective local school administrative unit according
37 to the EVAAS student growth index score for fourth or fifth
38 grade reading from the previous school year.
- 39 3. Is in the top twenty-five percent (25%) of teachers in the
40 teacher's respective local school administrative unit according
41 to the EVAAS student growth index score for fourth, fifth,
42 sixth, seventh, or eighth grade mathematics from the previous
43 school year.
- 44 c. Was employed by a local school administrative unit that employed in
45 the previous school year three or fewer total teachers in that teacher's
46 grade level as long as the teacher has an EVAAS student growth index
47 score from the previous school year of exceeded expected growth in
48 one of the following subject areas:
- 49 1. Third grade reading.
50 2. Fourth or fifth grade reading.
51 3. Fourth, fifth, sixth, seventh, or eighth grade mathematics.

- 1 (4) EVAAS. – The Education Value-Added Assessment System.
- 2 (5) Qualifying public school unit. – Any of the following:
 - 3 a. A local school administrative unit.
 - 4 b. A charter school.
 - 5 c. A regional school.
 - 6 d. A school providing elementary or secondary instruction operated by
 - 7 The University of North Carolina under Article 29A of Chapter 116 of
 - 8 the General Statutes.
- 9 (6) Qualifying teacher. – An eligible teacher who meets one of the following
- 10 criteria:
 - 11 a. Remains employed teaching in the same qualifying public school unit,
 - 12 or, if an eligible advanced course teacher is only employed by the
 - 13 North Carolina Virtual Public School program, remains employed
 - 14 teaching in that program, at least from the school year the data is
 - 15 collected until January 1 of the corresponding school year that the
 - 16 bonus is paid.
 - 17 b. Retired, between the last day of the school year in which the data is
 - 18 collected and January 1 of the corresponding school year in which the
 - 19 bonus is paid, after attaining one of the following:
 - 20 1. The age of at least 65 with five years of creditable service.
 - 21 2. The age of at least 60 with 25 years of creditable service.
 - 22 3. Thirty years of creditable service.

23 **SECTION 7A.3.(c) Advanced Course Bonuses.** – A bonus in the amount of fifty
24 dollars (\$50.00) shall be provided to qualifying advanced course teachers for each student taught
25 in each advanced course who receives the following score:

- 26 (1) For Advanced Placement courses, a score of three or higher on the College
- 27 Board Advanced Placement Examination.
- 28 (2) For International Baccalaureate Diploma Programme courses, a score of four
- 29 or higher on the International Baccalaureate course examination.
- 30 (3) For the Cambridge AICE program, a score of "C" or higher on the Cambridge
- 31 AICE program examinations.

32 **SECTION 7A.3.(d) CTE Bonuses.** – For qualifying career and technical education
33 teachers, bonuses shall be provided in the following amounts:

- 34 (1) A bonus in the amount of twenty-five dollars (\$25.00) for each student taught
- 35 by a teacher who provided instruction in a course that led to the attainment of
- 36 an industry certification or credential with a twenty-five dollar (\$25.00) value
- 37 ranking as determined under subsection (e) of this section.
- 38 (2) A bonus in the amount of fifty dollars (\$50.00) for each student taught by a
- 39 teacher who provided instruction in a course that led to the attainment of an
- 40 industry certification or credential with a fifty dollar (\$50.00) value ranking
- 41 as determined under subsection (e) of this section.

42 **SECTION 7A.3.(e) CTE Course Value Ranking.** – The Department of Commerce,
43 in consultation with the State Board, shall assign a value ranking for each industry certification
44 and credential based on academic rigor and employment value in accordance with this subsection.
45 Fifty percent (50%) of the ranking shall be based on academic rigor and the remaining fifty
46 percent (50%) on employment value. Academic rigor and employment value shall be based on
47 the following elements:

- 48 (1) Academic rigor shall be based on the number of instructional hours, including
- 49 work experience or internship hours, required to earn the industry certification
- 50 or credential, with extra weight given for coursework that also provides
- 51 community college credit.

- 1 (2) Employment value shall be based on the entry wage, growth rate in
2 employment for each occupational category, and average annual openings for
3 the primary occupation linked with the industry certification or credential.

4 **SECTION 7A.3.(f)** Statewide Growth Bonuses. – Of the funds appropriated in this
5 act for the program, bonuses shall be provided to qualifying teachers who are eligible teachers
6 under sub-subdivision a. of subdivision (3) of subsection (b) of this section, as follows:

- 7 (1) The sum of five million dollars (\$5,000,000) shall be allocated for bonuses to
8 eligible teachers under sub-sub-subdivision a.1. of subdivision (3) of
9 subsection (b) of this section. These funds shall be distributed equally among
10 qualifying teachers.
11 (2) A bonus in the amount of two thousand dollars (\$2,000) shall be awarded to
12 each qualifying teacher who is an eligible teacher under sub-sub-subdivision
13 a.2. of subdivision (3) of subsection (b) of this section.
14 (3) A bonus in the amount of two thousand dollars (\$2,000) shall be awarded to
15 each qualifying teacher who is an eligible teacher under sub-sub-subdivision
16 a.3. of subdivision (3) of subsection (b) of this section.

17 **SECTION 7A.3.(g)** Local Growth Bonuses. – Of the funds appropriated in this act
18 for the program, bonuses shall be provided to eligible teachers under sub-subdivisions b. and c.
19 of subdivision (3) of subsection (b) of this section, as follows:

- 20 (1) The sum of five million dollars (\$5,000,000) shall be allocated for bonuses to
21 eligible EVAAS teachers under sub-sub-subdivisions b.1. and c.1. of
22 subdivision (3) of subsection (b) of this section. These funds shall be divided
23 proportionally based on average daily membership in third grade for each
24 local school administrative unit and then distributed equally among qualifying
25 third grade reading teachers in each local school administrative unit.
26 (2) A bonus in the amount of two thousand dollars (\$2,000) shall be awarded to
27 each qualifying teacher who is an eligible teacher under sub-sub-subdivision
28 b.2. or c.2. of subdivision (3) of subsection (b) of this section.
29 (3) A bonus in the amount of two thousand dollars (\$2,000) shall be awarded to
30 each qualifying teacher who is an eligible teacher under sub-sub-subdivision
31 b.3. or c.3. of subdivision (3) of subsection (b) of this section.

32 **SECTION 7A.3.(h)** Limitations and Other Criteria. – The following additional
33 limitations and other criteria shall apply to the program:

- 34 (1) Bonus funds awarded to a teacher pursuant to subsection (c), subsection (d),
35 subdivision (1) of subsection (f), and subdivision (1) of subsection (g) of this
36 section shall not exceed three thousand five hundred dollars (\$3,500) per
37 subsection or subdivision in any given school year.
38 (2) A qualifying teacher who is an eligible teacher under sub-sub-subdivision a.1.,
39 b.1., or c.1. of subdivision (3) of subsection (b) of this section may receive a
40 bonus under both subdivision (1) of subsection (f) and subdivision (1) of
41 subsection (g) of this section but shall not receive more than seven thousand
42 dollars (\$7,000) pursuant to subdivision (1) of subsection (f) and subdivision
43 (1) of subsection (g) of this section in any given school year.
44 (3) A qualifying teacher who is an eligible teacher under sub-sub-subdivision a.2.,
45 b.2., or c.2. of subdivision (3) of subsection (b) of this section may receive a
46 bonus under both subdivision (2) of subsection (f) and subdivision (2) of
47 subsection (g) of this section but shall not receive more than two bonuses
48 pursuant to subdivision (2) of subsection (f) and subdivision (2) of subsection
49 (g) of this section in any given school year.
50 (4) A qualifying teacher who is an eligible teacher under sub-sub-subdivision a.3.,
51 b.3., or c.3. of subdivision (3) of subsection (b) of this section may receive a

1 bonus under both subdivision (3) of subsection (f) and subdivision (3) of
2 subsection (g) of this section but shall not receive more than two bonuses
3 pursuant to subdivision (3) of subsection (f) and subdivision (3) of subsection
4 (g) of this section in any given school year.

5 **SECTION 7A.3.(i) Bonuses Not Compensation.** – Bonuses awarded to a teacher
6 pursuant to this section shall be in addition to any regular wage or other bonus the teacher receives
7 or is scheduled to receive. Notwithstanding G.S. 135-1(7a), the bonuses awarded under this
8 section are not compensation under Article 1 of Chapter 135 of the General Statutes, Retirement
9 System for Teachers and State Employees.

10 **SECTION 7A.3.(j) Study and Report.** – The State Board of Education shall study
11 the effect of the program on teacher performance and retention. The State Board shall report the
12 results of its findings and the amount of bonuses awarded to the President Pro Tempore of the
13 Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight
14 Committee, and the Fiscal Research Division by March 15 of each year of the 2023-2025 fiscal
15 biennium. The report shall include, at a minimum, the following information:

- 16 (1) Number of students enrolled and taking examinations in each of the following
17 categories of courses:
 - 18 a. Advanced Placement.
 - 19 b. International Baccalaureate Diploma Programme.
 - 20 c. Cambridge AICE program.
 - 21 d. Courses needed for the attainment of an industry certification or
22 credential.
- 23 (2) Number of students receiving outcomes on examinations resulting in the
24 award of a bonus for a teacher in each category of courses identified in
25 sub-subdivision a. of subdivision (1) of this subsection.
- 26 (3) Number of teachers receiving a bonus in each category of courses identified
27 in sub-subdivision a. of subdivision (1) of this subsection.
- 28 (4) The amounts awarded to teachers for each category of courses identified in
29 sub-subdivision a. of subdivision (1) of this subsection.
- 30 (5) The type of industry certifications and credentials earned by the students, the
31 value ranking for each certification and credential, the number of bonuses
32 earned for each certification or credential, and the total bonus amount awarded
33 for each certification or credential.
- 34 (6) Average bonus amount awarded to each qualifying teacher who is an eligible
35 teacher under sub-sub-subdivision a.1., b.1., or c.1. of subdivision (3) of
36 subsection (b) of this section.
- 37 (7) The percentage of teachers who received a bonus pursuant to this section and
38 were eligible to receive a bonus for teaching in the same grade level or course
39 in January 2022 or January 2023, or both, where applicable, pursuant to one
40 of the following programs:
 - 41 a. The Advanced Course and CTE Bonus Program provided in Section
42 7A.4 of S.L. 2021-180.
 - 43 b. The Growth-Based Teacher Bonus Program provided in Section 7A.2
44 of S.L. of 2022-74.
- 45 (8) The percentage of teachers who received a bonus pursuant to this section and
46 received a bonus for teaching in the same grade level or course in either
47 January 2022 or January 2023 pursuant to one of the programs listed in
48 subdivision (7) of this subsection.
- 49 (9) The percentage of teachers who received a bonus pursuant to this section and
50 received a bonus for teaching in the same grade level or course in January

- 1 2022 or January 2023, or both, where applicable, pursuant to one of the
 2 programs listed subdivision (7) of this subsection.
 3 (10) The statistical relationship between a teacher receiving a bonus in January
 4 2024 or 2025 pursuant to this section and receiving a bonus pursuant to a
 5 predecessor bonus program. For purposes of this subdivision, the following
 6 are predecessor programs:
 7 a. Bonuses awarded pursuant to Section 7A.4(c) of S.L. 2021-180 are
 8 predecessors to bonuses awarded pursuant to subsection (c) of this
 9 section.
 10 b. Bonuses awarded pursuant to Section 7A.4(d) of S.L. 2021-180 are
 11 predecessors to bonuses awarded pursuant to subsection (d) of this
 12 section.
 13 c. Bonuses awarded pursuant to subdivision (1) of subsection (c) and
 14 subdivision (1) of subsection (d) of Section 7A.2 of S.L. 2022-74 are
 15 predecessors to bonuses awarded pursuant to subdivision (1) of
 16 subsection (f) and subdivision (1) of subsection (g) of this section.
 17 d. Bonuses awarded pursuant to subdivision (2) of subsection (c) and
 18 subdivision (2) of subsection (d) of Section 7A.2 of S.L. 2022-74 are
 19 predecessors to bonuses awarded pursuant to subdivision (2) of
 20 subsection (f) and subdivision (2) of subsection (g) of this section.
 21 e. Bonuses awarded pursuant to subdivision (c)(3) and subdivision (d)(3)
 22 of Section 7A.2 of S.L. 2022-74 are predecessors to bonuses awarded
 23 pursuant to subdivision (3) of subsection (f) and subdivision (3) of
 24 subsection (g) of this section.
 25 (11) The distribution of statewide and local growth bonuses awarded pursuant to
 26 this section as among qualifying public school units and, where applicable,
 27 schools within those units.
 28

29 SUPPLEMENTAL FUNDS FOR TEACHER COMPENSATION

30 **SECTION 7A.4.(a)** Use of Funds. – For each year of the 2023-2025 fiscal biennium,
 31 except as provided in subsection (f) of this section, the State Board of Education shall allocate
 32 funds pursuant to this section to eligible local school administrative units to provide salary
 33 supplements to teachers and qualifying school administrators in those units. Allocation of salary
 34 supplements among teachers and qualifying school administrators within each eligible local
 35 school administrative unit, including whether a teacher or qualifying school administrator
 36 receives a salary supplement and the amount of the supplement provided to that person, shall be
 37 determined in the discretion of the local board of education of the eligible unit, except that no
 38 individual salary supplement shall exceed the per-teacher funding amount awarded to that unit
 39 pursuant to subdivision (4) of subsection (c) of this section.

40 **SECTION 7A.4.(b)** Definitions. – As used in this section, the following definitions
 41 shall apply:

- 42 (1) Adjusted market value of taxable real property. – A county's assessed taxable
 43 real property value, using the latest available data published by the
 44 Department of Revenue, divided by the county's sales assessment ratio
 45 determined under G.S. 105-289(h).
 46 (2) County allocation factor. – For each eligible county, the supplement factor for
 47 that county divided by the sum of all supplement factors for the State.
 48 (3) Eligible county. – A county that has an adjusted market value of taxable real
 49 property of less than forty-three billion seven hundred million dollars
 50 (\$43,700,000,000).

- 1 (4) Eligible local school administrative unit. – A local school administrative unit
2 located in whole or in part in an eligible county.
- 3 (5) Eligible school. – A public school that is located in an eligible county and
4 governed by a local school administrative unit.
- 5 (6) Qualifying school administrator. – Any of the following:
6 a. Assistant principals paid pursuant to G.S. 115C-285(a)(8).
7 b. Principals paid pursuant to G.S. 115C-285(a)(8a).
- 8 (7) Supplement factor. – For each eligible county, the taxable real property factor
9 multiplied by the number of State-funded teachers employed in a school in the
10 county that is governed by a local school administrative unit.
- 11 (8) Taxable real property factor. – For each eligible county, the median adjusted
12 market value of taxable real property in the State divided by the adjusted
13 market value of taxable real property for that county.
- 14 (9) Teacher. – Teachers and instructional support personnel.

15 **SECTION 7A.4.(c)** Allocation of Funds. – The State Board of Education shall
16 allocate funds for salary supplements to eligible local school administrative units according to
17 the following procedure:

- 18 (1) County allocation. – For each eligible county, the State Board shall determine
19 a county allocation by multiplying the county allocation factor for that county
20 by the funding amount appropriated pursuant to this section for the applicable
21 fiscal year.
- 22 (2) Per-teacher funding amount. – For each eligible county, the State Board shall
23 determine a per-teacher funding amount by dividing the county allocation
24 amounts determined pursuant to subdivision (1) of this subsection by the total
25 number of State-funded teachers employed in all eligible schools in that
26 county.
- 27 (3) Unit funding amount. – For each eligible local school administrative unit, the
28 State Board shall determine the funding amount for that unit based on the
29 per-teacher funding amount or amounts for the eligible county or counties
30 where the unit is located. For each county with an eligible school governed by
31 the unit, the State Board shall multiply the applicable per-teacher funding
32 amount for that county determined pursuant to subdivision (2) of this
33 subsection by the number of State-funded teachers employed in the eligible
34 school in that county. If the unit is located in multiple eligible counties, the
35 State Board shall aggregate those amounts.
- 36 (4) Allocation and funding cap. – The State Board shall allocate the amount
37 determined pursuant to subdivision (3) of this subsection to each eligible local
38 school administrative unit for each applicable fiscal year, up to a maximum of
39 five thousand dollars (\$5,000) per State-funded teacher.

40 **SECTION 7A.4.(d)** Charter Schools. – Funds appropriated to the Department of
41 Public Instruction pursuant to this section shall be subject to the allocation of funds for charter
42 schools described in G.S. 115C-218.105. The General Assembly encourages charter schools
43 receiving funds pursuant to this section to provide salary supplements to teachers and qualifying
44 school administrators in the charter school in accordance with the requirements of this section.

45 **SECTION 7A.4.(e)** Formula for Distribution of Supplemental Funding Pursuant to
46 This Section Only. – The formula in this section is solely a basis for distribution of supplemental
47 funding to eligible local school administrative units and is not intended to reflect any measure of
48 the adequacy of the educational program or funding for public schools. The formula is also not
49 intended to reflect any commitment by the General Assembly to appropriate any additional
50 supplemental funds for eligible local school administrative units.

1 **SECTION 7A.4.(f)** Nonsupplant Requirement. – A local school administrative unit
2 that receives funds under this section shall use the funds to supplement and not supplant non-State
3 funds provided for salary supplements for teachers and qualifying school administrators. The
4 State Board of Education shall not allocate any funds under this section to a local school
5 administrative unit if the State Board finds that the unit has reduced the average salary
6 supplement the unit provided to teachers or qualifying school administrators from non-State
7 funds in the prior school year, or the year for which the most recent data are available, as a result
8 of funding provided pursuant to this section or Section 7A.12 of S.L. 2021-180, as follows:

9 (1) For the 2023-2024 fiscal year, if all of the following criteria apply:

10 a. The amount of non-State funds expended for salary supplements from
11 the total State and non-State funds expended for salaries for the
12 2021-2022 fiscal year was less than ninety-five percent (95%) of the
13 amount of non-State funds expended for salary supplements from total
14 State and non-State funds in the prior fiscal year.

15 b. The local school administrative unit cannot show (i) that it has
16 remedied the deficiency in funding or (ii) that extraordinary
17 circumstances caused the unit to supplant non-State funds with funds
18 allocated under Section 7A.12 of S.L. 2021-180.

19 (2) For the 2024-2025 fiscal year, if the amount of non-State funds expended for
20 salary supplements from the total State and non-State funds expended for
21 salaries for the 2022-2023 fiscal year was less than ninety-five percent (95%)
22 of the amount of non-State funds expended for salary supplements from total
23 State and non-State funds in the prior fiscal year.

24 **SECTION 7A.4.(g)** Hold Harmless. – For each year of the 2023-2025 fiscal
25 biennium, a local school administrative unit that is eligible to receive funds under this section
26 shall receive an amount equal to the greater of the following:

27 (1) The applicable amount under this section for the applicable fiscal year.

28 (2) The amount the local school administrative unit received in the 2022-2023
29 fiscal year pursuant to Section 7A.12 of S.L. 2021-180, as amended by Section
30 7A.9 of S.L. 2022-74.

31 **SECTION 7A.4.(h)** Reports. – No later than April 15 of each year of the 2023-2025
32 fiscal biennium, the State Board of Education shall report the following information for the
33 applicable fiscal year to the Joint Legislative Education Oversight Committee, the Senate
34 Appropriations Committee on Education/Higher Education, the House Appropriations
35 Committee on Education, and the Fiscal Research Division:

36 (1) A list of all eligible counties and eligible local school administrative units.

37 (2) Funds allocated to each eligible local school administrative unit.

38 (3) The percentage and amount of teachers and qualifying school administrators
39 in each eligible local school administrative unit receiving salary supplements.

40 (4) The average salary supplement amount in each eligible local school
41 administrative unit.

42 (5) The range of salary supplement amounts in each eligible local school
43 administrative unit.

44 (6) The effect of the salary supplements on the retention of teachers and
45 qualifying school administrators in eligible local school administrative units.

46 (7) The identity of any local school administrative unit that the State Board
47 determines has supplanted funds.

48
49 **SMALL COUNTY AND LOW-WEALTH SIGNING BONUS FOR TEACHERS**

50 **SECTION 7A.5.(a)** Article 20 of Chapter 115C of the General Statutes is amended
51 by adding a new section to read:

"§ 115C-302.8. Small county and low-wealth signing bonus.

- (a) Definitions. – For purposes of this section, the following definitions shall apply:
 - (1) Eligible employee. – A person who meets all of the following criteria:
 - a. Accepts employment as a teacher with an eligible employer.
 - b. Was not employed by the eligible employer identified in sub-subdivision a. of this subdivision in the prior fiscal year.
 - c. Is employed by the eligible employer identified in sub-subdivision a. of this subdivision as of October 1 of the school year for which the teacher accepts employment.
 - (2) Eligible employer. – The governing board of a local school administrative unit that receives at least one of the following in the year in which the teacher accepts employment pursuant to sub-subdivision c. of subdivision (1) of this subsection:
 - a. Small county school system supplemental funding.
 - b. Supplemental funding for local school administrative units in low-wealth counties.
 - (3) Local funds. – Matching funds provided by an eligible employer to enable an eligible employee to qualify for the signing bonus program established by this section.
 - (4) Teacher. – Teachers and instructional support personnel.
- (b) Signing Bonus Program. – To the extent funds are provided for this purpose, the Department of Public Instruction shall establish and administer a signing bonus program for teachers. Signing bonuses shall be provided each school year to all eligible employees who are employed by an eligible employer as long as they are matched on the basis of one dollar (\$1.00) in State funds for every one dollar (\$1.00) in local funds, up to one thousand dollars (\$1,000) in State funds.
- (c) Limited Exclusion from Future Signing Bonuses. – A teacher who receives a signing bonus pursuant to this section is ineligible to receive another signing bonus pursuant to this section or a similar enactment of the General Assembly for at least two full school years. This section shall not apply to any legislatively mandated bonuses received by teachers that are not signing bonuses.
- (d) Bonuses as Additions. – The bonuses awarded pursuant to this section shall be in addition to any regular wage or other bonus a teacher receives or is scheduled to receive.
- (e) Not for Retirement. – Notwithstanding G.S. 135-1(7a), the bonuses awarded pursuant to this section are not compensation under Article 1 of Chapter 135 of the General Statutes, Retirement System for Teachers and State Employees."

SECTION 7A.5.(b) This section applies beginning with eligible employees who accept employment as a teacher with an eligible employer for the 2023-2024 school year.

PRINCIPAL SALARY SCHEDULE

SECTION 7A.6.(a) The following annual salary schedule for principals shall apply for the 2023-2024 fiscal year, beginning July 1, 2023:

2023-2024 Principal Annual Salary Schedule

Avg. Daily Membership	Base	Met Growth	Exceeded Growth
0-200	\$75,707	\$83,278	\$90,849
201-400	\$79,493	\$87,442	\$95,391
401-700	\$83,278	\$91,606	\$99,934
701-1,000	\$87,063	\$95,769	\$104,476
1,001-1,600	\$90,849	\$99,934	\$109,018
1,601+	\$94,634	\$104,098	\$113,561

1 A principal's placement on the salary schedule shall be determined according to the
2 average daily membership of the school supervised by the principal, as described in subsection
3 (b) of this section, and the school growth scores, calculated pursuant to G.S. 115C-83.15(c), for
4 each school the principal supervised in one or more prior school years, as described in subsection
5 (c) of this section, regardless of a break in service, and provided the principal supervised each
6 school as a principal for at least a majority of the school year, as follows:

- 7 (1) A principal shall be paid according to the Exceeded Growth column of the
8 schedule as follows:
9 a. Between July 1, 2023, and December 31, 2023, if the school growth
10 score shows the school exceeded expected growth.
11 b. Between January 1, 2024, and June 30, 2024, if the higher school
12 growth score in one of the two prior school years shows that the school
13 exceeded expected growth.
- 14 (2) A principal shall be paid according to the Met Growth column of the schedule
15 as follows:
16 a. Between July 1, 2023, and December 31, 2023, if the school growth
17 score shows the school met expected growth or the principal
18 supervised a school in the prior school year that was not eligible to
19 receive a school growth score.
20 b. Between January 1, 2024, and June 30, 2024, if any of the following
21 apply:
22 1. The higher school growth score in one of the two prior school
23 years shows that the school met expected growth.
24 2. The principal supervised a school in the two prior school years
25 that was not eligible to receive a school growth score.
- 26 (3) A principal shall be paid according to the Base column, as follows:
27 a. Between July 1, 2023, and December 31, 2023, if the school growth
28 score shows the school did not meet expected growth or the principal
29 has not supervised any school as a principal for a majority of the prior
30 school year.
31 b. Between January 1, 2024, and June 30, 2024, if any of the following
32 apply:
33 1. The school growth scores from the two prior school years show
34 that the school did not meet expected growth in both years.
35 2. The principal has not supervised any school as a principal for
36 a majority of the two prior school years.

37 **SECTION 7A.6.(b)** For purposes of determining the average daily membership of a
38 principal's school, the following shall apply:

- 39 (1) The following amounts shall be used during the following time periods:
40 a. Between July 1, 2023, and December 31, 2023, the average daily
41 membership for the school from the 2022-2023 school year. If the
42 school did not have an average daily membership in the 2022-2023
43 school year, the projected average daily membership for the school for
44 the 2023-2024 school year.
45 b. Between January 1, 2023, and June 30, 2023, the average daily
46 membership for the school for the 2023-2024 school year.
- 47 (2) The average daily membership of a principal's school shall include the average
48 daily membership of any prekindergarten students in membership at the
49 school.

1 **SECTION 7A.6.(c)** For purposes of determining the school growth scores for each
 2 school the principal supervised in one or more prior school years, the following school growth
 3 scores shall be used during the following time periods:

- 4 (1) Between July 1, 2023, and December 31, 2023, the school growth score from
 5 the 2021-2022 school year.
- 6 (2) Between January 1, 2023, and June 30, 2023, the school growth scores from
 7 the 2021-2022 and 2022-2023 school years.

8 **SECTION 7A.6.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing
 9 annual longevity payments to principals paid on the principal salary schedule, the amounts of
 10 those longevity payments are included in the annual amounts under the principal salary schedule.

11 **SECTION 7A.6.(e)** A principal compensated in accordance with this section for the
 12 2023-2024 fiscal year shall receive an amount equal to the greater of the following:

- 13 (1) The applicable amount on the salary schedule for the applicable year.
- 14 (2) For principals who were eligible for longevity in the 2016-2017 fiscal year,
 15 the sum of the following:
 - 16 a. The salary the principal received in the 2016-2017 fiscal year pursuant
 17 to Section 9.1 or Section 9.2 of S.L. 2016-94.
 - 18 b. The longevity that the principal would have received as provided for
 19 State employees under the North Carolina Human Resources Act for
 20 the 2016-2017 fiscal year based on the principal's current years of
 21 service.
- 22 (3) For principals who were not eligible for longevity in the 2016-2017 fiscal
 23 year, the salary the principal received in the 2016-2017 fiscal year pursuant to
 24 Section 9.1 or Section 9.2 of S.L. 2016-94.

25
 26 **BONUSES FOR PRINCIPALS**

27 **SECTION 7A.7.(a)** The Department of Public Instruction shall administer a bonus
 28 in the 2023-2024 fiscal year to any principal who supervised a school as a principal for a majority
 29 of the previous school year if that school was in the top fifty percent (50%) of school growth in
 30 the State during the previous school year, calculated by the State Board pursuant to
 31 G.S. 115C-83.15(c), as follows:

32 **2023-2024 Principal Bonus Schedule**

33 Statewide Growth Percentage	33 Bonus
34 Top 5%	34 \$15,000
35 Top 10%	35 \$10,000
36 Top 15%	36 \$5,000
37 Top 20%	37 \$2,500
38 Top 50%	38 \$1,000

39 A principal shall receive no more than one bonus pursuant to this subsection. The
 40 bonus shall be paid at the highest amount for which the principal qualifies.

41 **SECTION 7A.7.(b)** The bonus awarded pursuant to this section shall be in addition
 42 to any regular wage or other bonus the principal receives or is scheduled to receive.

43 **SECTION 7A.7.(c)** Notwithstanding G.S. 135-1(7a), the bonuses awarded pursuant
 44 to this section are not compensation under Article 1 of Chapter 135 of the General Statutes,
 45 Retirement System for Teachers and State Employees.

46 **SECTION 7A.7.(d)** It is the intent of the General Assembly that funds provided
 47 pursuant to this section will supplement principal compensation and not supplant local funds.

48 **SECTION 7A.7.(e)** The bonus provided pursuant to this section shall be paid no
 49 later than October 31, 2023, to qualifying principals employed as of October 1, 2023.

50
 51 **ASSISTANT PRINCIPAL SALARIES**

1 **SECTION 7A.8.(a)** For the 2023-2024 fiscal year, beginning July 1, 2023, assistant
 2 principals shall receive a monthly salary based on the salary schedule for teachers who are
 3 classified as "A" teachers plus nineteen percent (19%). An assistant principal shall be placed on
 4 the step on the salary schedule that reflects the total number of years of experience as a certified
 5 employee of the public schools. For purposes of this section, an administrator with a one-year
 6 provisional assistant principal's certificate shall be considered equivalent to an assistant principal.

7 **SECTION 7A.8.(b)** Assistant principals with certification based on academic
 8 preparation at the six-year degree level shall be paid a salary supplement of one hundred
 9 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary
 10 supplement of two hundred fifty-three dollars (\$253.00) per month.

11 **SECTION 7A.8.(c)** Participants in an approved full-time master's in school
 12 administration program shall receive up to a 10-month stipend during the internship period of the
 13 master's program. The stipend shall be at the beginning salary of an assistant principal or, for a
 14 teacher who becomes an intern, at least as much as that person would earn as a teacher on the
 15 teacher salary schedule. The North Carolina Principal Fellows Program or the school of education
 16 where the intern participates in a full-time master's in school administration program shall supply
 17 the Department of Public Instruction with certification of eligible full-time interns.

18 **SECTION 7A.8.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing
 19 annual longevity payments to assistant principals on the assistant principal salary schedule, the
 20 amounts of those longevity payments are included in the monthly amounts provided to assistant
 21 principals pursuant to subsection (a) of this section.

22 **SECTION 7A.8.(e)** An assistant principal compensated in accordance with this
 23 section for the 2023-2024 fiscal year shall receive an amount equal to the greater of the following:

- 24 (1) The applicable amount on the salary schedule for the applicable year.
- 25 (2) For assistant principals who were eligible for longevity in the 2016-2017 fiscal
 26 year, the sum of the following:
 - 27 a. The salary the assistant principal received in the 2016-2017 fiscal year
 28 pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.
 - 29 b. The longevity that the assistant principal would have received as
 30 provided for State employees under the North Carolina Human
 31 Resources Act for the 2016-2017 fiscal year based on the assistant
 32 principal's current years of service.
- 33 (3) For assistant principals who were not eligible for longevity in the 2016-2017
 34 fiscal year, the salary the assistant principal received in the 2016-2017 fiscal
 35 year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.

36
 37 **CENTRAL OFFICE SALARIES**

38 **SECTION 7A.9.(a)** For the 2023-2024 fiscal year, beginning July 1, 2023, the
 39 annual salary for superintendents, assistant superintendents, associate superintendents,
 40 directors/coordinators, supervisors, and finance officers, whose salaries are supported from State
 41 funds, shall be increased by four and one-fourth percent (4.25%).

42 **SECTION 7A.9.(b)** The monthly salary maximums that follow apply to assistant
 43 superintendents, associate superintendents, directors/coordinators, supervisors, and finance
 44 officers for the 2023-2024 fiscal year, beginning July 1, 2023:

	2023-2024 Fiscal Year
	Maximum
47 School Administrator I	\$7,369
48 School Administrator II	\$7,808
49 School Administrator III	\$8,274
50 School Administrator IV	\$8,597
51 School Administrator V	\$8,940

1 School Administrator VI \$9,471

2 School Administrator VII \$9,848

3 The local board of education shall determine the appropriate category and placement
4 for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or
5 finance officer within the maximums and within funds appropriated by the General Assembly
6 for central office administrators and superintendents. The category in which an employee is
7 placed shall be included in the contract of any employee.

8 **SECTION 7A.9.(c)** The monthly salary maximums that follow apply to
9 superintendents for the 2023-2024 fiscal year, beginning July 1, 2023:

10 **2023-2024 Fiscal Year**
11 **Maximum**

12 Superintendent I \$10,440

13 Superintendent II \$11,062

14 Superintendent III \$11,726

15 Superintendent IV \$12,431

16 Superintendent V \$13,178

17 The local board of education shall determine the appropriate category and placement
18 for the superintendent based on the average daily membership of the local school administrative
19 unit and within funds appropriated by the General Assembly for central office administrators and
20 superintendents.

21 **SECTION 7A.9.(d)** Longevity pay for superintendents, assistant superintendents,
22 associate superintendents, directors/coordinators, supervisors, and finance officers shall be as
23 provided for State employees under the North Carolina Human Resources Act.

24 **SECTION 7A.9.(e)** Superintendents, assistant superintendents, associate
25 superintendents, directors/coordinators, supervisors, and finance officers with certification based
26 on academic preparation at the six-year degree level shall receive a salary supplement of one
27 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
28 pursuant to this section. Superintendents, assistant superintendents, associate superintendents,
29 directors/coordinators, supervisors, and finance officers with certification based on academic
30 preparation at the doctoral degree level shall receive a salary supplement of two hundred
31 fifty-three dollars (\$253.00) per month in addition to the compensation provided for under this
32 section.

33 **SECTION 7A.9.(f)** The State Board of Education shall not permit local school
34 administrative units to transfer State funds from other funding categories for salaries for public
35 school central office administrators.

36
37 **NONCERTIFIED PERSONNEL SALARIES**

38 **SECTION 7A.10.(a)** For the 2023-2024 fiscal year, beginning July 1, 2023, the
39 annual salary for noncertified public school employees whose salaries are supported from State
40 funds shall be increased as follows:

41 (1) For permanent, full-time employees on a 12-month contract, by four and
42 one-fourth percent (4.25%).

43 (2) For the following employees, by an equitable amount based on the amount
44 specified in subdivision (1) of this subsection:

45 a. Permanent, full-time employees on a contract for fewer than 12
46 months.

47 b. Permanent, part-time employees.

48 c. Temporary and permanent hourly employees.

49 **SECTION 7A.10.(b)** Of the funds appropriated in this act to the Department of
50 Public Instruction for the 2023-2024 fiscal year, the sum of four million seven hundred sixteen
51 thousand nine hundred thirty-two dollars (\$4,716,932) in recurring funds shall be allocated to

1 local boards of education to increase the average rates of pay for school bus drivers. These funds
2 shall be allocated on an equitable basis among all school bus drivers in the local school
3 administrative unit. Compensation increases received by school bus drivers pursuant to this
4 subsection shall be in addition to the increases provided for noncertified personnel pursuant to
5 subsection (a) of this section.

6 7 **DPI STUDY NONCERTIFIED CLASSIFICATIONS**

8 **SECTION 7A.11.** No later than January 15, 2025, the Department of Public
9 Instruction shall study and report to the Joint Legislative Education Oversight Committee on
10 recommendations to differentiate salary for all noncertified personnel based on years of
11 experience. The report shall include a recommended number of years of experience for each
12 noncertified personnel position to receive a higher position classification, salary grade, or both.

13 14 **PAID PARENTAL LEAVE FOR LOCAL SCHOOL ADMINISTRATIVE UNITS**

15 **SECTION 7A.12.(a)** Article 23 of Chapter 115C of the General Statutes is amended
16 by adding a new section to read:

17 **"§ 115C-336.2. Paid parental leave for eligible public school employees.**

18 (a) Definitions. – The following definitions apply in this section:

- 19 (1) Child. – A newborn biological child or a newly placed adopted, foster, or
20 otherwise legally placed child under the age of 18 whose parent is a public
21 school employee eligible for leave under subsection (c) of this section.
22 (2) Parent. – A parent by childbirth, adoption, foster care, or another legal
23 placement.
24 (3) Public safety concern. – A significant impairment of a local school
25 administrative unit's ability to conduct its operations in a manner that protects
26 the health and safety of the school community.
27 (4) Public school employee. – Any employee of a local school administrative unit.
28 (5) Qualifying event. – When a public school employee becomes a parent to a
29 child.

30 (b) Paid Parental Leave. – The State Board of Education shall adopt rules permitting an
31 eligible public school employee to be granted one of the following types of fully paid parental
32 leave, in accordance with this section:

- 33 (1) Eight weeks or 320 hours of leave when the public school employee gives
34 birth to a child.
35 (2) Four weeks or 160 hours of leave for any other qualifying event.

36 (c) Eligibility. – To be eligible for the leave provided in subsection (b) of this section, a
37 public school employee shall meet all of the following requirements:

- 38 (1) Have been continuously employed by the local school administrative unit for
39 at least 12 months immediately preceding the first request for paid parental
40 leave.
41 (2) Meet one of the following requirements:
42 a. Be employed full time in a permanent, probationary, or time-limited
43 position.
44 b. Be employed on a part-time basis and work at least halftime. A public
45 school employee that is an eligible employee pursuant to this
46 sub-subdivision shall receive parental leave that is prorated based on
47 the amounts provided in subsection (b) of this section.

48 (d) Requirements. – The paid parental leave authorized by this section shall be adopted
49 and implemented by local school administrative units in accordance with the following
50 requirements:

- 51 (1) Parental leave shall be:

- 1 a. Granted upon verification of a qualifying event, if the eligible public
 2 school employee provides at least 10 weeks' advance notice of the
 3 employee's intention to use parental leave, unless there is good cause
 4 for not giving timely advance notice.
 5 b. Used by the eligible public school employee within 12 months of the
 6 qualifying event.
 7 c. In addition to, and not in lieu of, shared leave under G.S. 115C-12.2
 8 and other leave authorized by federal or State law.
 9 d. Available without exhaustion of the employee's sick and vacation
 10 leave.
 11 (2) Parental leave may be granted subject to public safety concerns, which shall
 12 be addressed by the local school administrative unit in the discretion of the
 13 unit in a manner that is appropriate and equitable.
 14 (3) Parental leave may not be used for retirement purposes.
 15 (4) Parental leave shall have no cash value upon termination from State
 16 employment.

17 (e) Statutory Construction. – This section is consistent with and does not abridge federal
 18 or State law. Nothing in this section shall be construed to provide a private right of action."

19 **SECTION 7A.12.(b)** G.S. 115C-12 is amended by adding a new subdivision to read:

20 "(49) Duty to Adopt Paid Parental Leave Rules. – The State Board of Education, in
 21 consultation with the State Human Resources Commission, shall adopt rules
 22 providing for paid parental leave in accordance with G.S. 115C-336.2."

23 **SECTION 7A.12.(c)** G.S. 115C-336.1 reads as rewritten:

24 "**§ 115C-336.1. Parental-Additional parental leave.**

25 A-In addition to paid parental leave provided pursuant to G.S. 115C-336.2, a school employee
 26 may use annual leave or leave without pay to care for a newborn child or for a child placed with
 27 the employee for adoption or foster care. A school employee may also use up to 30 days of sick
 28 leave to care for a child placed with the employee for adoption. The leave may be for consecutive
 29 workdays during the first 12 months after the date of birth or placement of the child, unless the
 30 school employee and the local board of education agree otherwise."

31 **SECTION 7A.12.(d)** G.S. 115C-302.1(j) reads as rewritten:

32 "(j) Additional Parental Leave. – A-In addition to paid parental leave provided pursuant
 33 to G.S. 115C-336.2, a teacher may use annual leave, personal leave, or leave without pay to care
 34 for a newborn child or for a child placed with the teacher for adoption or foster care. A teacher
 35 may also use up to 30 days of sick leave to care for a child placed with the teacher for adoption.
 36 The leave may be for consecutive workdays during the first 12 months after the date of birth or
 37 placement of the child, unless the teacher and local board of education agree otherwise."

38 **SECTION 7A.12.(e)** This section is effective when this act becomes law and applies
 39 beginning with the 2023-2024 school year.

40 **PART VIII. THE UNIVERSITY OF NORTH CAROLINA SYSTEM**

41 **UNC/ESCHEAT FUND FOR STUDENT FINANCIAL AID PROGRAMS**

42 **SECTION 8.1.(a)** The funds appropriated by this act from the Escheat Fund for the
 43 2023-2025 fiscal biennium for student financial aid shall be allocated in accordance with
 44 G.S. 116B-7. Notwithstanding any other provision of Chapter 116B of the General Statutes, if
 45 the interest income generated from the Escheat Fund is less than the amounts referenced in this
 46 act, the difference may be taken from the Escheat Fund principal to reach the appropriations
 47 referenced in this act; however, under no circumstances shall the Escheat Fund principal be
 48 reduced below the sum required in G.S. 116B-6(f). If any funds appropriated from the Escheat
 49 Fund by this act for student financial aid remain uncommitted aid as of the end of a fiscal year,
 50 51

1 the funds shall be returned to the Escheat Fund, but only to the extent the funds exceed the amount
2 of the Escheat Fund income for that fiscal year.

3 **SECTION 8.1.(b)** The State Education Assistance Authority (Authority) shall
4 conduct periodic evaluations of expenditures of the student financial aid programs administered
5 by the Authority to determine if allocations are utilized to ensure access to institutions of higher
6 education and to meet the goals of the respective programs. The Authority may make
7 recommendations for redistribution of funds to the President of The University of North Carolina
8 and the President of the Community College System regarding their respective student financial
9 aid programs, who then may authorize redistribution of unutilized funds for a particular fiscal
10 year.

11 **UNC BUILDING RESERVE STUDY**

12 **SECTION 8.2.(a)** For purposes of this section, the following definitions shall apply:

- 13 (1) Building. – A building that is operated or maintained by The University of
14 North Carolina or a constituent institution of The University of North
15 Carolina.
16 (2) Building reserve model. – The formula used by The University of North
17 Carolina System Office to determine the operating and maintenance costs for
18 buildings once construction of those buildings is complete.

19 **SECTION 8.2.(b)** No later than April 1, 2024, the Board of Governors of The
20 University of North Carolina shall study and report to the Joint Legislative Education Oversight
21 Committee and the Fiscal Research Division on the building reserve model. At a minimum, the
22 report shall include the following information:

- 23 (1) For all buildings, disaggregated by constituent institution and fund source, the
24 following:
25 a. Expenditures related to operation and maintenance costs for the
26 2022-2023 fiscal year, including expenditures disaggregated on the
27 basis of at least the following building reserve model outputs and
28 expenses:
29 1. Personnel and fringe benefits.
30 2. Utilities and insurance.
31 3. Custodial and supplies.
32 4. Facilities and maintenance.
33 5. Information technology.
34 b. The number of full-time equivalent positions for building operation
35 and maintenance used in the 2022-2023 fiscal year, including at least
36 positions that align with the following building reserve model outputs
37 and expenses:
38 1. Building environmental service technician and supervisor.
39 2. Building environmental service supervisor.
40 3. Facilities maintenance technician mechanical.
41 4. Public safety officer.
42 5. Environmental health and safety professional.
43 6. Information technology networking analyst.
44 7. Information technology networking technician.
45 8. Facilities maintenance technician trades.
46 c. Recurring expenditures generated by the current building reserve
47 model, taking into account all gross square feet and building types, for
48 at least the outputs and expenses identified in sub-subdivision a. of this
49 subdivision.
50

- 1 d. The number of full-time positions generated by the current building
2 reserve model, taking into account all gross square feet and building
3 types, for at least the outputs and expenses identified in
4 sub-subdivision b. of this subdivision.
- 5 (2) An analysis of the findings in subdivision (1) of this subsection, including at
6 least the following information:
- 7 a. Any instances where the current building reserve model aligns or
8 misaligns with full-time equivalent positions and actual expenditures
9 of the constituent institutions.
- 10 b. Any substantial differences among constituent institutions in actual
11 operating and maintenance expenditures compared to projected
12 expenditures under the building reserve model.
- 13 c. Recommendations to improve the process of providing operation and
14 maintenance funds for buildings.
15

16 COMPLETION ASSISTANCE PROGRAMS

17 **SECTION 8.3.(a)** For purposes of this section, the term "eligible constituent
18 institutions" refers to the following constituent institutions of The University of North Carolina:

- 19 (1) Elizabeth City State University.
20 (2) Fayetteville State University.
21 (3) North Carolina Agricultural and Technical State University.
22 (4) North Carolina Central University.
23 (5) The University of North Carolina at Asheville.
24 (6) The University of North Carolina at Pembroke.
25 (7) Winston-Salem State University.

26 **SECTION 8.3.(b)** For the 2023-2025 fiscal biennium, the Board of Governors of
27 The University of North Carolina shall establish a Completion Assistance Program (Program) at
28 each eligible constituent institution. At a minimum, each Program shall meet the following
29 criteria:

- 30 (1) A student enrolled in a Program established by this section may receive up to
31 five thousand dollars (\$5,000) per academic year under that Program to pay
32 for the costs of continuing attendance and earning necessary credit hours at
33 the eligible constituent institution.
- 34 (2) A student shall be eligible to receive funds under a Program if the student
35 meets at least the following requirements:
- 36 a. Needs financial assistance to remain enrolled at the eligible constituent
37 institution and earn credits necessary to graduate on time.
- 38 b. Is a resident for tuition purposes, as provided in G.S. 116-143.1.
- 39 c. Meets satisfactory academic progress, as determined by the Board.
- 40 d. Has completed or is on track to complete at least 60 academic credit
41 hours by the end of the semester in which the funds are provided.
- 42 e. Has completed the Free Application for Federal Student Aid (FAFSA)
43 for the academic year in which the funds are provided.
- 44 f. Has an unpaid balance with the eligible constituent institution. This
45 may include an unpaid balance for tuition, fees, room, board, or other
46 expenses of attendance.

47 **SECTION 8.3.(c)** The Board of Governors of The University of North Carolina shall
48 report on each Completion Assistance Program established pursuant to this section to the Joint
49 Legislative Education Oversight Committee no later than March 15, 2025. The report shall
50 include, at a minimum, an analysis of the impact of each Program on the following:

- 51 (1) On-time graduation rates.

1 (2) Student debt at graduation.

2 **SECTION 8.3.(d)** Of the funds appropriated in this act from the ARPA Temporary
3 Savings Fund to the Board of Governors of The University of North Carolina for each year of
4 the 2023-2025 fiscal biennium for Completion Assistance Programs, the Board shall allocate
5 funds to each eligible constituent institution of The University of North Carolina proportional to
6 the number of undergraduate students enrolled at each eligible constituent institution who are
7 residents of North Carolina and recipients of a federal Pell Grant.

8
9 **NC AHEC TO ESTABLISH TEAM-BASED CARE CLINICAL TEACHING HUBS AND**
10 **STUDY IMPEDIMENTS TO THE AVAILABILITY OF COMMUNITY-BASED**
11 **PRECEPTORS**

12 **SECTION 8.4.(a)** Of the recurring funds appropriated in this act to the Board of
13 Governors of The University of North Carolina to be allocated to the University of North
14 Carolina at Chapel Hill for the North Carolina Area Health Education Centers Program (NC
15 AHEC) to create team-based teaching sites, NC AHEC shall contract with up to five rural
16 community-based medical teaching practices for at least one hundred fifty thousand dollars
17 (\$150,000) per teaching practice per year to establish and maintain up to five outpatient, clinical,
18 team-based healthcare teaching sites across the rural areas of the State. At least one site shall be
19 located in each of the three regions of the State. For purposes of this subsection, the regions of
20 the State are the Western region, the Piedmont region, and the Eastern region. The teaching sites
21 shall serve as team-based locations for medical students to learn alongside nurse practitioners or
22 physician assistants in rural clinical primary care rotations. Community-based medical teaching
23 practices receiving funds pursuant to this subsection shall contract with clinical preceptors to
24 provide instruction, including significant time devoted to clinical instruction, to medical students
25 and student nurse practitioners or student physician assistants. In establishing and maintaining
26 these teaching sites, NC AHEC shall provide technical assistance to the teaching sites and
27 consult, as appropriate, with schools within institutions of higher education that provide
28 instruction for medical students, nurse practitioner students, and physician assistant students. No
29 later than March 15 of each year funds are provided under this subsection, NC AHEC shall study
30 the impact of the teaching sites and report at least the following information to the Joint
31 Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on
32 Health and Human Services:

- 33 (1) The identity of the community-based medical teaching practices receiving
34 funds.
35 (2) An analysis of the financial impact of providing these services on a
36 community-based medical teaching practice.
37 (3) The impact of the teaching sites on (i) the learning and success of students and
38 (ii) the health and well-being of the respective service areas for each site.

39 **SECTION 8.4.(b)** Of the funds appropriated in this act to the Board of Governors of
40 The University of North Carolina to be allocated to the University of North Carolina at Chapel
41 Hill for the North Carolina Area Health Education Centers Program (NC AHEC), NC AHEC
42 may use up to two hundred fifty thousand dollars (\$250,000) in each year of the 2023-2025 fiscal
43 biennium to study (i) the availability of community preceptors in North Carolina and nearby
44 states and (ii) the demand for those preceptors, including factors that influence the supply and
45 barriers that community-based outpatient clinicians face in teaching healthcare professional
46 students. NC AHEC shall provide an interim report with its findings to the Joint Legislative
47 Education Oversight Committee and the Joint Legislative Oversight Committee on Health and
48 Human Services no later than April 1, 2024, and a final report no later than September 1, 2024.
49 NC AHEC shall consult with other healthcare professional organizations and boards, including,
50 but not limited to, the North Carolina Nurses Association, the North Carolina Academy of Family
51 Physicians, the North Carolina Academy of Physician Assistants, the North Carolina Healthcare

1 Association, the North Carolina Independent Colleges and Universities, the North Carolina
2 Medical Society, the North Carolina Pediatric Society, The University of North Carolina, the
3 North Carolina Board of Nursing, and the North Carolina Medical Board. As part of its study,
4 NC AHEC shall do at least the following:

- 5 (1) Survey other states to identify the best innovative and effective approaches to
6 address preceptor shortages for medical students, nurse practitioner students,
7 physician assistant students, and prelicensure nursing students.
- 8 (2) Research and report on the current approaches to identifying, engaging,
9 financing, and evaluating clinical training sites and how schools use tuition
10 funding to cover their students' costs related to clinical placements and
11 training. As part of this component of the study, NC AHEC shall consult with
12 the Board of Governors of The University of North Carolina, the State Board
13 of Community Colleges, and the North Carolina Independent Colleges and
14 Universities.
- 15 (3) Assess the capacity of North Carolina and nearby states for clinical training
16 sites, in consultation with the North Carolina Healthcare Association
17 (NCHA), the North Carolina Community Health Center Association, and
18 clinically integrated networks, including the following information:
 - 19 a. The number and percentage of independent and health system
20 practices that are currently clinical training sites in this State.
 - 21 b. The number and percentage of independent and health system
22 practices that could become clinical training sites in this State.
 - 23 c. The impacts on the efficiency of clinical practices when or if they
24 become clinical training sites.
 - 25 d. The financial impact on an independent or health system practice if it
26 precepts students in clinical rotations.

27
28 **ESTABLISH THE SCHOOL OF CIVIC LIFE AND LEADERSHIP AT THE**
29 **UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

30 **SECTION 8.5.(a)** The Board of Trustees of the University of North Carolina at
31 Chapel Hill, in consultation with the Board of Governors of The University of North Carolina,
32 the Chancellor of the University of North Carolina at Chapel Hill, and faculty and administration
33 officials at the University of North Carolina at Chapel Hill, shall establish the School of Civic
34 Life and Leadership at the University of North Carolina at Chapel Hill (the "School"). The School
35 shall provide course opportunities for students and house the Program on Public Discourse.
36 Courses may focus on the development of democratic competencies informed by American
37 history and the American political tradition, with the purpose of fostering public discourse and
38 civil engagement necessary to promote democracy and benefit society. The School may also
39 develop programming addressing these topics and provide resources to students, faculty, and the
40 general public, as needed.

41 **SECTION 8.5.(b)** If the nonrecurring funds appropriated in this act to the Board of
42 Governors of The University of North Carolina for the 2023-2025 fiscal biennium to be allocated
43 to the University of North Carolina at Chapel Hill for the School of Civic Life and Leadership
44 are insufficient to establish the School pursuant to subsection (a) of this section, the University
45 of North Carolina at Chapel Hill shall expend sufficient additional funds to achieve that purpose.

46 **SECTION 8.5.(c)** No later than March 15, 2024, the Board of Trustees of the
47 University of North Carolina at Chapel Hill shall report to the Joint Legislative Education
48 Oversight Committee and the Fiscal Research Division on progress made toward establishing the
49 School of Civic Life and Leadership and factors affecting the long-term sustainability of the
50 School.
51

REDUCE NUMBER OF REQUIRED UNC LABORATORY SCHOOLS FROM NINE TO EIGHT

SECTION 8.6.(a) G.S. 116-239.5(a) reads as rewritten:

"(a) The Board of Governors, upon recommendation by the President, shall designate constituent institutions to submit proposals to establish at least ~~nine~~eight laboratory schools in total to serve public school students in accordance with the provisions of this Article. The Board of Governors shall select constituent institutions with high-quality educator preparation programs as demonstrated by the annual performance measures reported by the constituent institutions in accordance with G.S. 115C-296.35. The Board of Governors' Subcommittee on Laboratory Schools established under G.S. 116-239.7 shall review the proposals and approve at least ~~nine~~eight of the proposals to establish laboratory schools. The Subcommittee may select a constituent institution to operate more than one laboratory school. The Subcommittee shall oversee the operations of those laboratory schools to meet the purposes set forth in this Article."

SECTION 8.6.(b) G.S. 116-239.7(a1) reads as rewritten:

"(a1) Approval of Laboratory Schools. – The Board of Governors, upon the recommendation of the President, shall designate constituent institutions to establish and operate a total of at least ~~nine~~eight laboratory schools. The chancellor of each constituent institution shall adopt and submit to the Subcommittee a proposal to operate one or more laboratory schools in one or more local school administrative units that meet the minimum threshold for the number of low-performing schools located in a unit under G.S. 116-239.6(4). The proposal shall include the governance structure of the laboratory school. The Subcommittee shall evaluate the proposals for approval or disapproval by considering the design components and the strategic focus of the laboratory school and any other standards developed by the Subcommittee to be applicable to all laboratory schools. The Subcommittee shall also consider the location of each laboratory school so that, to the extent possible, there is a geographically diverse distribution of the laboratory schools throughout the State. From the proposals submitted to the Subcommittee, the Subcommittee shall approve the establishment of at least ~~nine~~eight laboratory schools."

FUNDS FOR ATHLETIC DEPARTMENTS WITH APPROVED PLANS TO PROVIDE ECONOMIC BENEFITS

SECTION 8.7.(a) For each fiscal year funds are provided pursuant to subsection (b) of this section, the athletic department for each of the following constituent institutions shall develop and submit to the President of The University of North Carolina a plan to provide an economic benefit to the constituent institution and the service region of the constituent institution in that fiscal year:

- (1) Elizabeth City State University.
- (2) Fayetteville State University.
- (3) North Carolina Agricultural and Technical State University.
- (4) North Carolina Central University.
- (5) The University of North Carolina at Asheville.
- (6) The University of North Carolina at Greensboro.
- (7) The University of North Carolina at Pembroke.
- (8) The University of North Carolina at Wilmington.
- (9) Western Carolina University.
- (10) Winston-Salem State University.

SECTION 8.7.(b) Of the recurring funds appropriated in this act to the Board of Governors of The University of North Carolina for athletic department operating support, if the President of The University of North Carolina approves a plan submitted under subsection (a) of this section, the Board of Governors shall allocate one million dollars (\$1,000,000) in the fiscal year in which the plan is approved to that constituent institution to support its athletic department.

EDUCATIONAL OPPORTUNITIES PILOT PROGRAM

SECTION 8.8.(a) Program; Purpose. – The Board of Governors of The University of North Carolina shall establish a College of Educational Opportunities Pilot Program (Program) for eligible students with intellectual and developmental disabilities. North Carolina State University shall develop the Program in the 2023-2024 fiscal year and operate it for each year of the 2023-2025 fiscal biennium. North Carolina Central University shall adapt and operate the Program as developed by North Carolina State University for use in the 2024-2025 fiscal year. The purpose of the Program is to provide postsecondary opportunities for eligible students, including the following:

- (1) A person-centered planning process.
- (2) The opportunity to pursue educational credentials, including degrees, certificates, and other nondegree credentials.
- (3) Inclusive academic enrichment, socialization, independent living skills, and integrated work experiences to develop career skills that can lead to gainful employment.
- (4) Individual supports and services for academic and social inclusion in academic courses, extracurricular activities, and other aspects of campus life.

SECTION 8.8.(b) Definition. – For purposes of this section, the term "eligible student" refers to a person who meets all of the following:

- (1) Is 22 years of age or older.
- (2) Is an adult with intellectual and developmental disabilities.

SECTION 8.8.(c) Funds. – Funds appropriated to the Board of Governors of The University of North Carolina in this act for the 2023-2025 fiscal biennium from the ARPA Temporary Savings Fund for the Program shall meet the following criteria:

- (1) The funds may be used for any of the following purposes:
 - a. Administrative staff, including a director of the Program, and programmatic staff, including instructors and peer mentors.
 - b. Training for university faculty.
 - c. Improvements to existing assistive technologies and other academic support services offered by the university.
 - d. Scholarships for tuition and fees for economically disadvantaged students.
 - e. Additional supports, including counseling, mentoring, and transportation.
 - f. Outreach, including website design and recruitment.
- (2) The funds shall be allocated in the below fiscal years as follows:
 - a. For the 2023-2024 fiscal year, three million dollars (\$3,000,000) in nonrecurring funds shall be allocated to North Carolina State University to develop and operate the Program.
 - b. For the 2024-2025 fiscal year, the following amounts in nonrecurring funds shall be allocated as follows:
 1. Three million dollars (\$3,000,000) to North Carolina State University to operate the Program.
 2. Three million dollars (\$3,000,000) to North Carolina Central University to adapt and operate the Program.

SECTION 8.8.(d) Report. – No later than May 15, 2024, the Board of Governors shall report to the Joint Legislative Education Oversight Committee on the impact of the program, including the impact of the Program on the performance of eligible students.

SECTION 8.8.(e) Increase Funds in the 2024-2025 Fiscal Year. – Notwithstanding any other provision of law or the Committee Report described in Section 43.2 of this act to the contrary, the following shall occur:

- 1 (1) The nonrecurring funds allocated to the University of North Carolina –
2 Institutional Programs from the ARPA Temporary Savings Fund shall be
3 increased by three million dollars (\$3,000,000) for the 2024-2025 fiscal year.
4 (2) The nonrecurring funds appropriated in this act for the 2024-2025 fiscal year
5 to the Board of Governors of The University of North Carolina for education
6 and workforce training opportunities for individuals with disabilities shall be
7 increased by three million dollars (\$3,000,000) in requirements and receipts.
8

9 CTE GRANTS FOR AGRICULTURE

10 **SECTION 8.9.(a)** Of the funds appropriated in this act from the ARPA Temporary
11 Savings Fund to the Board of Governors of The University of North Carolina for each year of
12 the 2023-2025 fiscal biennium to be allocated to North Carolina State University, the Agriculture
13 Extension shall use up to two million dollars (\$2,000,000) in nonrecurring funds for the North
14 Carolina Future Farmers of America (FFA) to provide and administer grants for the 2023-2024
15 and 2024-2025 academic years to fund items necessary for the agriculture education program
16 operated as a part of the Career and Technical Education (CTE) program at a given middle or
17 high school within a public school unit. For purposes of these grants, items necessary to the
18 agriculture education program of a CTE program include greenhouses, animals and livestock,
19 and power tools. FFA shall provide a full list of items that are eligible to be purchased with funds
20 received pursuant to this program and make the list publicly available on its website. FFA may
21 consult with the Department of Agriculture and Consumer Services when evaluating a grant for
22 selection that includes the purchase of animals. A public school unit or a regional partnership of
23 more than one public school unit may apply to receive funds. When awarding grants under this
24 subsection, FFA shall prioritize public school units (i) located, in whole or in part, in a county
25 with at least one local school administrative unit that received low-wealth supplemental funding
26 in the previous fiscal year and (ii) that have a high population of at-risk students or students with
27 disabilities. Grant recipients may make items purchased with grant funds available to any
28 students within the public school unit or partnership regardless of whether the student is identified
29 as at-risk or a student with a disability.

30 **SECTION 8.9.(b)** FFA shall create and make available an application for grants
31 under this section no later than the beginning of each academic year during the 2023-2025 fiscal
32 biennium. Applicants shall submit their application to receive grant funds to FFA no later than
33 January 15 of each year of the 2023-2025 biennium. FFA shall approve or deny each application
34 within 30 days of receipt.

35 **SECTION 8.9.(c)** All recipients of grants under this section for each school year
36 shall submit a report to FFA no later than October 15 of each year of the 2023-2025 fiscal
37 biennium on the outcomes of any programs funded by grants received under this section,
38 including data collection methods for reporting on student outcomes, impacts of the program,
39 and use of State funds. FFA shall then submit a report to the Joint Legislative Education
40 Oversight Committee and the Fiscal Research Division on the overall outcomes of the grant
41 program no later than December 15 of each year of the 2023-2025 fiscal biennium.

42 **SECTION 8.9.(d)** Of the funds allocated by this section for grants as provided by
43 subsection (a) of this section, up to fifty thousand dollars (\$50,000) in each fiscal year of the
44 2023-2025 biennium may be retained by FFA to be used for administrative costs associated with
45 the grant program.
46

47 BOARD OF GOVERNORS STUDY NEW TEACHER SUPPORT 48 PROGRAM/ELIZABETH CITY STATE

49 **SECTION 8.10.** No later than September 15, 2023, the Board of Governors shall
50 report to the Joint Legislative Education Oversight Committee on the advisability and feasibility

1 of incorporating additional constituent institutions, including Elizabeth City State University, as
2 administrators of the New Teacher Support Program.

3 4 **PART VIII-A. UNIVERSITY/STATE EDUCATION ASSISTANCE AUTHORITY**

5 6 **WASHINGTON CENTER INTERNSHIP SCHOLARSHIP PROGRAM**

7 **SECTION 8A.1.(a)** Article 23 of Chapter 116 of the General Statutes is amended by
8 adding a new section to read:

9 **"§ 116-209.32. Washington Center internship scholarship program.**

10 (a) Scholarship Program Established. – To the extent funds are made available for this
11 purpose, the State Education Assistance Authority (Authority) shall award scholarship grants to
12 students who are residents of North Carolina and are enrolled in their second year or higher in a
13 constituent institution of The University of North Carolina to attend a semester or summer term
14 internship program or a shortened one- to four-week public policy and career readiness seminar
15 program at The Washington Center for Internships and Academic Seminars (Washington Center)
16 located in Washington, D.C. The Authority shall administer the scholarship program pursuant to
17 guidelines and procedures established by the Authority consistent with its practices for
18 administering State-funded financial aid. The guidelines and procedures shall include an
19 application process and schedule, notification and disbursement procedures, standards for
20 reporting, and standards for return of funds when a student withdraws from the program. A
21 student who meets the eligibility criteria of the Washington Center to attend a semester or
22 summer term internship program or a shortened one- to four-week public policy and career
23 readiness seminar program may apply to the Authority for a grant to cover costs related to the
24 program. The Authority shall award grants to students in its discretion based on student demand.
25 Grants awarded pursuant to the program shall be for the following amounts:

26 (1) For semester term internships, up to ten thousand dollars (\$10,000).

27 (2) For summer term internships, up to eight thousand dollars (\$8,000).

28 (3) For shortened seminar programs, up to four thousand dollars (\$4,000).

29 (b) Limitations on Grant Amount. – If a student who is eligible for a grant pursuant to
30 this section also receives a scholarship or other grant covering the cost of attendance for the
31 program, then the amount of the State grant shall be reduced by an appropriate amount
32 determined by the Authority. The Authority shall reduce the amount of the grant so that the sum
33 of all grants and scholarship aid covering the cost of attendance shall not exceed the cost of
34 attendance for the program, including program fees, housing, and incidental costs. The cost of
35 attendance shall be established by the Authority in accordance with information provided to the
36 Authority by the Washington Center.

37 (c) Internship Activities. – A student participating in the Washington Center's program
38 shall (i) intern four days a week with a nonprofit corporation, private company, federal agency,
39 or a member of the United States Congress, (ii) take an academic class taught by the Washington
40 Center's faculty, (iii) participate in career readiness training programs, and (iv) be responsible for
41 a final portfolio project outlining work completed during the program. Students from all
42 academic majors can participate and benefit from the program.

43 (d) Academic Credit. – The Board of Governors of The University of North Carolina
44 shall develop and promulgate guidance to constituent institutions on a process for awarding up
45 to three academic credit hours for participation in an internship in accordance with the
46 scholarship program.

47 (e) Funds for the Program. – Any funds that are unencumbered for the program at the end
48 of each fiscal year shall not revert to the General Fund but shall remain available for the purposes
49 of this section. The Authority may use up to one percent (1%) of the funds appropriated each
50 fiscal year for the program for administrative costs.

1 (f) Reporting. – By March 1 of each year in which grants are received under the program,
 2 the Authority, in consultation with the Washington Center, shall report to the Joint Legislative
 3 Education Oversight Committee and the Fiscal Research Division on the implementation of the
 4 scholarship program, including the number of participating students and the amount of awards
 5 for each semester or summer term or shortened seminar program by constituent institution."

6 **SECTION 8A.1.(b)** Section 8A.8(d) of S.L. 2021-180 reads as rewritten:

7 **"SECTION 8A.8.(d)** Funds for the Program. – Any funds that are unencumbered for the
 8 program at the end of each fiscal year shall not revert to the General Fund but shall remain
 9 available for the purposes of this ~~section~~section until the end of the 2023-2024 fiscal year. The
 10 Authority may use up to one percent (1%) of the funds appropriated each fiscal year for the
 11 program for administrative costs."

12 **SECTION 8A.1.(c)** Effective June 30, 2024, Section 8A.8 of S.L. 2021-180, as
 13 amended by Section 8A.7 of S.L. 2022-74 and subsection (b) of this section, is repealed.

14 **SECTION 8A.1.(d)** Subsection (a) of this section applies beginning with the award
 15 of scholarship grants for the 2024 spring academic semester.

16
 17 **STATE EDUCATION ASSISTANCE AUTHORITY DISBURSE STATE'S**
 18 **SCHOLARSHIPS FOR CHILDREN OF WARTIME VETERANS**

19 **SECTION 8A.2.(a)** G.S. 116-204 reads as rewritten:

20 **"§ 116-204. Powers of Authority.**

21 The Authority is hereby authorized and empowered:

22 ...

23 (11a) To be responsible for the disbursement and accounting of funds for the State's
 24 Scholarships for Children of Wartime Veterans established by Part 2 of Article
 25 14 of Chapter 143B of the General Statutes.

26 "

27 **SECTION 8A.2.(b)** G.S. 116B-7 reads as rewritten:

28 **"§ 116B-7. Distribution of fund.**

29 ...

30 (b) An amount specified in the Current Operations Appropriations Act shall be
 31 transferred annually from the Escheat Fund to the ~~Department of Military and Veterans Affairs~~
 32 Board of Governors of The University of North Carolina to be allocated to the State Education
 33 Assistance Authority to partially fund the program of Scholarships for Children of War Veterans
 34 established by Part 2 of Article 14 of Chapter 143B of the General Statutes. Those funds may be
 35 used only for residents of this State who (i) are worthy and needy as determined by the
 36 Department of Military and Veterans Affairs and (ii) are enrolled in public institutions of higher
 37 education of this State."

38 **SECTION 8A.2.(c)** G.S. 143B-1211 reads as rewritten:

39 **"§ 143B-1211. Powers and duties of the Department of Military and Veterans Affairs.**

40 It shall be the duty of the Department of Military and Veterans Affairs to do all of the
 41 following:

42 ...

43 (11) Manage and maintain the State's Scholarships for Children of Wartime
 44 Veterans in accordance with Part 2 of Article 14 of Chapter 143B of the
 45 General Statutes and in support of the Veterans' Affairs
 46 ~~Commission~~Commission; provided, however, the disbursement of
 47 scholarships to the children of wartime veterans shall be performed by the
 48 State Education Assistance Authority established pursuant to Article 23 of
 49 Chapter 116 of the General Statutes.

50 "

51 **SECTION 8A.2.(d)** G.S. 143B-1220 reads as rewritten:

1 **"§ 143B-1220. Veterans' Affairs Commission – creation, powers and duties.**

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

5 ...

- 6 (3) To promulgate rules and regulations concerning the awarding of scholarships
7 for children of North Carolina veterans as provided by this Article. The
8 Commission shall make rules and regulations consistent with the provisions
9 of this Article. All rules and regulations not inconsistent with the provisions
10 of this Chapter heretofore adopted by the State Board of Veterans' Affairs
11 shall remain in full force and effect unless and until repealed or superseded by
12 action of the Veterans' Affairs Commission. All rules and regulations adopted
13 by the Commission shall be enforced by the Department of Military and
14 Veterans Affairs; Affairs and, in the disbursement of scholarships, the
15 Authority, as directed by the Department on behalf of the Commission; and

16"

17 **SECTION 8A.2.(e)** G.S. 143B-1224 reads as rewritten:

18 **"§ 143B-1224. Definitions.**

19 As used in this Part the terms defined in this section shall have the following meaning:

20 ...

- 21 (2a) "Authority" means the State Education Assistance Authority established
22 pursuant to Article 23 of Chapter 116 of the General Statutes.

23"

24 **SECTION 8A.2.(f)** G.S. 143B-1225 reads as rewritten:

25 **"§ 143B-1225. Scholarship.**

26 ...

27 (b) The Veterans' Affairs Commission shall select recipients for scholarships and notify
28 the Authority of the recipients for the disbursement of scholarships in accordance with the
29 provisions of G.S. 143B-1227. When notifying the Authority of the recipients, the Veterans'
30 Affairs Commission shall indicate the recipients that qualify for scholarships funded with monies
31 from the Escheat Fund. If a child is awarded a scholarship under this Part, the Commission shall
32 notify the recipient by May 1st of the year in which the recipient enrolls in college."

33 **SECTION 8A.2.(g)** G.S. 143B-1227 reads as rewritten:

34 **"§ 143B-1227. Administration and funding.**

35 (a) The administration of the scholarship program shall be vested in the Department of
36 Military and Veterans Affairs, and the disbursing and accounting activities required shall be a
37 the responsibility of the Department of Military and Veterans Affairs Authority. The Veterans'
38 Affairs Commission shall determine the eligibility of applicants, select the scholarship recipients,
39 establish the effective date of scholarships, and may notify the Authority of the need to suspend
40 or revoke scholarships if the Veterans' Affairs Commission finds that the recipient does not
41 comply with the registration requirements of the Selective Service System or does not maintain
42 an adequate academic status, or if the recipient engages in riots, unlawful demonstrations, the
43 seizure of educational buildings, or otherwise engages in disorderly conduct, breaches of the
44 peace or unlawful assemblies. The Department of Military and Veterans Affairs shall maintain
45 the primary and necessary records, and the Veterans' Affairs Commission shall promulgate such
46 rules and regulations not inconsistent with the other provisions of this Part as it deems necessary
47 for the orderly administration of the program. It may require of State or private educational
48 institutions, as defined in this Part, such reports and other information as it may need to carry out
49 the provisions of this Part. The Department of Military and Veterans Affairs Authority shall
50 disburse scholarship payments for recipients certified eligible by the Department of Military and
51 Veterans Affairs upon certification of enrollment by the enrolling institution.

1 (b) Funds for the support of this program shall be appropriated to the ~~Department of~~
2 ~~Military and Veterans Affairs Board of Governors of The University of North Carolina to be~~
3 ~~allocated to the Authority~~ as a reserve for payment of the allocable costs for room, board, tuition,
4 and other charges, and shall be placed in a separate budget code from which disbursements shall
5 be made. Funds to support the program shall be supported by receipts from the Escheat Fund, as
6 provided by G.S. 116B-7, but those funds may be used only for worthy and needy residents of
7 this State who are enrolled in public institutions of higher education of this State. ~~In the event the~~
8 ~~said appropriation for any year is insufficient to pay the full amounts allocable under the~~
9 ~~provisions of this Part, such supplemental sums as may be necessary shall be allocated from the~~
10 ~~Contingency and Emergency Fund.~~ The method of disbursing and accounting for funds allocated
11 for payments under the provisions of this section shall be in accordance with those standards and
12 procedures prescribed by the Director of the Budget, pursuant to the State Budget Act.

13 (c) Allowances for room and board in State educational institutions shall be at such rate
14 as established by the Secretary of the Department of Military and Veterans Affairs.

15 (d) Scholarship recipients electing to attend a private educational institution shall be
16 granted a monetary allowance for each term or other academic period attended under their
17 respective scholarship awards. All recipients under Class I-B scholarship shall receive an
18 allowance at one rate, irrespective of course or institution; all recipients under Classes I-A, II, III
19 and IV shall receive a uniform allowance at a rate higher than for Class I-B, irrespective of course
20 or institution. The amount of ~~said the~~ allowances shall be determined by the Director of the
21 Budget and made known prior to the beginning of each fall quarter or semester; provided that the
22 Director of the Budget may change the allowances at intermediate periods when in his or her
23 judgment such changes are necessary. Disbursements by the State shall be to the private
24 institution concerned, for credit to the account of each recipient attending ~~said the~~ institution.
25 The manner of payment to any private institution shall be as prescribed by the ~~Department of~~
26 ~~Military and Veterans Affairs Authority.~~ The participation by any private institution in the
27 program shall be subject to the applicable provisions of this Part and to examination by State
28 auditors of the accounts of scholarship recipients attending or having attended private
29 institutions. The ~~Veterans' Affairs Commission Authority~~ may defer making an award or may
30 suspend an award in any private institution which does not comply with the provisions of this
31 Part relating to ~~said the~~ institutions.

32 (e) Irrespective of other provisions of this Part, the ~~Veterans' Affairs Commission~~
33 ~~Authority~~ may prescribe special procedures for adjusting the accounts of scholarship recipients
34 who for reasons of illness, physical inability to attend class or for other valid reason satisfactory
35 to the ~~Veterans' Affairs Commission Authority~~ may withdraw from State or private educational
36 institutions prior to the completion of the term, semester, quarter or other academic period being
37 attended at the time of withdrawal. Such procedures may include, but shall not be limited to,
38 paying the recipient the dollar value of his or her unused ~~entitlements scholarship~~
39 academic period being attended, with a corresponding deduction of this period from his or her
40 remaining scholarship eligibility time.

41 (f) From the funds appropriated from the General Fund each fiscal year to support the
42 program, the Authority may use up to one hundred fifty thousand dollars (\$150,000) each fiscal
43 year for administrative costs for the disbursement and accounting activities for the program."

44 **SECTION 8A.2.(h)** This section applies beginning with scholarships awarded for
45 the 2023-2024 academic year.

46
47 **EXPAND SCHOLARSHIPS FOR HIGH SCHOOL GRADUATES OF NCSSM AND**
48 **UNCSA TO ATTEND PRIVATE POSTSECONDARY INSTITUTIONS LOCATED**
49 **IN NORTH CAROLINA**

50 **SECTION 8A.3.(a)** Part 6 of Article 23 of Chapter 116 of the General Statutes reads
51 as rewritten:

1 "Part 6. Tuition Grant for High School Graduates of the North Carolina School of Science and
2 Mathematics and the University of North Carolina School of the Arts.

3 **"§ 116-209.89. Definitions.**

4 For purposes of this Part, the following definitions shall apply:

- 5 (1) Eligible graduate. – A high school graduate of the North Carolina School of
6 Science and Mathematics (NCSSM) or the University of North Carolina
7 School of the Arts (UNCSA).
8 (2) Eligible institution of higher education. – A constituent institution of The
9 University of North Carolina or a private postsecondary institution located in
10 North Carolina, as defined in G.S. 116-280(3).

11 **"§ 116-209.90. Tuition grants for eligible graduates to attend a constituent institution an**
12 **eligible institution of higher education.**

13 (a) ~~Within the funds available, a high school graduate from the North Carolina School of~~
14 ~~Science and Mathematics (NCSSM) or the University of North Carolina School of the Arts~~
15 ~~(UNCSA) an eligible graduate in each school year who meets the following conditions shall be~~
16 ~~eligible qualify for a tuition grant awarded under this Part:~~

- 17 (1) Is a resident for tuition purposes under the criteria set forth in G.S. 116-143.1
18 and in accordance with the coordinated and centralized residency
19 determination process administered by the Authority.
20 (2) Enrolls as a full-time student in a ~~constituent institution of The University of~~
21 ~~North Carolina~~ an eligible institution of higher education in the next academic
22 year after graduation.

23 (b) Students who receive initial tuition grants as a cohort of a high school graduating class
24 of NCSSM or UNCSA shall also ~~be eligible qualify~~ to apply for tuition grants for subsequent
25 academic years for up to a total of four academic years, provided that tuition grants are only used
26 for undergraduate tuition.

27 (b1) A student must be continuously enrolled in an undergraduate program at a ~~constituent~~
28 ~~institution of The University of North Carolina~~ an eligible institution of higher education after
29 the award of the initial tuition grant to ~~be eligible qualify~~ for tuition grants in subsequent
30 academic years. The Authority shall have the discretion to waive this requirement if the student
31 is able to demonstrate that any of the following have substantially disrupted or interrupted the
32 student's pursuit of a degree: (i) a military service obligation, (ii) serious medical debilitation,
33 (iii) a short-term or long-term disability, or (iv) other extraordinary hardship.

34 (c) The amount of the tuition grant to each graduate shall be determined and distributed
35 as provided in G.S. 116-209.91.

36 **"§ 116-209.91. Administration of tuition grants.**

37 (a) The Authority shall administer the tuition grants provided for in this Part pursuant to
38 guidelines and procedures established by the Authority consistent with its practices for
39 administering State-funded financial aid. The guidelines and procedures shall include an
40 application process and schedule, notification and disbursement procedures, standards for
41 reporting, and standards for return of tuition grants when a student withdraws. The Authority
42 shall not approve any grant until it receives proper certification from the appropriate ~~constituent~~
43 ~~institution~~ eligible institution of higher education that the student applying for the grant is ~~an~~
44 ~~eligible student~~ continuously enrolled as a full-time student in accordance with this Part. Upon
45 ~~receipt of the certification, determining that the student qualifies for a grant,~~ the Authority shall
46 remit, at the times it prescribes, the tuition grant to the ~~constituent institution~~ eligible institution
47 of higher education on behalf, and to the credit, of the student. In the event a student on whose
48 behalf a tuition grant has been paid is not enrolled in an undergraduate program and carrying a
49 minimum academic load as of the tenth classroom day following the beginning of the school
50 term for which the tuition grant was paid, the ~~constituent institution~~ eligible institution of higher
51 education shall refund the full amount of the tuition grant to the Authority.

1 (b) Except as otherwise provided in this section, the amount of the grant awarded to a
2 student shall cover the following:

3 (1) To attend a constituent institution, the tuition cost at the constituent institution
4 in which the student is enrolled.

5 (2) To attend a private postsecondary institution located in North Carolina, the
6 tuition cost, in whole or in part, at the private postsecondary institution in an
7 amount up to the highest amount of undergraduate resident tuition charged at
8 a constituent institution of The University of North Carolina for that academic
9 year.

10 (b1) No tuition grant awarded to a student under this section shall exceed the cost of
11 attendance at ~~a constituent institution~~ an eligible institution of higher education for which the
12 student is enrolled.

13 (c) If a student, who is eligible for a tuition grant under this section, also receives a
14 scholarship or other grant covering the cost of attendance at ~~the constituent institution~~ an eligible
15 institution of higher education for which the tuition grant is awarded, then the amount of the
16 tuition grant shall be reduced by an appropriate amount determined by the Authority so that the
17 total amount of scholarships and grants received by the student does not exceed the cost of
18 attendance for the institution. The cost of attendance shall be determined by the Authority for
19 each ~~constituent institution~~ eligible institution of higher education.

20 (d) In the event there are not sufficient funds to provide each ~~eligible-qualifying~~ student
21 who has applied in accordance with the application process and the schedule established by the
22 Authority with a full tuition grant as provided by this Part, each ~~eligible-qualifying~~ student shall
23 receive a pro rata share of funds available for the academic year covered by the appropriation in
24 the preceding fiscal year.

25"

26 **SECTION 8A.3.(b)** G.S. 116-209.90(a), as amended by subsection (a) of this
27 section, reads as rewritten:

28 "(a) Within the funds available, an eligible graduate in each school year who meets the
29 following conditions shall qualify for a tuition grant awarded under this Part:

30 (1) Is a resident for tuition purposes under the criteria set forth in G.S. 116-143.1
31 and in accordance with the coordinated and centralized residency
32 determination process administered by the Authority.

33 (2) Enrolls as a full-time student in an eligible institution of higher education in
34 the next academic year after graduation.

35 (3) Submits a completed Free Application for Federal Student Aid (FAFSA)
36 form."

37 **SECTION 8A.3.(c)** Subsection (a) of this section applies beginning with graduates
38 of the North Carolina School of Science and Mathematics and the University of North Carolina
39 School of the Arts from the 2022-2023 school year, and subsection (b) of this section applies
40 beginning with graduates from the 2023-2024 school year.

41 **REVISE TEACHING FELLOWS PROGRAM**

42 **SECTION 8A.4.(a)** Part 3 of Article 23 of Chapter 116 of the General Statutes reads
43 as rewritten:

44 "Part 3. North Carolina Teaching Fellows Program.

45 **"§ 116-209.60. Definitions.**

46 The following definitions apply in this Part:

47 (1) Commission. – The North Carolina Teaching Fellows Commission.

48 (2) Director. – The Director of the North Carolina Teaching Fellows Program.

49 (3) Forgivable loan. – A forgivable loan made under the Program.

50 (4) Program. – The North Carolina Teaching Fellows Program.

1 (5) Public school. – An elementary or secondary school located in North Carolina
 2 that is governed by a local board of education, charter school board of
 3 directors, regional school board of directors, or University of North Carolina
 4 laboratory school board of trustees.

5 (6) ~~STEM. – Science, technology, engineering, and mathematics.~~

6 (7) Trust Fund. – The North Carolina Teaching Fellows Program Trust Fund.

7 ...

8 **"§ 116-209.62. North Carolina Teaching Fellows Program established; administration.**

9 (a) Program. – There is established the North Carolina Teaching Fellows Program to be
 10 administered by the System Office of The University of North Carolina, in conjunction with the
 11 Authority and the Commission. The purpose of the Program is to recruit, prepare, and support
 12 students residing in or attending institutions of higher education located in North Carolina for
 13 preparation as highly effective ~~STEM or special education~~ teachers in the State's public schools.
 14 The Program shall be used to provide a forgivable loan to individuals interested in preparing to
 15 teach in the public schools of the ~~State in STEM or special education licensure areas.~~ State.

16 (b) Trust Fund. – There is established the North Carolina Teaching Fellows Program
 17 Trust Fund to be administered by the Authority, in conjunction with the System Office of The
 18 University of North Carolina. All funds (i) appropriated to, or otherwise received by, the Program
 19 for forgivable loans and other Program purposes, (ii) received as repayment of forgivable loans,
 20 and (iii) earned as interest on these funds shall be placed in the Trust Fund. The purpose of the
 21 Trust Fund is to provide financial assistance to qualified students for completion of teacher
 22 education and licensure programs to fill ~~STEM or special education licensure areas~~ positions
 23 in the public schools of the State.

24 (c) Uses of Monies in the Trust Fund. – The monies in the Trust Fund may be used only
 25 for (i) forgivable loans granted under the Program, (ii) administrative costs associated with the
 26 Program, including recruitment and recovery of funds advanced under the Program, (iii)
 27 mentoring and coaching support to forgivable loan recipients, and (iv) extracurricular
 28 enhancement activities of the Program in accordance with the following:

29 (1) The Authority shall transfer the greater of six hundred thousand dollars
 30 (\$600,000) or ten percent (10%) of the available funds from the Trust Fund to
 31 the General Administration of The ~~University of North Carolina~~ University of
 32 North Carolina System Office at the beginning of each fiscal year for the
 33 Program's administrative costs, the salary of the Director of the Program and
 34 other Program staff, expenses of the Commission, and to provide the
 35 Commission with funds to use for the extracurricular enhancement activities
 36 of the Program.

37 ...

38 (d) Director of the Program. – The Board of Governors of The University of North
 39 Carolina shall appoint a Director of the Program. The Director shall appoint staff to the
 40 Commission and shall be responsible for recruitment and coordination of the Program, including
 41 proactive, aggressive, and strategic recruitment of potential recipients. Recruitment activities
 42 shall include (i) targeting regions of the State with the highest teacher attrition rates and teacher
 43 recruitment challenges, (ii) actively engaging with educators, business leaders, experts in human
 44 resources, elected officials, and other community leaders throughout the State, and (iii) attracting
 45 candidates ~~in STEM and special education licensure areas~~ to the Program. The Director shall
 46 report to the President of The University of North Carolina. The Authority shall provide office
 47 space and clerical support staff, as necessary, to the Director for the Program.

48 (e) Student Selection Criteria for Forgivable Loans. – The Commission shall adopt
 49 stringent standards for awarding forgivable loans based on multiple measures to ensure that only
 50 the strongest applicants receive them, including the following:

51 (1) Grade point averages.

1 (2) Performance on relevant career and college readiness assessments.
2 (3) Experience, accomplishments, and other criteria demonstrating qualities
3 positively correlated with highly effective teachers, including excellent verbal
4 and communication skills.

5 (4) Demonstrated commitment to serve ~~in a STEM or special education licensure~~
6 ~~area~~ in North Carolina public schools.

7 (f) Program Selection Criteria. – The Authority shall administer the Program in
8 cooperation with each constituent institution of The University of North Carolina and up to eight
9 four institutions of higher education with approved educator preparation programs selected by
10 the Commission that represent a diverse selection of ~~both postsecondary constituent institutions~~
11 ~~of The University of North Carolina and~~ private postsecondary institutions operating in the State.
12 The Commission shall adopt stringent standards for selection of the most effective educator
13 preparation programs, including the following:

14 (1) Demonstrates high rates of educator effectiveness on value-added models and
15 teacher evaluations, including using performance-based, subject-specific
16 assessment and support systems, such as edTPA or other metrics of evaluating
17 candidate effectiveness that have predictive validity.

18 (2) Demonstrates measurable impact of prior graduates on student ~~learning,~~
19 ~~including impact of graduates teaching in STEM or special education~~
20 ~~licensure areas.~~ learning.

21 (3) Demonstrates high rates of graduates passing exams required for teacher
22 licensure.

23 (4) Provides curricular and co-curricular enhancements in leadership, facilitates
24 learning for diverse learners, and promotes community engagement,
25 classroom management, and reflection and assessment.

26 (5) Requires at least a minor concentration of study in the subject area that the
27 candidate may teach.

28 (6) Provides early and frequent internship or practical experiences, including the
29 opportunity for participants to perform practicums in diverse school
30 environments.

31 (7) Is approved by the State Board of Education as an educator preparation
32 program.

33 (g) Awards of Forgivable Loans. – The Program shall provide forgivable loans to selected
34 students to be used at each constituent institution of The University of North Carolina and up to
35 eight ~~four~~ selected private institutions for completion of a program leading to initial teacher
36 licensure as follows:

37 (1) North Carolina high school seniors. – Forgivable loans of up to four thousand
38 one hundred twenty-five dollars (\$4,125) per semester for up to eight
39 semesters.

40 (2) Students applying for transfer to a selected educator preparation program at
41 an institution of higher education. – Forgivable loans of up to four thousand
42 one hundred twenty-five dollars (\$4,125) per semester for up to six semesters.

43 (3) Individuals currently holding a bachelor's degree seeking preparation for
44 teacher licensure. – Forgivable loans of up to four thousand one hundred
45 twenty-five dollars (\$4,125) per semester for up to four semesters.

46 (4) Students matriculating at institutions of higher education who are changing to
47 an approved program of study at a selected educator preparation program. –
48 Forgivable loans of up to four thousand one hundred twenty-five dollars
49 (\$4,125) per semester for up to four semesters.

50 Forgivable loans may be used for tuition, fees, the cost of books, and expenses related to
51 obtaining licensure.

1 (h) ~~Identification of STEM and Special Education Licensure Areas.~~ The Superintendent
2 of Public Instruction shall identify and provide to the Commission and the Authority a list of
3 STEM and special education licensure areas and shall annually provide to the Commission the
4 number of available positions in each licensure area relative to the number of current and
5 anticipated teachers in that area of licensure. The Commission shall make the list of STEM and
6 special education licensure areas readily available to applicants.

7 ...

8 (j) Annual Report. – The Commission, in coordination with the Authority, the
9 Department of Public Instruction, each constituent institution of The University of North
10 Carolina, and the selected private educator education programs participating in the Program shall
11 report no later than January 1, 2019, and annually thereafter, to the Joint Legislative Education
12 Oversight Committee regarding the following:

13 (1) Forgivable loans awarded from the Trust Fund, including the following:

- 14 a. Demographic information regarding recipients.
- 15 b. Number of recipients by institution of higher education and program.
- 16 c. Information on number of recipients by ~~anticipated STEM and special~~
17 ~~education~~ licensure area.

18 (2) Placement and repayment rates, including the following:

- 19 a. Number of graduates who have been employed ~~in a STEM or special~~
20 ~~education licensure area as a public school teacher in North Carolina~~
21 within two years of program completion.
- 22 b. Number of graduates who accepted employment at a low-performing
23 school identified under G.S. 115C-105.37 as part of their years of
24 service.
- 25 c. Number of graduates who have elected to do loan repayment and their
26 years of service, if any, prior to beginning loan repayment.
- 27 d. Number of graduates employed in a ~~STEM or special education~~
28 ~~licensure area~~ North Carolina public school who have received an
29 overall rating of at least accomplished and have met expected growth
30 on applicable standards of the teacher evaluation instrument.
- 31 e. Aggregate information on student growth and proficiency in courses
32 taught by graduates who have fulfilled service requirements through
33 employment in a ~~STEM or special education licensure area~~ North
34 Carolina public school.

35 ...

36 **"§ 116-209.63. Terms of forgivable loans; receipt and disbursement of funds.**

37 (a) Notes. – All forgivable loans shall be evidenced by notes made payable to the
38 Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the
39 Authority and beginning on the first day of September after the completion of the program
40 leading to teacher licensure or 90 days after graduation, whichever is later. If a forgivable loan is
41 terminated, the note shall be made payable to the Authority 90 days after termination of the
42 forgivable loan. The forgivable loan may be terminated upon the recipient's withdrawal from the
43 Program or by the recipient's failure to meet the standards set by the Commission.

44 (b) Forgiveness. – The Authority shall forgive the loan and any interest accrued on the
45 loan if, within 10 years after graduation from a program leading to teacher licensure, exclusive
46 of any authorized deferment for extenuating circumstances, the recipient serves as a teacher in a
47 ~~STEM or special education licensure area, as provided in G.S. 116-209.62(h),~~ North Carolina
48 public school for every year the teacher was awarded the forgivable loan, in any combination of
49 the following:

- 50 (1) ~~One year~~ Six months at a North Carolina public school identified as
51 low-performing under G.S. 115C-105.37 at the time the teacher accepts

- 1 employment at the school or, if the teacher changes employment during this
2 period, at another school identified as low-performing.
3 (2) ~~Two years~~ One year at a North Carolina public school not identified as
4 low-performing under G.S. 115C-105.37.

5 The Authority shall also forgive the loan if it finds that it is impossible for the recipient to
6 work for up to ~~eight~~ four years, within 10 years after completion of the program leading to teacher
7 licensure, at a North Carolina public school because of the death or permanent disability of the
8 recipient. If the recipient repays the forgivable loan by cash payments, all indebtedness shall be
9 repaid within 10 years after completion of the program leading to teacher licensure supported by
10 the forgivable loan. If the recipient completes a program leading to teacher licensure, payment
11 of principal and interest shall begin no later than the first day of September after the completion
12 of the program. Should a recipient present extenuating circumstances, the Authority may extend
13 the period to repay the loan in cash to no more than a total of 12 years."

14 **SECTION 8A.4.(b)** This section applies to applications for the award of funds
15 beginning in the 2024-2025 academic year.
16

17 **REVISE SELECTION CRITERIA FOR PRINCIPAL FELLOWS PROGRAM**

18 **SECTION 8A.5.(a)** G.S. 116-74.46(a) reads as rewritten:

19 "(a) Selection. – After evaluation of grant applications pursuant to G.S. 116-74.45, the
20 Commission shall notify the Authority of its selection of the recipients of grants for each fiscal
21 year. The Commission shall select up to ~~eight~~ 10 grant recipients to be operating a school leader
22 preparation program with grant funds in any fiscal year. At least two of the 10 grant recipients
23 shall be private postsecondary institutions operating directly or through a consortium."

24 **SECTION 8A.5.(b)** This section applies beginning with grants awarded in the
25 2026-2027 academic year.
26

27 **EXPAND ELIGIBILITY AND REVISE ADMINISTRATION FOR OPPORTUNITY** 28 **SCHOLARSHIPS**

29 **SECTION 8A.6.(a)** G.S. 115C-562.1(3) reads as rewritten:

30 "(3) Eligible students. – A student residing in North Carolina who has not yet
31 received a high school diploma and who meets all of the following
32 requirements:

33 a. Meets one of the following criteria:

- 34 1. Was a student (i) assigned to and attending a public school full
35 time pursuant to G.S. 115C-366 or (ii) enrolled full time in a
36 Department of Defense Elementary and Secondary School,
37 established pursuant to 10 U.S.C. § 2164 and located in North
38 Carolina, during the spring semester prior to the school year
39 for which the student is applying.
- 40 2. Received a scholarship grant for the school year prior to the
41 school year for which the student is applying.
- 42 3. Is eligible to enter ~~kindergarten, first grade, or second grade~~
43 any grade between kindergarten and grade eight pursuant to
44 Article 25 of this Chapter. A child who is the age of four on or
45 before April 16 is eligible to attend the following school year
46 if the principal, or equivalent, of the school in which the child
47 seeks to enroll finds that the student meets the requirements
48 established by the Authority pursuant to G.S. 115C-562.2(d)
49 and those findings are submitted to the Authority with the
50 child's application.
- 51 4. Is a child in foster care as defined in G.S. 131D-10.2(9).

- 1 5. Is a child whose adoption decree was entered not more than
 2 one year prior to submission of the scholarship grant
 3 application.
 4 6. Is a child whose parent or legal guardian (i) is on full-time duty
 5 status in the active uniformed service of the United States,
 6 including members of the National Guard and Reserve on
 7 active duty orders pursuant to 10 U.S.C. § 12301, et seq., and
 8 10 U.S.C. § 12401, et seq., or (ii) receives an honorable
 9 discharge as an active duty member from the uniformed service
 10 of the United States within 12 months prior to application.
 11 7. Is a child who meets both of the following:
 12 I. Was enrolled in a nonpublic school that meets the
 13 requirements of Part 1 and Part 2 of this Article during
 14 the spring semester prior to the school year for which
 15 the student is applying.
 16 II. Was enrolled for the entire school year immediately
 17 prior to the school year in which the student enrolled in
 18 the nonpublic school in one of the following:
 19 A. A North Carolina public school.
 20 B. A Department of Defense Elementary and
 21 Secondary School established pursuant to 10
 22 U.S.C. § 2164 and located in North Carolina.
 23 a1. Has not enrolled in a postsecondary institution in a matriculated status
 24 eligible for enrollment for 12 hours of academic credit.
 25 a2. Resides with a parent who has been domiciled in the State for a
 26 minimum of six months prior to award of the scholarship grant.
 27 b. Meets one of the following criteria:
 28 1. Resides in a household with an income level not in excess of
 29 two hundred percent (200%) of the amount required for the
 30 student to qualify for the federal free or reduced-price lunch
 31 program. The Authority shall not count any distribution from
 32 the estate of a decedent in calculating the income level of the
 33 applicant's household for the purposes of determining
 34 eligibility for a scholarship under this sub-sub-subdivision.
 35 2. Is a child in foster care as defined in G.S. 131D-10.2. The
 36 Authority shall not consider the household income of the foster
 37 parent, as defined in G.S. 131D-10.2, in determining the
 38 eligibility of a foster care child."

39 **SECTION 8A.6.(b)** G.S. 115C-562.3 reads as rewritten:

40 **"§ 115C-562.3. Verification of eligibility; information from other State agencies.**

41 (a) To verify that the student's parent has been a resident of the State for a minimum of
 42 six months prior to award of the scholarship grant, the Authority shall establish a domicile
 43 determination system and shall establish rules for determination of domicile. Each of the Division
 44 of Motor Vehicles of the Department of Transportation, the Department of Public Instruction,
 45 the Department of Commerce, the Department of Health and Human Services, the Department
 46 of Revenue, the State Board of Elections, and the State Chief Information Officer shall
 47 expeditiously cooperate with the Authority in verifying electronically, or by other similarly
 48 effective and efficient means, evidence submitted to the Authority for the purposes of
 49 establishing the domicile required by G.S. 115C-366 for State residency. The Authority shall
 50 accept any of the following as evidence of domicile within the State:

- 51 (1) Verified State drivers license and State identification card.

- (2) Verified State voter registration.
- (3) Verified receipt of public benefits from a State agency.
- (4) Verified filing of State income taxes for the year prior to application.
- (5) Verified enrollment in a North Carolina public school for the year prior to the year in which the scholarship grant would be awarded.
- (6) An electronically submitted copy of one of the following current documents that show the name of the parent and an address within the State:
 - a. A utility bill.
 - b. A bank statement.
 - c. A government check.
 - d. A paycheck.
 - e. Any other government document.

(a1) ~~The~~ In addition to the requirements of subsection (a) of this section, the Authority may seek verification of information on any application for scholarship grants from eligible students. The Authority shall select and verify six percent (6%) of applications annually, including those with apparent errors on the face of the application. The Authority shall establish rules for the verification process and may use the federal verification requirements process for free and reduced-price lunch applications as guidance for those rules. If a household fails to cooperate with verification efforts, the Authority shall revoke the award of the scholarship grant to the eligible student.

(b) Household members of applicants for scholarship grants shall authorize the Authority to access information needed for verification efforts conducted under subsection (a1) of this section held by other State agencies, including the Department of Revenue, the Department of Health and Human Services, and the Department of Public Instruction. ~~The Department of Public Instruction shall provide the Authority with public school enrollment information to establish eligibility pursuant to G.S. 115C-562.1(3)a., as needed.~~

(c) By December 1 of each year, the Department of Public Instruction shall provide the Authority the average State per pupil allocation for that fiscal year to determine the maximum scholarship amount for eligible students to be awarded in the following fiscal year in accordance with G.S. 115C-562.2(b)."

**SECTION 8A.6.(c) G.S. 115C-562.8 reads as rewritten:
"§ 115C-562.8. The Opportunity Scholarship Grant Fund Reserve.**

...
(b) The General Assembly finds that, due to the critical need in this State to provide opportunity for school choice for North Carolina students, it is imperative that the State provide an increase of funds for 15 years to the Opportunity Scholarship Grant Fund Reserve. Therefore, there is appropriated from the General Fund to the Reserve the following amounts for each fiscal year to be used for the purposes set forth in this section:

Fiscal Year	Appropriation
2017-2018	\$44,840,000
2018-2019	\$54,840,000
2019-2020	\$64,840,000
2020-2021	\$74,840,000
2021-2022	\$84,840,000
2022-2023	\$94,840,000
2023-2024	\$176,540,000
2024-2025	\$191,540,000
2025-2026	\$206,540,000 <u>\$262,540,000</u>
2026-2027	\$221,540,000 <u>\$277,540,000</u>
2027-2028	\$236,540,000 <u>\$292,540,000</u>
2028-2029	\$251,540,000 <u>\$307,540,000</u>

1	2029-2030	\$266,540,000	\$322,540,000
2	2030-2031	\$281,540,000	\$337,540,000
3	2031-2032	\$296,540,000	\$352,540,000

4 For the 2032-2033 fiscal year and each fiscal year thereafter, there is appropriated from the
 5 General Fund to the Reserve the sum of ~~three hundred eleven million five hundred forty thousand~~
 6 ~~dollars (\$311,540,000)~~ three hundred sixty-seven million five hundred forty thousand
 7 dollars (\$367,540,000) to be used for the purposes set forth in this section. When developing the base
 8 budget, as defined by G.S. 143C-1-1, for each fiscal year specified in this subsection, the Director
 9 of the Budget shall include the appropriated amount specified in this subsection for that fiscal
 10 year.

11 ...
 12 (d) Any unexpended funds at the end of a fiscal year from the funds appropriated in a
 13 particular fiscal year to be used for the award of scholarships in the following fiscal year shall be
 14 used as follows:

- 15 (1) Up to ~~five hundred thousand dollars (\$500,000)~~ one million five hundred
 16 thousand dollars (\$1,500,000) may be used by the Authority to contract with
 17 a nonprofit corporation representing parents and families for outreach and
 18 scholarship education and application assistance for parents and students
 19 pursuant to Part 4A of this Article. If sufficient funds are available, the
 20 Authority may renew any contract made with a particular nonprofit
 21 corporation under this subdivision upon the expiration of that contract.
- 22 (2) Any remaining funds shall be carried forward for one fiscal year pursuant to
 23 subsection (a) of this section."

24 **SECTION 8A.6.(d)** Notwithstanding G.S. 115C-562.3(a), as enacted by this act, as
 25 part of a student's application for a scholarship grant pursuant to Part 2A of Article 39 of Chapter
 26 115C of the General Statutes for the 2024-2025 school year, a parent shall certify to the State
 27 Education Assistance Authority that the parent meets the requirements of G.S. 115C-562.1(3)a.2,
 28 as enacted by this act, for eligibility purposes in lieu of submitting evidence electronically to the
 29 State Education Assistance Authority through a domicile determination system. The State
 30 Education Assistance Authority shall select six percent (6%) of the applications for the
 31 2024-2025 school year to verify a parent meets domicile requirements for the award of a
 32 scholarship grant to an eligible student. As evidence of domicile, the State Education Assistance
 33 Authority may accept the submission of any of the documents set forth under
 34 G.S. 115C-562.3(a). If a parent fails to cooperate with verification efforts under this section, the
 35 State Education Assistance Authority shall revoke the award of the scholarship grant to the
 36 eligible student. In addition, if the State Education Assistance Authority determines that the
 37 certification of the parent contains falsified information, the parent may be subject to
 38 administrative, civil, or criminal penalties. The State Education Assistance Authority shall
 39 include a notice of the potential for the imposition of penalties when requesting certification as
 40 part of the application process.

41 **SECTION 8A.6.(e)** Subsection (c) of this section becomes effective July 1, 2023.
 42 The remainder of this section becomes effective January 1, 2024, and applies to applications for
 43 scholarship grants beginning with the 2024-2025 school year.

44
 45 **LONGLEAF COMMITMENT COMMUNITY COLLEGE GRANT PROGRAM**

46 **SECTION 8A.7.(a)** Part 1 of Article 23 of Chapter 116 of the General Statutes is
 47 amended by adding a new section to read:

48 **"§ 116-209.32. Longleaf Commitment Community College Grant Program.**

49 (a) Program Established; Purpose. – There is established the Longleaf Commitment
 50 Community College Grant Program (Program) to be administered by the State Education
 51 Assistance Authority (Authority). The purpose of the Program is to award grants to eligible

1 students who are high school graduates for tuition and fees at a community college for up to two
2 years.

3 (b) Eligible Students. – A student shall be considered an eligible student to receive a grant
4 under the Program if the student meets all of the following requirements:

- 5 (1) Graduates from high school or receives a high school equivalency diploma.
- 6 (2) Qualifies as a resident for tuition purposes under the criteria set forth in
7 G.S. 116-143.1 and in accordance with the coordinated and centralized
8 residency determination process administered by the Authority.
- 9 (3) Completes the Free Application for Federal Student Aid (FAFSA) for the
10 academic year in which funds are awarded and, if applicable, renews the
11 FAFSA in subsequent academic years.
- 12 (4) Is a student in need of additional financial aid in light of any financial aid
13 already received, as determined by the Authority.
- 14 (5) Is enrolled in a community college and maintains enrollment in at least six
15 credit hours per semester in curriculum courses.

16 (c) Award Amounts. – To the extent funds are made available for this purpose, the
17 Authority shall award grants under the Program to eligible students in an amount to be
18 determined by the Authority each year for up to two years. Grants may include funds for the cost
19 of tuition and a fee allowance. These amounts shall supplement additional scholarships made
20 available to eligible students, including scholarship amounts provided under the consolidated
21 payment schedule for the North Carolina Need-Based Scholarship for Public Colleges and
22 Universities Program under Part 5 of this Article, with the goal of providing the full cost of tuition
23 to as many eligible students as possible.

24 (d) Administration. – The Authority may adopt rules for the administration of the
25 Program. The Authority may use up to one percent (1%) of the funds appropriated for the
26 Program for administrative costs.

27 (e) Report. – By September 1, 2024, and annually thereafter, the Authority shall submit
28 a report, in consultation with the Community Colleges System Office, to the Joint Legislative
29 Education Oversight Committee on the implementation of the Program. The report shall contain,
30 for each academic year, at least the following information:

- 31 (1) The amount of grant funds disbursed.
- 32 (2) The number of eligible students receiving funds.
- 33 (3) The number of students who attended community college without having to
34 pay tuition under the Program or a combination of the Program and other
35 scholarship programs, including the North Carolina Need-Based Scholarship
36 for Public Colleges and Universities Program and federal Pell grants."

37 **SECTION 8A.7.(b)** This section applies beginning with high school students
38 graduating in the 2023-2024 school year.

40 REMOVE REQUIREMENT FOR OPPORTUNITY SCHOLARSHIP PROGRAMS 41 EVALUATIONS

42 **SECTION 8A.8.(a)** G.S. 115C-562.5(a)(4) reads as rewritten:

- 43 "(4) Administer, at least once in each school year, a nationally standardized test or
44 other nationally standardized equivalent measurement selected by the chief
45 administrative officer of the nonpublic school to all eligible students whose
46 tuition and fees are paid in whole or in part with a scholarship grant enrolled
47 in grades three and higher. For grades three through eight, the nationally
48 standardized test or other equivalent measurement selected must measure
49 achievement in the areas of English grammar, reading, spelling, and
50 mathematics. For grades nine through 12, the nationally standardized test or
51 other equivalent measurement selected must measure either (i) achievement

1 in the areas of English grammar, reading, spelling, and mathematics or (ii)
 2 competencies in the verbal and quantitative areas. ~~Test performance data shall~~
 3 ~~be submitted to the Authority by July 15 of each year. Test performance data~~
 4 ~~reported to the Authority under this subdivision is not a public record under~~
 5 ~~Chapter 132 of the General Statutes."~~

6 **SECTION 8A.8.(b)** G.S. 115C-562.5(c) is repealed.

7 **SECTION 8A.8.(c)** G.S. 115C-562.7(c) is repealed.

8 **SECTION 8A.8.(d)** This section is effective when it becomes law.

9
 10 **CONFORM SEAA REQUIREMENTS WITH FEDERAL CHANGES TO FAFSA**
 11 **SIMPLIFICATION ACT**

12 **SECTION 8A.9.(a)** G.S. 116-143.3(c) reads as rewritten:

13 "(c) Any dependent relative of a member of the Armed Forces who is abiding in this State
 14 incident to active military duty, as defined by the Board of Governors of The University of North
 15 Carolina and by the State Board of Community Colleges while sharing the abode of that member
 16 shall be eligible to be charged the in-State tuition rate, if the dependent relative qualifies for
 17 admission to an institution of higher education as defined in G.S. 116-143.1(a)(3). ~~The dependent~~
 18 ~~relatives shall comply with the requirements of the Selective Service System, if applicable, in~~
 19 ~~order to be accorded this benefit.~~ In the event the member of the Armed Forces is reassigned
 20 outside of North Carolina or retires, the dependent relative shall continue to be eligible for the
 21 in-State tuition rate and applicable mandatory fees so long as the dependent relative is
 22 continuously enrolled in the degree or other program in which the dependent relative was enrolled
 23 at the time the member is reassigned or retires. In the event the member of the Armed Forces
 24 receives an Honorable Discharge from military service, the dependent relative shall continue to
 25 be eligible for the in-State tuition rate and applicable mandatory fees so long as the dependent
 26 relative establishes residency within North Carolina within 30 days after the discharge and is
 27 continuously enrolled in the degree or other program in which the dependent relative was enrolled
 28 at the time the member is discharged."

29 **SECTION 8A.9.(b)** G.S. 143B-421.1 reads as rewritten:

30 "**§ 143B-421.1. Selective Service ~~registration.~~ registration, State employment.**

31 (a) ~~A Any person who is required under subject to 50 United States Code Appx. § 453~~
 32 ~~(Military Selective Service Act) to present himself for and submit to registration and fails shall~~
 33 ~~register as required by that act. Any person who fails to do so in accordance with any~~
 34 ~~proclamation or any rule or regulation issued under this section, shall be ineligible for:~~

35 (1) ~~Employment for employment~~ by or service for the State, or a political
 36 subdivision of the State, including all boards and commissions, departments,
 37 agencies, institutions, and instrumentalities.

38 (2) ~~State supported scholarships, programs for financial assistance for~~
 39 ~~postsecondary education, or loans insured by any State agency, including~~
 40 ~~educational assistance authorized under Article 23 of Chapter 116 of the~~
 41 ~~General Statutes.~~

42 (b) It shall be the duty of all persons or officials having charge of and authority over either
 43 the hiring of ~~employees or granting of educational assistance,~~ employees, as described in this
 44 section, to adopt rules and regulations which shall require applicants to indicate on a form
 45 whether they are in compliance with the registration requirements described in subsection (a).
 46 Rules and regulations issued under the authority of this section shall provide that an applicant be
 47 given not less than 30 days after notification of a proposed finding of ineligibility for employment
 48 ~~or benefits~~ to provide the issuing official with information that he is in compliance with the
 49 registration requirements described in subsection (a). The issuing official may afford such person
 50 an opportunity for a hearing to establish his compliance or for any other purpose.

1 (c) A person may not be denied a right, privilege, or benefit under State law by reason of
 2 failure to present himself for and submit to registration under 50 U.S.C.S. Appx. § 453 ~~if all of~~
 3 the following apply:

- 4 (1) The requirement for the person to so register has terminated or become
 5 inapplicable to the ~~person; and~~ person.
- 6 (2) The person shows by a preponderance of the evidence that the failure of the
 7 person to register was not a knowing and willful failure to register."

8 **SECTION 8A.9.(c)** This section is effective when it becomes law and applies
 9 beginning with the 2023-2024 academic year.

10
 11 **CONFORM IN-STATE TUITION FOR MILITARY-RELATED INDIVIDUALS TO**
 12 **FEDERAL LAW**

13 **SECTION 8A.10.(a)** G.S. 115D-39(a) reads as rewritten:

14 "(a) The State Board of Community Colleges shall fix and regulate all tuition and fees
 15 charged to students for applying to or attending any institution pursuant to this Chapter.

16 The receipts from all student tuition and fees, other than student activity fees, shall be State
 17 funds and shall be deposited as provided by regulations of the State Board of Community
 18 Colleges.

19 The legal resident limitation with respect to tuition, set forth in G.S. 116-143.1 and
 20 G.S. 116-143.3, shall apply to students attending institutions operating pursuant to this ~~Chapter;~~
 21 ~~provided, however, that when~~ Chapter, except as follows:

- 22 (1) When an employer other than the ~~Armed Forces,~~ employer of a qualifying
 23 federal services member, as that term is defined in G.S. 116-143.3, pays
 24 tuition for an employee to attend an institution operating pursuant to this
 25 Chapter and when the employee works at a North Carolina business location,
 26 the employer shall be charged the in-State tuition ~~rate; provided further,~~
 27 ~~however, a rate.~~
- 28 (2) A community college may charge in-State tuition to up to one percent (1%)
 29 of its out-of-state students, rounded up to the next whole number, to
 30 accommodate the families transferred by business, the families transferred by
 31 industry, or the civilian families ~~transferred by the Armed Forces,~~ of
 32 qualifying federal services member transferred to a permanent duty station,
 33 consistent with the provisions of G.S. 116-143.3, into the State.
- 34 (3) ~~Notwithstanding these requirements,~~ A refugee who lawfully entered the
 35 United States and who is living in this State shall be deemed to qualify as a
 36 domiciliary of this State under G.S. 116-143.1(a)(1) and as a State resident for
 37 community college tuition purposes as defined in G.S. 116-143.1(a)(2).
- 38 (4) ~~Also, a~~ A nonresident of the United States who has resided in North Carolina
 39 for a 12-month qualifying period and has filed an immigrant petition with the
 40 United States Immigration and Naturalization Service shall be considered a
 41 State resident for community college tuition purposes."

42 **SECTION 8A.10.(b)** G.S. 116-143.3 reads as rewritten:

43 **"§ 116-143.3. Tuition of ~~Armed Forces personnel~~ qualifying federal services members and**
 44 **their spouses and dependents.**

45 (a) Definitions. – The following definitions apply in this section:

- 46 (1) ~~The term "abode" shall mean the~~ Abode. – The place where a person actually
 47 lives, whether temporarily or permanently; the term "abide" shall mean to live
 48 in a given place.
- 49 (2) ~~The term "Armed Forces" shall mean the~~ Armed Forces. – The United States
 50 Air Force, Army, Coast Guard, Marine Corps, and Navy; the North Carolina
 51 National Guard; and any reserve component of the foregoing.

- 1 (2a) Dependent. – A spouse or dependent child.
- 2 (3) Repealed by Session Laws 2007-484, s. 15, effective August 30, 2007.
- 3 (4) Qualifying federal services member. – Any of the following:
- 4 a. A member of the Armed Forces who is on active duty for a period of
- 5 more than 30 days, as defined in 10 U.S.C. § 101.
- 6 b. A member of the Foreign Service, as defined in 22 U.S.C. § 3903, who
- 7 is on active duty for a period of more than 30 days.
- 8 (b) ~~Any active duty member of the Armed Forces qualifying for admission~~ qualifying
- 9 federal services member admitted to an institution of higher ~~education~~ education, as defined in
- 10 ~~G.S. 116-143.1(a)(3)~~ G.S. 116-143.1(a)(3), but not qualifying as a resident for tuition purposes
- 11 under G.S. 116-143.1 shall be charged the in-State tuition rate and applicable mandatory fees for
- 12 enrollments while the ~~member of the Armed Forces is abiding in this State incident to active~~
- 13 ~~military duty~~ qualifying federal services member's permanent duty station is in this State. In the
- 14 event the ~~active duty member of the Armed Forces~~ qualifying federal services member is
- 15 reassigned outside of North Carolina or retires, the member shall continue to be eligible for the
- 16 in-State tuition rate and applicable mandatory fees so long as the member is continuously enrolled
- 17 in the degree or other program in which the member was enrolled at the time the member is
- 18 reassigned. In the event the qualifying federal services member is an active duty member of the
- 19 Armed Forces and receives an Honorable Discharge from military service, the member shall
- 20 continue to be eligible for the in-State tuition rate and applicable mandatory fees so long as the
- 21 member establishes residency in North Carolina within 30 days after the discharge and is
- 22 continuously enrolled in the degree or other program in which the member was enrolled at the
- 23 time the member is discharged.
- 24 (b1), (b2) Repealed by Session Laws 2004-130, s. 1, effective August 1, 2004.
- 25 (c) ~~Any dependent relative of a member of the Armed Forces who is abiding in this State~~
- 26 ~~incident to active military duty, as defined by the Board of Governors of The University of North~~
- 27 ~~Carolina and by the State Board of Community Colleges while sharing the abode of that member~~
- 28 dependent of a qualifying federal services member with a permanent duty station in this State
- 29 shall be eligible to be charged the in-State tuition rate, if the dependent ~~relative~~ qualifies for
- 30 admission to an institution of higher ~~education~~ education, as defined in G.S. 116-143.1(a)(3).
- 31 The dependent ~~relatives~~ shall comply with the requirements of the Selective Service System, if
- 32 applicable, in order to be accorded this benefit. In the event the ~~member of the Armed Forces~~
- 33 qualifying federal services member is reassigned outside of North Carolina or retires, the
- 34 dependent ~~relative~~ shall continue to be eligible for the in-State tuition rate and applicable
- 35 mandatory fees so long as the dependent ~~relative~~ is continuously enrolled in the degree or other
- 36 program in which the dependent ~~relative~~ was enrolled at the time the member is reassigned or
- 37 retires. In the event the qualifying federal services member is an active duty member of the
- 38 Armed Forces and receives an Honorable Discharge from military service, the dependent ~~relative~~
- 39 shall continue to be eligible for the in-State tuition rate and applicable mandatory fees so long as
- 40 the dependent ~~relative~~ establishes residency within North Carolina within 30 days after the
- 41 discharge and is continuously enrolled in the degree or other program in which the dependent
- 42 ~~relative~~ was enrolled at the time the member is discharged.
- 43 (c1) ~~A dependent relative~~ child who resides with a member of the Armed Forces who is
- 44 reassigned outside of the State incident to active military duty shall remain eligible to be charged
- 45 the in-State tuition rate if all of the following are met:
- 46 (1) At the time the dependent ~~relative~~ child applies for admission to the institution
- 47 of higher education, as defined in G.S. 116-143.1(a)(3), the dependent ~~relative~~
- 48 child both:
- 49 a. Is enrolled in a North Carolina high school.
- 50 b. Meets the requirements of subsection (c) of this section.

1 (2) Upon admission, the dependent ~~relative-child~~ enrolls in the institution of
2 higher education no later than the fall academic semester immediately
3 following notice of admission and remains continuously enrolled.

4 (d) The person applying for the benefit of this section has the burden of proving
5 entitlement to the benefit.

6 (e) A person charged less than the out-of-state tuition rate solely by reason of this section
7 shall not, during the period of receiving that benefit, qualify for or be the basis of conferring the
8 benefit of G.S. 116-143.1(g), (h), (i), (j), (k), or (l)."

9 **SECTION 8A.10.(c)** G.S. 116-235(b)(1) reads as rewritten:

10 "(1) Admission of Students. – The School shall admit students in accordance with
11 criteria, standards, and procedures established by the Board of Trustees. To be
12 eligible to be considered for admission, an applicant must be either a legal
13 resident of the State, as defined by G.S. 116-143.1(a)(1), or a ~~student whose~~
14 ~~parent is an active duty member of the Armed Forces, as defined by~~
15 ~~G.S. 116-143.3(2), who is abiding in this State incident to active military duty~~
16 ~~at the time the application is submitted, dependent of a qualifying federal~~
17 ~~services member eligible under G.S. 116-143.3, provided the student shares~~
18 ~~the abode of that parent; eligibility to remain enrolled in the School shall~~
19 ~~terminate at the end of any school year during which a student becomes a~~
20 ~~nonresident of the State. The Board of Trustees shall ensure, insofar as~~
21 ~~possible without jeopardizing admission standards, that an equal number of~~
22 ~~qualified applicants is admitted to the program and to the residential summer~~
23 ~~institutes in science and mathematics from each of North Carolina's~~
24 ~~congressional districts. In no event shall the differences in the number of~~
25 ~~qualified applicants offered admission to the program from each of North~~
26 ~~Carolina's congressional districts be more than two and one-half percentage~~
27 ~~points from the average number per district who are offered admission."~~

28 **SECTION 8A.10.(d)** This section is effective when it becomes law. Qualifying
29 federal services members and their spouses and dependent children shall be eligible to be charged
30 the in-State tuition rate beginning with the 2024-2025 academic year.

31
32 **ALLOW PREAPPROVAL OF PESA EXPENSES IN LIEU OF EXPENSE REPORTS, AS**
33 **RECOMMENDED BY THE INTERNAL AUDITOR**

34 **SECTION 8A.11.(a)** G.S. 115C-592(b2) reads as rewritten:

35 "(b2) Disbursement and Deposit of Awards. – Scholarship funds shall be used only for
36 tuition and qualifying education expenses as provided in G.S. 115C-595. Recipients shall receive
37 the scholarship funds in two equal amounts, one-half in each semester of the school year. The
38 first deposit of funds to a PESA shall be subject to the execution of the parental agreement
39 required by G.S. 115C-595. The parent shall then receive an electronic account with the prepaid
40 funds loaded in the electronic account at the beginning of the school year. ~~After the initial~~
41 ~~disbursement of funds, each subsequent, semester disbursement of funds shall be subject to the~~
42 ~~submission by the parent of an expense report. The expense report shall be submitted~~
43 ~~electronically and shall include documentation that the student received an education, as~~
44 ~~described in G.S. 115C-595(a)(1), for no less than 70 days of the applicable semester. Requests~~
45 ~~for qualifying educational expenses are subject to a preapproval process established by the~~
46 ~~Authority prior to the disbursement of funds from the electronic account. An expense report shall~~
47 ~~not be required for any expenses that have been preapproved by the Authority. The electronic~~
48 ~~account shall be renewed upon the receipt of the parental agreement under G.S. 115C-595 for~~
49 ~~recipients awarded scholarship funds in subsequent school years."~~

50 **SECTION 8A.11.(b)** G.S. 115C-595(a)(1) reads as rewritten:

1 "(1) Use at least a portion of the scholarship funds to provide an ~~education~~
2 education, for no less than 70 days of each semester, to the eligible student in,
3 at a minimum, the subjects of English language arts, mathematics, social
4 studies, and science."

5 **SECTION 8A.11.(c)** This section is effective when it becomes law.

6
7 **ALLOW CASH BASIS ACCOUNTING FOR SCHOOLS PARTICIPATING IN THE**
8 **OPPORTUNITY SCHOLARSHIP PROGRAM**

9 **SECTION 8A.12.(a)** G.S. 115C-562.5(a)(6) reads as rewritten:

10 "(6) Contract with a certified public accountant to perform a financial review,
11 consistent with generally accepted methods of accounting principles, ~~or any~~
12 other comprehensive basis of accounting recognized by the American Institute
13 of Certified Public Accountants (AICPA) for each school year in which the
14 school enrolls 70 or more students receiving scholarship grants or scholarship
15 funds awarded by the Authority."

16 **SECTION 8A.12.(b)** This section is effective when it becomes law.

17
18 **PART IX. HEALTH AND HUMAN SERVICES**

19
20 **PART IX-A. AGING AND ADULT SERVICES**

21
22 **CONFORMING PARITY CHANGES PERTAINING TO MONTHLY PAYMENTS FOR**
23 **STATE-COUNTY SPECIAL ASSISTANCE RECIPIENTS RESIDING IN IN-HOME**
24 **LIVING ARRANGEMENTS**

25 **SECTION 9A.1.** G.S. 108A-47.1, as amended by Section 9A.3 of S.L. 2021-180,
26 reads as rewritten:

27 "**§ 108A-47.1. Special Assistance in-home payments.**

28 (a) The Department of Health and Human Services ~~may~~shall use funds from the existing
29 State-County Special Assistance budget to provide Special Assistance payments to eligible
30 individuals 18 years of age or older in in-home living arrangements. The standard monthly
31 payment to individuals enrolled in the Special Assistance in-home program shall be one hundred
32 percent (100%) of the monthly payment the individual would receive if the individual resided in
33 an adult care home and qualified for Special Assistance, ~~except if a lesser payment amount is~~
34 ~~appropriate for the individual as determined by the local case manager.~~ Assistance. The
35 Department shall implement Special Assistance in-home eligibility policies and procedures to
36 assure that in-home program participants are those individuals who need and, but for the in-home
37 program, would seek placement in an adult care home facility. The Department's policies and
38 procedures shall include the use of ~~a functional~~an assessment.

39 (b) All county departments of social services shall participate in the State-County Special
40 Assistance in-home program by making Special Assistance in-home slots available to individuals
41 who meet the eligibility requirements established by the Department pursuant to subsection (a)
42 of this section. ~~By February 15, 2013, the Department shall establish a formula to determine the~~
43 ~~need for additional State-County Special Assistance in-home slots for each county. Beginning~~
44 ~~July 1, 2014, and each July 1 thereafter, the Department shall review and revise the formula as~~
45 ~~necessary."~~

46
47 **PART IX-B. CENTRAL MANAGEMENT AND SUPPORT**

48
49 **REPORTS BY NON-STATE ENTITIES ON THE USE OF DIRECTED GRANT FUNDS**

50 **SECTION 9B.1.** Any non-State entity, as defined in G.S. 143C-1-1, that is a
51 recipient of nonrecurring funds allocated in Part IX of this act as a directed grant shall report to

1 the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal
2 Research Division as follows:

- 3 (1) By July 1, 2024, on the use of directed grant funds received under Part IX of
4 this act for the 2023-2024 fiscal year.
- 5 (2) By July 1, 2025, on the use of directed grant funds received under Part IX of
6 this act for the 2024-2025 fiscal year.

7 8 **COMMUNITY HEALTH GRANT PROGRAM**

9 **SECTION 9B.2.(a)** Funds appropriated in this act to the Department of Health and
10 Human Services, Division of Central Management, Office of Rural Health, for each year of the
11 2023-2025 fiscal biennium for the Community Health Grant Program shall be used to continue
12 to administer the Community Health Grant Program as modified by Section 11A.8 of S.L.
13 2017-57.

14 **SECTION 9B.2.(b)** The Office of Rural Health shall make the final decision about
15 awarding grants under this Program, but no single grant award shall exceed one hundred fifty
16 thousand dollars (\$150,000) during the fiscal year. In awarding grants, the Office of Rural Health
17 shall consider the availability of other funds for the applicant; the incidence of poverty in the area
18 served by the applicant or the number of indigent clients served by the applicant; the availability
19 of, or arrangements for, after-hours care; and collaboration between the applicant and a
20 community hospital or other safety net organizations.

21 **SECTION 9B.2.(c)** Grant recipients shall not use these funds to do any of the
22 following:

- 23 (1) Enhance or increase compensation or other benefits of personnel,
24 administrators, directors, consultants, or any other persons receiving funds for
25 program administration; provided, however, funds may be used to hire or
26 retain health care providers. The use of grant funds for this purpose does not
27 obligate the Department of Health and Human Services to continue to fund
28 compensation beyond the grant period.
- 29 (2) Supplant existing funds, including federal funds traditionally received by
30 federally qualified community health centers. However, grant funds may be
31 used to supplement existing programs that serve the purposes described in
32 subsection (a) of this section.
- 33 (3) Finance or satisfy any existing debt.

34 **SECTION 9B.2.(d)** The Office of Rural Health may use up to two hundred thousand
35 dollars (\$200,000) in recurring funds for each fiscal year of the 2023-2025 fiscal biennium for
36 administrative purposes.

37 **SECTION 9B.2.(e)** By September 1 of each year, the Office of Rural Health shall
38 submit a report to the Joint Legislative Oversight Committee on Health and Human Services on
39 community health grants that includes at least all of the following information:

- 40 (1) The identity and a brief description of each grantee and each program or
41 service offered by the grantee.
- 42 (2) The amount of funding awarded to each grantee.
- 43 (3) The number of individuals served by each grantee and, for the individuals
44 served, the types of services provided to each.
- 45 (4) Any other information requested by the Office of Rural Health as necessary
46 for evaluating the success of the Community Health Grant Program.

47 **SECTION 9B.2.(f)** By February 1, 2024, the Office of Rural Health shall report to
48 the Joint Legislative Oversight Committee on Health and Human Services on the implementation
49 status of the following Community Health Grant Program requirements enacted by Section 11A.8
50 of S.L. 2017-57:

- 1 (1) Establishment of a Primary Care Advisory Committee and that Committee's
- 2 development of an objective and equitable process for grading applications
- 3 for grants funded under the Community Health Grant Program.
- 4 (2) Development of a standardized method for grant recipients to report objective,
- 5 measurable quality health outcomes.
- 6

7 **FUNDS FOR NC DENTAL SOCIETY FOUNDATION'S MISSIONS OF MERCY**
8 **DENTAL CLINICS**

9 **SECTION 9B.3.** Funds appropriated in this act to the Department of Health and
10 Human Services, Division of Central Management and Support, Office of Rural Health, for
11 allocation to the NC Dental Society Foundation for its Missions of Mercy dental clinics shall not
12 be spent for any purpose other than to provide direct services to patients and to purchase
13 necessary dental supplies. None of these funds may be spent for administrative purposes.
14

15 **EXPANSION OF THE NC LOAN REPAYMENT PROGRAM/INCENTIVES FOR**
16 **HEALTH PROVIDERS IN RURAL AND UNDERSERVED AREAS**

17 **SECTION 9B.4.(a)** Of the funds appropriated in this act from the ARPA Temporary
18 Savings Fund to the Department of Health and Human Services, Division of Central Management
19 and Support, Office of Rural Health (ORH), for the North Carolina Loan Repayment Program
20 (Program), the following sums shall be allocated for use as provided in this section:

- 21 (1) The sum of twenty-two million dollars (\$22,000,000) in nonrecurring funds
22 for the 2023-2024 fiscal year and the sum of twenty-two million dollars
23 (\$22,000,000) in nonrecurring funds for the 2024-2025 fiscal year shall be
24 allocated to support the current Program.
- 25 (2) The sum of two million dollars (\$2,000,000) in nonrecurring funds for the
26 2023-2024 fiscal year and the sum of two million dollars (\$2,000,000) in
27 nonrecurring funds for the 2024-2025 fiscal year shall be allocated to establish
28 within the Program a new physician initiative targeting the recruitment and
29 retention of additional licensed pediatricians, psychiatrists, and family
30 medicine physicians in rural and medically underserved areas of the State.
31 Under this new physician initiative:
 - 32 a. The ORH shall allocate funding for at least an additional 15 providers
33 who are licensed pediatricians, psychiatrists, or family medicine
34 physicians to receive either of the following:
 - 35 1. For eligible providers with educational loan debt, loan
36 repayment incentives not to exceed twenty-five thousand
37 dollars (\$25,000) for each year the provider works at an
38 eligible practice site, up to a maximum of one hundred
39 thousand dollars (\$100,000) per provider over a period of four
40 consecutive years.
 - 41 2. For eligible providers without educational loan debt, bonus
42 payment incentives not to exceed twenty-five thousand dollars
43 (\$25,000) for each year the provider works at an eligible
44 practice site, up to a maximum of one hundred thousand dollars
45 (\$100,000) per provider over a period of four consecutive
46 years.
 - 47 b. Private practice settings located in rural and medically underserved
48 areas of the State are deemed automatically eligible practice sites
49 under the new physician initiative authorized by this section.

1 c. The ORH shall collect and maintain data on the length of time each
2 program participant remains employed at the practice site selected for
3 his or her service commitment.

4 (3) The sum of one million dollars (\$1,000,000) in nonrecurring funds for the
5 2023-2024 fiscal year and the sum of one million dollars (\$1,000,000) in
6 nonrecurring funds for the 2024-2025 fiscal year shall be allocated for
7 expansion of the Program to include registered nurses and clinical nurse
8 specialists practicing in rural and medically underserved areas of the State.

9 **SECTION 9B.4.(b)** For each year of the 2023-2025 fiscal biennium, the ORH may
10 use up to five percent (5%) of the total amount of funds allocated by this section for the following
11 purposes:

12 (1) For administrative costs related to the Program, including costs related to
13 establishing and administering the new physician initiative authorized by
14 subdivision (a)(2) of this section and expanding the Program to include
15 registered nurses and clinical nurse specialists pursuant to subdivision (a)(3)
16 of this section.

17 (2) To enter into a contract with the North Carolina Area Health Education Center
18 (AHEC) Program for the development and implementation of a plan to (i)
19 target, recruit, and enroll licensed pediatricians, psychiatrists, family medicine
20 physicians, registered nurses, and clinical nurse specialists in the Program, as
21 specified in subsections (a) and (b) of this section, respectively, and (ii) retain
22 these providers in rural and medically underserved areas of the State following
23 completion of their service commitments.

24 **SECTION 9B.4.(c)** Notwithstanding any provision of law to the contrary, funds
25 allocated under this section that remain unexpended at the end of each fiscal year shall not revert
26 and shall remain available for expenditure for the purpose for which the funds were appropriated
27 until the funds are expended.

28 **SECTION 9B.4.(d)** By January 15, 2025, and January 15, 2026, the ORH shall
29 report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal
30 Research Division on the use of funds allocated by subsection (a) of this section. The report shall
31 include at least all of the following:

32 (1) A list of expenditures funded by State appropriations.

33 (2) The total number of licensed physicians enrolled in the initiative authorized
34 by subdivision (a)(1) of this section, broken down by physician type, practice
35 site, and the type and amount of incentive provided to each program
36 participant.

37 (3) The total number of nurses enrolled in the Program following implementation
38 of the expansion authorized by subdivision (a)(2) of this section, broken down
39 by nursing credential, practice site, and the type and amount of incentive
40 provided to each program participant.

41 (4) The length of time each program participant remains employed at a practice
42 site in a rural and medically underserved area.

43 (5) Recommendations for improving recruitment and retention efforts under the
44 Program.

45
46 **EXPANSION OF THE MEDICAL ASSISTANT APPRENTICESHIP INITIATIVE**
47 **PILOT PROGRAM**

48 **SECTION 9B.5.(a)** Of the funds appropriated in this act to the Department of Health
49 and Human Services, Division of Central Management and Support, Office of Rural Health, the
50 sum of eight hundred fifty thousand dollars (\$850,000) in nonrecurring funds for the 2023-2024
51 fiscal year is allocated as a directed grant to the North Carolina Community Health Center

1 Association (NCCHCA), a nonprofit organization, to fund expansion of its Medical Assistant
 2 Apprenticeship Initiative (MAAI) pilot program through the addition of a combined total of at
 3 least 25 new apprentice placements at the following sites:

- 4 (1) Rural Health Group, Inc., a nonprofit corporation with existing MAAI pilot
 5 program sites located in Edgecombe, Granville, Halifax, Northampton,
 6 Vance, and Warren Counties.
- 7 (2) OIC Family Medical Center, a federally qualified health center that is a
 8 division of the nonprofit organization known as Opportunities
 9 Industrialization Center (OIC), Inc., which has existing MAAI pilot program
 10 sites located in Edgecombe and Nash Counties.
- 11 (3) New MAAI pilot program sites at additional community health centers,
 12 including each of the following community health centers:
 - 13 a. Cabarrus Rowan Community Health Centers, Inc., located in Cabarrus
 14 County and Rowan County.
 - 15 b. Kintegra Health located in Davidson County.
 - 16 c. United Health Centers located in Forsyth County.

17 **SECTION 9B.5.(b)** The NCCHCA shall include the following information in the
 18 two reports required under Section 9B.1 of this act:

- 19 (1) An itemized list of program expenditures funded by the grant, including the
 20 number and location of all apprentice placements and the number and location
 21 of all new pilot program sites.
- 22 (2) The number of medical assistant apprentices who successfully complete the
 23 program and attain certification.
- 24 (3) A description of any benefits derived by community health centers as a result
 25 of their participation in the MAAI pilot program.
- 26 (4) Any other information the NCCHCA deems relevant to evaluating the success
 27 of the MAAI pilot program.

28
 29 **TRANSFER OF POSITIONS TO THE DEPARTMENT OF PUBLIC INSTRUCTION**
 30 **FOR THE CARE AND MAINTENANCE OF GOVERNOR MOREHEAD SCHOOL**
 31 **FOR THE BLIND**

32 **SECTION 9B.6.** As part of the certification of the budget for the 2023-2025 fiscal
 33 biennium, the Department of Health and Human Services shall transfer to the Department of
 34 Public Instruction for the care and maintenance of the Governor Morehead School for the Blind
 35 the following full-time equivalent positions, and associated salaries and benefits, from Budget
 36 Code 14410 – Fund Code 1126 – Org. Unit Central Regional Maintenance, or their equivalent:

- 37 (1) 60038385 Grounds Supervisor I
- 38 (2) 60038381 General Utility Worker
- 39 (3) 60038441 Maintenance Mechanic V
- 40 (4) 60038395 Maintenance Mechanic IV
- 41 (5) 60038388 Maintenance Construction Technician III
- 42 (6) 60038389 Painter
- 43 (7) 60038396 Painter
- 44 (8) 60038442 Maintenance Mechanic V
- 45 (9) 60038486 Facility Maintenance Manager
- 46 (10) 60038458 Maintenance Mechanic I
- 47 (11) 60038386 Maintenance Mechanic II
- 48 (12) 60038437 Maintenance Mechanic IV
- 49 (13) 60038374 Maintenance Mechanic III
- 50 (14) 60038434 Maintenance Mechanic III
- 51 (15) 60038383 Boiler Operator

1 (16) 60038459 Maintenance Mechanic I

2
3 **RURAL HOSPITAL STABILIZATION GRANTS**

4 **SECTION 9B.7.(a)** Of the funds appropriated in this act from the ARPA Temporary
5 Savings Fund to the Department of Health and Human Services, Division of Central Management
6 and Support, Office of Rural Health (ORH), the sum of twelve million five hundred thousand
7 dollars (\$12,500,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of twelve
8 million five hundred thousand dollars (\$12,500,000) in nonrecurring funds for the 2024-2025
9 fiscal year shall be allocated to the Grant Program created by subsection (b) of this section.

10 **SECTION 9B.7.(b)** There is established a Rural Hospital Stabilization Grant
11 Program (Grant Program) within the ORH to provide temporary assistance in the form of grants
12 to licensed hospitals that serve a rural community in the State and are in financial crisis or at risk
13 of closing. The ORH shall establish eligibility criteria and an application process for the Grant
14 Program, subject to the following requirements and limitations:

- 15 (1) The ORH shall require applicants to provide the following information:
16 a. A statement as to how the grant funds will be used, if awarded.
17 b. Any other information the ORH determines to have a bearing on
18 whether grant funds should be awarded, including the hospital's
19 current and historical financial information.
20 (2) The ORH shall not award grant funds in an amount beyond what is adequate
21 for the uses stated in the grant application submitted by the hospital.

22 **SECTION 9B.7.(c)** Notwithstanding any provision of G.S. 143C-1-2(b) to the
23 contrary, nonrecurring funds appropriated to the ORH for the Grant Program shall not revert at
24 the end of each fiscal year and shall remain available for use as authorized by this section until
25 expended.

26 **SECTION 9B.7.(d)** By December 1, 2023, and by December 1, 2024, the ORH shall
27 report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal
28 Research Division on the grants awarded under the Grant Program. The report shall include at
29 least all of the following information:

- 30 (1) The total amount of grants awarded.
31 (2) For each grant awarded, the grant recipient, the amount of the grant, and the
32 recipient's stated purpose for seeking the grant.
33

34 **COMPETITIVE GRANT/NONPROFIT ORGANIZATIONS**

35 **SECTION 9B.8.(a)** Of the funds appropriated in this act to the Department of Health
36 and Human Services, Division of Central Management and Support, for each year of the
37 2023-2025 fiscal biennium, the following amounts shall be used to allocate funds for nonprofit
38 organizations:

- 39 (1) The sum of ten million six hundred fifty-three thousand nine hundred eleven
40 dollars (\$10,653,911) in recurring funds for each year of the 2023-2025 fiscal
41 biennium.
42 (2) The sum of four million seven hundred seventy-four thousand five hundred
43 twenty-five dollars (\$4,774,525) for each year of the 2023-2025 fiscal
44 biennium appropriated in Section 9M.1 of this act in Social Services Block
45 Grant funds.

46 **SECTION 9B.8.(b)** The Department shall continue administering a competitive
47 grants process for nonprofit funding. The Department shall administer a plan that, at a minimum,
48 includes each of the following:

- 49 (1) A request for application (RFA) process to allow nonprofits to apply for and
50 receive State funds on a competitive basis. The Department shall require
51 nonprofits to include in the application a plan to evaluate the effectiveness,

- 1 including measurable impact or outcomes, of the activities, services, and
2 programs for which the funds are being requested.
- 3 (2) A requirement that nonprofits match a minimum of fifteen percent (15%) of
4 the total amount of the grant award.
- 5 (3) A requirement that the Secretary prioritize grant awards to those nonprofits
6 that are able to leverage non-State funds in addition to the grant award.
- 7 (4) A process that awards grants to nonprofits that have the capacity to provide
8 services on a statewide basis and that support any of the following State health
9 and wellness initiatives:
- 10 a. A program targeting advocacy, support, education, or residential
11 services for persons diagnosed with autism.
- 12 b. A system of residential supports for those afflicted with substance
13 abuse addiction.
- 14 c. A program of advocacy and supports for individuals with intellectual
15 and developmental disabilities or severe and persistent mental illness,
16 substance abusers, or the elderly.
- 17 d. Supports and services to children and adults with developmental
18 disabilities or mental health diagnoses.
- 19 e. A food distribution system for needy individuals.
- 20 f. The provision and coordination of services for the homeless.
- 21 g. The provision of services for individuals aging out of foster care.
- 22 h. Programs promoting wellness, physical activity, and health education
23 programming for North Carolinians.
- 24 i. The provision of services and screening for blindness.
- 25 j. A provision for the delivery of after-school services for
26 apprenticeships or mentoring at-risk youth.
- 27 k. The provision of direct services for amyotrophic lateral sclerosis
28 (ALS) and those diagnosed with the disease.
- 29 l. A comprehensive smoking prevention and cessation program that
30 screens and treats tobacco use in pregnant women and postpartum
31 mothers.
- 32 m. A program providing short-term or long-term residential substance
33 abuse services. For purposes of this sub-subdivision, "long-term"
34 means a minimum of 12 months.
- 35 n. A program that provides year-round sports training and athletic
36 competition for children and adults with disabilities.
- 37 It is the intent of the General Assembly that annually the Secretary evaluate
38 and prioritize the categories of health and wellness initiatives described under
39 this subdivision to determine the best use of these funds in making grant
40 awards, exclusive of direct allocations made by the General Assembly.
- 41 (5) A process that ensures that funds received by the Department to implement
42 the plan supplement and do not supplant existing funds for health and wellness
43 programs and initiatives.
- 44 (6) A process that allows grants to be awarded to nonprofits for up to two years.
- 45 (7) A requirement that initial disbursement of the grants be awarded no later than
46 30 days after certification of the State budget for the respective fiscal year.
- 47 (8) A requirement that nonprofits awarded grants use no more than fifteen percent
48 (15%) of their total proposed expenditures for administrative costs, unless
49 otherwise required by law.

50 **SECTION 9B.8.(c)** No later than July 1 of each year, as applicable, the Secretary
51 shall announce the recipients of the competitive grant awards and allocate funds to the grant

1 recipients for the respective grant period pursuant to the amounts designated under subsection
2 (a) of this section. After awards have been granted, by September 1 of each year, the Secretary
3 shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services
4 on the grant awards that includes at least all of the following:

- 5 (1) The identity and a brief description of each grantee and each program or
6 initiative offered by the grantee.
- 7 (2) The amount of funding awarded to each grantee.
- 8 (3) The number of persons served by each grantee, broken down by program or
9 initiative.

10 **SECTION 9B.8.(d)** No later than December 1 of each fiscal year, each nonprofit
11 organization receiving funding pursuant to this section in the respective fiscal year shall submit
12 to the Division of Central Management and Support a written report of all activities funded by
13 State appropriations. The report shall include the following information about the fiscal year
14 preceding the year in which the report is due:

- 15 (1) The entity's mission, purpose, and governance structure.
- 16 (2) A description of the types of programs, services, and activities funded by State
17 appropriations.
- 18 (3) Statistical and demographical information on the number of persons served by
19 these programs, services, and activities, including the counties in which
20 services are provided.
- 21 (4) Outcome measures that demonstrate the impact and effectiveness of the
22 programs, services, and activities.
- 23 (5) A detailed program budget and list of expenditures, including all positions
24 funded, matching expenditures, and funding sources.

25 26 **PART IX-C. CHILD AND FAMILY WELL-BEING**

27 28 **FUNDS FOR EVIDENCE-BASED SUPPORTED EMPLOYMENT SERVICES FOR** 29 **INDIVIDUALS WITH SERIOUS MENTAL ILLNESS, INTELLECTUAL** 30 **DISABILITIES, OR DEVELOPMENTAL DISABILITIES**

31 **SECTION 9C.1.** Of the funds appropriated in this act to the Department of Health
32 and Human Services, Division of Child and Family Well-Being, the sum of seventy-five
33 thousand dollars (\$75,000) in recurring funds for the 2023-2024 fiscal year and the sum of
34 seventy-five thousand dollars (\$75,000) in recurring funds for the 2024-2025 fiscal year shall be
35 allocated as a grant to North Carolina Association of People Supporting Employment, Inc. (NC
36 APSE), a nonprofit corporation. NC APSE shall use these funds to develop and implement
37 training programs for the Department, including online training modules, on the provision of
38 evidence-based supported employment services for individuals in targeted populations, in order
39 to assist these individuals with preparation for, identification of, and maintenance of integrated,
40 paid, competitive employment. The Department shall make these training programs available
41 throughout the State to (i) employers that have hired or are willing to hire individuals in targeted
42 populations, (ii) service providers of local management entities/managed care organizations, and
43 (iii) any other entity the Department determines will benefit from receiving this training in order
44 to achieve improved employment outcomes for individuals in targeted populations. As used in
45 this section, "individuals in targeted populations" means individuals with serious mental illness
46 who are in or at risk of entry to an adult care home and individuals with intellectual disabilities,
47 developmental disabilities, or both.

48 49 **PART IX-D. CHILD DEVELOPMENT AND EARLY EDUCATION**

50

NC PRE-K PROGRAMS/STANDARDS FOR FOUR- AND FIVE-STAR RATED FACILITIES

SECTION 9D.1.(a) Eligibility. – The Department of Health and Human Services, Division of Child Development and Early Education, shall continue implementing the prekindergarten program (NC Pre-K). The NC Pre-K program shall serve children who are 4 years of age on or before August 31 of the program year. In determining eligibility, the Division shall establish income eligibility requirements for the program not to exceed seventy-five percent (75%) of the State median income. Up to twenty percent (20%) of children enrolled may have family incomes in excess of seventy-five percent (75%) of median income if those children have other designated risk factors. Furthermore, any age-eligible child who is a child of either of the following shall be eligible for the program: (i) an active duty member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was ordered to active duty by the proper authority within the last 18 months or is expected to be ordered within the next 18 months, or (ii) a member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was injured or killed while serving on active duty. Eligibility determinations for NC Pre-K participants may continue through local education agencies and local North Carolina Partnership for Children, Inc., partnerships.

Other than developmental disabilities or other chronic health issues, the Division shall not consider the health of a child as a factor in determining eligibility for participation in the NC Pre-K program.

SECTION 9D.1.(b) Multiyear Contracts. – The Division of Child Development and Early Education shall require the NC Pre-K contractor to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms.

SECTION 9D.1.(c) Building Standards. – Notwithstanding G.S. 110-91(4), private child care facilities and public schools operating NC Pre-K classrooms shall meet the building standards for preschool students as provided in G.S. 115C-521.1.

SECTION 9D.1.(d) Programmatic Standards. – Except as provided in subsection (c) of this section, entities operating NC Pre-K classrooms shall adhere to all of the policies prescribed by the Division of Child Development and Early Education regarding programmatic standards and classroom requirements.

SECTION 9D.1.(e) NC Pre-K Committees. – Local NC Pre-K committees shall use the standard decision-making process developed by the Division of Child Development and Early Education in awarding NC Pre-K classroom slots and student selection.

SECTION 9D.1.(f) Reporting. – The Division of Child Development and Early Education shall submit an annual report no later than March 15 of each year to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division. The report shall include the following:

- (1) The number of children participating in the NC Pre-K program by county.
- (2) The number of children participating in the NC Pre-K program who have never been served in other early education programs such as child care, public or private preschool, Head Start, Early Head Start, or early intervention programs.
- (3) The expected NC Pre-K expenditures for the programs and the source of the local contributions.
- (4) The results of an annual evaluation of the NC Pre-K program.

SECTION 9D.1.(g) Audits. – The administration of the NC Pre-K program by local partnerships shall be subject to the financial and compliance audits authorized under G.S. 143B-168.14(b).

INCREASE CHILD CARE SUBSIDY REIMBURSEMENT RATES

1 **SECTION 9D.2.(a)** Beginning October 1, 2023, the Department of Health and
 2 Human Services, Division of Child Development and Early Education, shall increase the child
 3 care subsidy market rates to the seventy-fifth percentile as recommended by the 2021 Child Care
 4 Market Rate Study for children in three-, four-, and five-star-rated child care centers and homes.

5 **SECTION 9D.2.(b)** Section 9L.2(b)(1)a. of S.L. 2021-180, as amended by Section
 6 9L.2(a) of S.L. 2022-74, reads as rewritten:

7 "a. A minimum of two hundred six million dollars (\$206,000,000) but no
 8 more than two hundred fifteen million dollars (\$215,000,000) to (i)
 9 reduce the waitlist for children eligible for subsidized child care who
 10 are in foster care and (ii) after addressing the waitlist under item (i) of
 11 this sub-subdivision, work toward reducing the waitlist for children
 12 eligible for subsidized child care. Additionally, the Division shall use
 13 a portion of these funds to ~~temporarily~~ increase the child care subsidy
 14 reimbursement rates to those recommended in the 2018-2021 Child
 15 Care Market Rate Study until the funds expire on September 30,
 16 2024-until funds are exhausted."
 17

18 **CHILD CARE SUBSIDY RATES**

19 **SECTION 9D.3.(a)** The maximum gross annual income for initial eligibility,
 20 adjusted annually, for subsidized child care services shall be determined based on a percentage
 21 of the federal poverty level as follows:

22 AGE	23 INCOME PERCENTAGE LEVEL
24 0 – 5	200%
25 6 – 12	133%

26 The eligibility for any child with special needs, including a child who is 13 years of
 27 age or older, shall be two hundred percent (200%) of the federal poverty level.

28 **SECTION 9D.3.(b)** Fees for families who are required to share in the cost of care
 29 are established based on ten percent (10%) of gross family income. When care is received at the
 30 blended rate, the copayment shall be eighty-three percent (83%) of the full-time copayment.
 31 Copayments for part-time care shall be seventy-five percent (75%) of the full-time copayment.

32 **SECTION 9D.3.(c)** Payments for the purchase of child care services for low-income
 33 children shall be in accordance with the following requirements:

- 34 (1) Religious sponsored child care facilities operating pursuant to G.S. 110-106
 35 and licensed child care centers and homes that meet the minimum licensing
 36 standards that are participating in the subsidized child care program shall be
 37 paid the one-star county market rate or the rate they charge privately paying
 38 parents, whichever is lower, unless prohibited by subsection (f) of this section.
- 39 (2) Licensed child care centers and homes with two or more stars shall receive the
 40 market rate for that rated license level for that age group or the rate they charge
 41 privately paying parents, whichever is lower, unless prohibited by subsection
 42 (g) of this section.
- 43 (3) No payments shall be made for transportation services charged by child care
 44 facilities.
- 45 (4) Payments for subsidized child care services for postsecondary education shall
 46 be limited to a maximum of 20 months of enrollment. This shall not be
 47 determined before a family's annual recertification period.
- 48 (5) The Department of Health and Human Services shall implement necessary
 49 rule changes to restructure services, including, but not limited to, targeting
 benefits to employment.

1 **SECTION 9D.3.(d)** Provisions of payment rates for child care providers in counties
2 that do not have at least 50 children in each age group for center-based and home-based care are
3 as follows:

4 (1) Except as applicable in subdivision (2) of this subsection, payment rates shall
5 be set at the statewide or regional market rate for licensed child care centers
6 and homes.

7 (2) If it can be demonstrated that the application of the statewide or regional
8 market rate to a county with fewer than 50 children in each age group is lower
9 than the county market rate and would inhibit the ability of the county to
10 purchase child care for low-income children, then the county market rate may
11 be applied.

12 **SECTION 9D.3.(e)** A market rate shall be calculated for child care centers and
13 homes at each rated license level for each county and for each age group or age category of
14 enrollees and shall be representative of fees charged to parents for each age group of enrollees
15 within the county. The Division of Child Development and Early Education shall also calculate
16 a statewide rate and regional market rate for each rated license level for each age category.

17 **SECTION 9D.3.(f)** The Division of Child Development and Early Education shall
18 continue implementing policies that improve the quality of child care for subsidized children,
19 including a policy in which child care subsidies are paid, to the extent possible, for child care in
20 the higher quality centers and homes only. The Division shall define higher quality, and subsidy
21 funds shall not be paid for one- or two-star-rated facilities. For those counties with an inadequate
22 number of four- and five-star-rated facilities, the Division shall continue a transition period that
23 allows the facilities to continue to receive subsidy funds while the facilities work on the increased
24 star ratings. The Division may allow exemptions in counties where there is an inadequate number
25 of four- and five-star-rated facilities for non-star-rated programs, such as religious programs.

26 **SECTION 9D.3.(g)** Facilities licensed pursuant to Article 7 of Chapter 110 of the
27 General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the program
28 that provides for the purchase of care in child care facilities for minor children of needy families.
29 Except as authorized by subsection (f) of this section, no separate licensing requirements shall
30 be used to select facilities to participate. In addition, child care facilities shall be required to meet
31 any additional applicable requirements of federal law or regulations. Child care arrangements
32 exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall
33 meet the requirements established by other State law and by the Social Services Commission.

34 County departments of social services or other local contracting agencies shall not
35 use a provider's failure to comply with requirements in addition to those specified in this
36 subsection as a condition for reducing the provider's subsidized child care rate.

37 **SECTION 9D.3.(h)** Payment for subsidized child care services provided with
38 Temporary Assistance for Needy Families Block Grant funds shall comply with all regulations
39 and policies issued by the Division of Child Development and Early Education for the subsidized
40 child care program.

41 **SECTION 9D.3.(i)** Noncitizen families who reside in this State legally shall be
42 eligible for child care subsidies if all other conditions of eligibility are met. If all other conditions
43 of eligibility are met, noncitizen families who reside in this State illegally shall be eligible for
44 child care subsidies only if at least one of the following conditions is met:

45 (1) The child for whom a child care subsidy is sought is receiving child protective
46 services or foster care services.

47 (2) The child for whom a child care subsidy is sought is developmentally delayed
48 or at risk of being developmentally delayed.

49 (3) The child for whom a child care subsidy is sought is a citizen of the United
50 States.

1 **SECTION 9D.3.(j)** The Department of Health and Human Services, Division of
2 Child Development and Early Education, shall require all county departments of social services
3 to include on any forms used to determine eligibility for child care subsidy whether the family
4 waiting for subsidy is receiving assistance through the NC Pre-K Program or Head Start.

5 **SECTION 9D.3.(k)** Department of Defense-certified child care facilities licensed
6 pursuant to G.S. 110-106.2 may participate in the State-subsidized child care program that
7 provides for the purchase of care in child care facilities for minor children in needy families,
8 provided that funds allocated from the State-subsidized child care program to Department of
9 Defense-certified child care facilities shall supplement and not supplant funds allocated in
10 accordance with G.S. 143B-168.15(g). Payment rates and fees for military families who choose
11 Department of Defense-certified child care facilities and who are eligible to receive subsidized
12 child care shall be as set forth in this section.

13 14 **CHILD CARE ALLOCATION FORMULA**

15 **SECTION 9D.4.(a)** The Department of Health and Human Services, Division of
16 Child Development and Early Education (Division), shall allocate child care subsidy voucher
17 funds to pay the costs of necessary child care for minor children of needy families. The
18 mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation
19 under G.S. 143B-168.15(g) shall constitute the base amount for each county's child care subsidy
20 allocation. The Department of Health and Human Services shall use the following method when
21 allocating federal and State child care funds, not including the aggregate mandatory thirty percent
22 (30%) North Carolina Partnership for Children, Inc., subsidy allocation:

- 23 (1) Funds shall be allocated to a county based upon the projected cost of serving
24 children under age 11 in families with all parents working who earn less than
25 the applicable federal poverty level percentage set forth in Section 9D.3(a) of
26 this act.
- 27 (2) The Division may withhold up to two percent (2%) of available funds from
28 the allocation formula for (i) preventing termination of services throughout
29 the fiscal year and (ii) repayment of any federal funds identified by counties
30 as overpayments, including overpayments due to fraud. The Division shall
31 allocate to counties any funds withheld before the end of the fiscal year when
32 the Division determines the funds are not needed for the purposes described
33 in this subdivision. The Division shall submit a report to the Joint Legislative
34 Oversight Committee on Health and Human Services and the Fiscal Research
35 Division, which report shall include each of the following:
- 36 a. The amount of funds used for preventing termination of services and
37 the repayment of any federal funds.
- 38 b. The date the remaining funds were distributed to counties.
- 39 c. As a result of funds withheld under this subdivision and after funds
40 have been distributed, any counties that did not receive at least the
41 amount the counties received the previous year and the amount by
42 which funds were decreased.

43 The Division shall submit a report in each year of the 2023-2025 fiscal
44 biennium 30 days after the funds withheld pursuant to this subdivision are
45 distributed but no later than April 1 of each respective year.

- 46 (3) The Division shall set aside four percent (4%) of child care subsidy allocations
47 for vulnerable populations, which include a child identified as having special
48 needs and a child whose application for assistance indicates that the child and
49 the child's family is experiencing homelessness or is in a temporary living
50 situation. A child identified by this subdivision shall be given priority for

1 receiving services until such time as set-aside allocations for vulnerable
2 populations are exhausted.

3 **SECTION 9D.4.(b)** The Division may reallocate unused child care subsidy voucher
4 funds in order to meet the child care needs of low-income families. Any reallocation of funds
5 shall be based upon the expenditures of all child care subsidy voucher funding, including North
6 Carolina Partnership for Children, Inc., funds within a county. Counties shall manage service
7 levels within the funds allocated to the counties. A county with a spending coefficient over one
8 hundred percent (100%) shall submit a plan to the Division for managing the county's allocation
9 before receiving any reallocated funds.

10 **SECTION 9D.4.(c)** When implementing the formula under subsection (a) of this
11 section, the Division shall include the market rate increase in the formula process rather than
12 calculate the increases outside of the formula process. Additionally, the Department shall do the
13 following:

- 14 (1) Deem a county's initial allocation as the county's expenditure in the previous
15 fiscal year or a prorated share of the county's previous fiscal year expenditures
16 if sufficient funds are not available.
- 17 (2) Effective immediately following the next new decennial census data release,
18 implement (i) one-third of the change in a county's allocation in the year
19 following the data release, (ii) an additional one-third of the change in a
20 county's allocation beginning two years after the initial change under this
21 subdivision, and (iii) the final one-third change in a county's allocation
22 beginning the following two years thereafter.

23 24 **AUTOMATIC CHILD CARE SUBSIDY ELIGIBILITY FOR CHILD CARE** 25 **TEACHERS/PILOT PROGRAM**

26 **SECTION 9D.4A.(a)** Of the funds appropriated in this act from the General Fund to
27 the Department of Health and Human Services, Division of Child Development and Early
28 Education (Division), the sum of ten million dollars (\$10,000,000) in nonrecurring funds for the
29 2024-2025 fiscal year shall be used to establish a pilot program that provides automatic eligibility
30 for child care subsidy for the preschool-age children, 8 weeks to 5 years of age, of all child care
31 teachers employed full time by a licensed child care program in this State. A child care teacher
32 deemed automatically eligible for subsidy pursuant to this section shall have completed, be in the
33 process of completing, or enroll at the first available semester in an Introduction to Early
34 Childhood class at any local community college in this State. A child care teacher who does not
35 already possess an Early Childhood Education Infant/Toddler Certificate or Child Development
36 Certificate shall commit to remaining in college and completing either certificate within 18
37 months. Any coursework taken pursuant to this section shall be paid for by the T.E.A.C.H. Early
38 Childhood North Carolina Scholarship Program, with no cost to the teacher. For purposes of this
39 section, "full time" means a minimum of 35 hours per week.

40 **SECTION 9D.4A.(b)** Section 9L.2(b)(1)a. of S.L. 2021-180, as amended by Section
41 9L.2(a) of S.L. 2022-74, reads as rewritten:

42 "a. A minimum of two hundred six million dollars (\$206,000,000) but no
43 more than two hundred fifteen million dollars (\$215,000,000) to (i)
44 reduce the waitlist for children eligible for subsidized child care who
45 are in foster care and (ii) after addressing the waitlist under item (i) of
46 this sub-subdivision, work toward reducing the waitlist for children
47 eligible for subsidized child care. Additionally, the Division shall use
48 a portion of these funds to temporarily for the following purposes until
49 funds are exhausted:

- 50 1. ~~increase~~ To increase the child care subsidy reimbursement
51 rates to those recommended in the ~~2018-2021~~ Child Care

1 Market Rate Study until the funds expire on September 30,
2 2024. Study.

- 3 2. To provide the sum of ten million dollars (\$10,000,000) for the
4 2023-2024 fiscal year for the Automatic Child Care Subsidy
5 Eligibility for Child Care Teachers pilot program established
6 under Section 9D.4A of the 2023 Appropriations Act."

7 **SECTION 9D.4A.(c)** The Division of Child Development and Early Education shall
8 implement the pilot program within 120 days from the date this section becomes law. The
9 Division shall select counties from across the State to participate in the pilot program. In selecting
10 counties, the Division shall focus on counties with the highest percentage of child care capacity
11 lost during the past 10 years. In determining the applicable rate for a child care teacher eligible
12 for subsidy under this section, the Division shall use the rate available in the county where the
13 teacher resides. Child care centers shall accept the current market subsidy rates and may not
14 charge copayment fees or any other fees in addition to the subsidy amount provided pursuant to
15 this section. County agencies shall use existing child care subsidy funding first before applying
16 for additional funding.

17 **SECTION 9D.4A.(d)** The Division of Child Development and Early Education shall
18 submit an initial report to the Joint Legislative Oversight Committee on Health and Human
19 Services and the Fiscal Research Division of the General Assembly by March 31, 2024, of the
20 number of child care teachers participating in the pilot program, by county. Thereafter, the
21 Division shall submit a quarterly report on the number of participants in the program, with a
22 detailed report by December 31 of each year the pilot program is in effect. The quarterly and
23 annual detailed reports shall include, at a minimum, the following:

- 24 (1) The number of teachers in the pilot program who were already teaching and
25 became automatically eligible for child care subsidy on the date this section
26 becomes law.
27 (2) The number of new teachers added to the pilot program, by county, on a
28 monthly basis.
29 (3) The retention of every teacher in the pilot program.
30 (4) Any other information the Division deems relevant.

31 SMART START INITIATIVES

32 **SECTION 9D.5.(a)** Policies. – The North Carolina Partnership for Children, Inc.,
33 and its Board shall ensure policies focus on the North Carolina Partnership for Children, Inc.'s
34 mission of improving child care quality in North Carolina for children from birth to 5 years of
35 age. North Carolina Partnership for Children, Inc., funded activities shall include assisting child
36 care facilities with (i) improving quality, including helping one-, two-, and three-star-rated
37 facilities increase their star ratings, and (ii) implementing prekindergarten programs. State
38 funding for local partnerships shall also be used for evidence-based or evidence-informed
39 programs for children from birth to 5 years of age that do the following:

- 40 (1) Increase children's literacy.
41 (2) Increase the parents' ability to raise healthy, successful children.
42 (3) Improve children's health.
43 (4) Assist four- and five-star-rated facilities in improving and maintaining quality.

44 **SECTION 9D.5.(b)** Administration. – Administrative costs shall be equivalent to,
45 on an average statewide basis for all local partnerships, not more than nine percent (9%) of the
46 total statewide allocation to all local partnerships. For purposes of this subsection, administrative
47 costs shall include costs associated with partnership oversight, business and financial
48 management, general accounting, human resources, budgeting, purchasing, contracting, and
49 information systems management. The North Carolina Partnership for Children, Inc., shall
50 continue using a single statewide contract management system that incorporates features of the
51

1 required standard fiscal accountability plan described in G.S. 143B-168.12(a)(4). All local
2 partnerships are required to participate in the contract management system and, directed by the
3 North Carolina Partnership for Children, Inc., to collaborate, to the fullest extent possible, with
4 other local partnerships to increase efficiency and effectiveness.

5 **SECTION 9D.5.(c) Salaries.** – The salary schedule developed and implemented by
6 the North Carolina Partnership for Children, Inc., shall set the maximum amount of State funds
7 that may be used for the salary of the Executive Director of the North Carolina Partnership for
8 Children, Inc., and the directors of the local partnerships. The North Carolina Partnership for
9 Children, Inc., shall base the schedule on the following criteria:

- 10 (1) The population of the area serviced by a local partnership.
- 11 (2) The amount of State funds administered.
- 12 (3) The amount of total funds administered.
- 13 (4) The professional experience of the individual to be compensated.
- 14 (5) Any other relevant factors pertaining to salary, as determined by the North
15 Carolina Partnership for Children, Inc.

16 The salary schedule shall be used only to determine the maximum amount of State
17 funds that may be used for compensation. Nothing in this subsection shall be construed to prohibit
18 a local partnership from using non-State funds to supplement an individual's salary in excess of
19 the amount set by the salary schedule established under this subsection.

20 **SECTION 9D.5.(d) Match Requirements.** – The North Carolina Partnership for
21 Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred
22 percent (100%) of the total amount budgeted for the program in each fiscal year of the 2023-2025
23 biennium. Of the funds that the North Carolina Partnership for Children, Inc., and the local
24 partnerships are required to match, contributions of cash shall be equal to at least thirteen percent
25 (13%) and in-kind donated resources shall be equal to no more than six percent (6%) for a total
26 match requirement of nineteen percent (19%) for each year of the 2023-2025 fiscal biennium.
27 The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of
28 the required match for a fiscal year in order to meet the match requirement of the succeeding
29 fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match
30 requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the
31 match requirement of this subsection. Volunteer services that qualify as professional services
32 shall be valued at the fair market value of those services. All other volunteer service hours shall
33 be valued at the statewide average wage rate as calculated from data compiled by the Division of
34 Employment Security of the Department of Commerce in the Employment and Wages in North
35 Carolina Annual Report for the most recent period for which data are available. Expenses,
36 including both those paid by cash and in-kind contributions, incurred by other participating
37 non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local
38 partnerships also may be considered resources available to meet the required private match. In
39 order to qualify to meet the required private match, the expenses shall:

- 40 (1) Be verifiable from the contractor's records.
- 41 (2) If in-kind, other than volunteer services, be quantifiable in accordance with
42 generally accepted accounting principles for nonprofit organizations.
- 43 (3) Not include expenses funded by State funds.
- 44 (4) Be supplemental to and not supplant preexisting resources for related program
45 activities.
- 46 (5) Be incurred as a direct result of the Early Childhood Initiatives Program and
47 be necessary and reasonable for the proper and efficient accomplishment of
48 the Program's objectives.
- 49 (6) Be otherwise allowable under federal or State law.
- 50 (7) Be required and described in the contractual agreements approved by the
51 North Carolina Partnership for Children, Inc., or the local partnership.

(8) Be reported to the North Carolina Partnership for Children, Inc., or the local partnership by the contractor in the same manner as reimbursable expenses.

Failure to obtain a nineteen-percent (19%) match by June 30 of each year of the 2023-2025 fiscal biennium shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report, to be included in its annual report as required under G.S. 143B-168.12(d), in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

SECTION 9D.5.(e) Bidding. – The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on contract amounts as follows:

- (1) For amounts of five thousand dollars (\$5,000) or less, the procedures specified by a written policy as developed by the Board of Directors of the North Carolina Partnership for Children, Inc.
- (2) For amounts greater than five thousand dollars (\$5,000) but less than fifteen thousand dollars (\$15,000), three written quotes.
- (3) For amounts of fifteen thousand dollars (\$15,000) or more but less than forty thousand dollars (\$40,000), a request for proposal process.
- (4) For amounts of forty thousand dollars (\$40,000) or more, a request for proposal process and advertising in a major newspaper.

SECTION 9D.5.(f) Allocations. – The North Carolina Partnership for Children, Inc., shall not reduce the allocation for counties with less than 35,000 in population below the 2012-2013 funding level.

SECTION 9D.5.(g) Performance-Based Evaluation. – The Department of Health and Human Services shall continue to implement the performance-based evaluation system.

SECTION 9D.5.(h) Expenditure Restrictions. – Except as provided in subsection (i) of this section, the Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for the 2023-2025 fiscal biennium shall be administered and distributed in the following manner:

- (1) Capital expenditures are prohibited for the 2023-2025 fiscal biennium. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143C-1-1(d)(5).
- (2) Expenditures of State funds for advertising and promotional activities are prohibited for the 2023-2025 fiscal biennium.

For the 2023-2025 fiscal biennium, local partnerships shall not spend any State funds on marketing campaigns, advertising, or any associated materials. Local partnerships may spend any private funds the local partnerships receive on those activities.

SECTION 9D.5.(i) Notwithstanding subsection (h) of this section, the North Carolina Partnership for Children, Inc., and local partnerships may use up to one percent (1%) of State funds for fundraising activities. The North Carolina Partnership for Children, Inc., shall include in its annual report required under G.S. 143B-168.12(d) a report on the use of State funds for fundraising. The report shall include the following:

- (1) The amount of funds expended on fundraising.
- (2) Any return on fundraising investments.
- (3) Any other information deemed relevant.

SMART START LITERACY INITIATIVE/DOLLY PARTON'S IMAGINATION LIBRARY

1 **SECTION 9D.6.(a)** A portion of the funds allocated in this act to the North Carolina
2 Partnership for Children, Inc., from the Department of Health and Human Services, shall
3 continue to be used to increase access to Dolly Parton's Imagination Library, an early literacy
4 program that mails age-appropriate books on a monthly basis to children registered for the
5 program.

6 **SECTION 9D.6.(b)** The North Carolina Partnership for Children, Inc., may use up
7 to one percent (1%) of the funds for statewide program management and up to one percent (1%)
8 of the funds for program evaluation. Funds allocated under this section shall not be subject to
9 administrative costs requirements under Section 9D.5(b) of this act, nor shall these funds be
10 subject to the child care services funding requirements under G.S. 143B-168.15(b), child care
11 subsidy expansion requirements under G.S. 143B-168.15(g), or the match requirements under
12 Section 9D.5(d) of this act.

13 14 **FLEXIBILITY IN USE OF ADDITIONAL SMART START FUNDS/EXEMPTION** 15 **FROM CERTAIN REQUIREMENTS**

16 **SECTION 9D.7.** Additional recurring funds allocated in this act to the North
17 Carolina Partnership for Children, Inc. (Smart Start), from the Department of Health and Human
18 Services, Division of Child Development and Early Education, for each year of the 2023-2025
19 fiscal biennium may be used for any of Smart Start's programs and are not subject to the
20 administrative cost requirements under Section 9D.5(b) of this act, child care services funding
21 requirements under G.S. 143B-168.15(b), child care subsidy expansion requirements under
22 G.S. 143B-168.15(g), or match requirements under Section 9D.5(d) of this act.

23 24 **WONDERSCHOOL PILOT PROGRAM**

25 **SECTION 9D.8.(a)** Of the funds appropriated in this act from the General Fund to
26 the Department of Health and Human Services, Division of Child Development and Early
27 Education (Division), the sum of one million fifty thousand dollars (\$1,050,000) in nonrecurring
28 funds for the 2024-2025 fiscal year shall be used to establish a pilot program. In establishing the
29 pilot program under this section, the Division shall partner with Wonderschool, an organization
30 that enables families to access high-quality child care. These funds shall be used for the creation
31 of up to 300 new in-home child care programs in this State.

32 **SECTION 9D.8.(b)** Section 9L.2(b)(1)a. of S.L. 2021-180, as amended by Section
33 9L.2(a) of S.L. 2022-74, reads as rewritten:

34 "a. A minimum of two hundred six million dollars (\$206,000,000) but no
35 more than two hundred fifteen million dollars (\$215,000,000) to (i)
36 reduce the waitlist for children eligible for subsidized child care who
37 are in foster care and (ii) after addressing the waitlist under item (i) of
38 this sub-subdivision, work toward reducing the waitlist for children
39 eligible for subsidized child care. Additionally, the Division shall use
40 a portion of these funds ~~to temporarily~~ for the following purposes until
41 funds are exhausted:

- 42 1. ~~increase~~ To increase the child care subsidy reimbursement
43 rates to those recommended in the ~~2018-2021~~ Child Care
44 Market Rate Study until the funds expire on September 30,
45 2024.Study.
- 46 2. To provide the sum of one million fifty thousand dollars
47 (\$1,050,000) for the 2023-2024 fiscal year for the
48 WonderSchool pilot program established under Section 9D.8
49 of the 2023 Appropriations Act."

50 **SECTION 9D.8.(c)** The Division of Child Development and Early Education shall
51 submit a report to the Joint Legislative Oversight Committee on Health and Human Services and

1 the Fiscal Research Division of the General Assembly by December 31, 2024, of the number of
2 child care programs created through the pilot program, by county, and any other information the
3 Division deems relevant.

4 5 **TRI-SHARE CHILD CARE PILOT PROJECT**

6 **SECTION 9D.9.(a)** Of the funds appropriated in this act to the Department of Health
7 and Human Services, Division of Child Development and Early Education, to be allocated to the
8 North Carolina Partnership for Children, Inc., the sum of one million eight hundred thousand
9 dollars (\$1,800,000) in nonrecurring funds for the 2024-2025 fiscal year shall be used to provide
10 the State portion of funding for the three-year Tri-Share child care pilot project established by
11 this section. From funds allocated in this section for the 2024-2025 fiscal year, the sum of nine
12 hundred thousand dollars (\$900,000) for the 2024-2025 fiscal year shall be used for year three of
13 the pilot project and the Director of the Budget shall include in the base budget, as defined by
14 G.S. 143C-1-1(d)(1c), that amount in nonrecurring funds needed to support the pilot project.
15 Funds appropriated pursuant to this section shall be divided evenly in each fiscal year among the
16 regional facilitator hubs selected to participate in the pilot project. Upon completion of the pilot
17 project, any unexpended funds shall revert to the General Fund.

18 **SECTION 9D.9.(b)** Section 9L.2(b)(1)a. of S.L. 2021-180, as amended by Section
19 9L.2(a) of S.L. 2022-74, reads as rewritten:

20 "a. A minimum of two hundred six million dollars (\$206,000,000) but no
21 more than two hundred fifteen million dollars (\$215,000,000) to (i)
22 reduce the waitlist for children eligible for subsidized child care who
23 are in foster care and (ii) after addressing the waitlist under item (i) of
24 this sub-subdivision, work toward reducing the waitlist for children
25 eligible for subsidized child care. Additionally, the Division shall use
26 a portion of these funds ~~to temporarily~~ for the following purposes until
27 funds are exhausted:

- 28 1. ~~increase~~ To increase the child care subsidy reimbursement
29 rates to those recommended in the ~~2018-2021~~ 2023-2024 Child Care
30 Market Rate ~~Study until the funds expire on September 30,~~
31 Study.
- 32 2. To provide the sum of nine hundred thousand dollars
33 (\$900,000) for the 2023-2024 fiscal year for the Tri-Share
34 Child Care pilot project established under Section 9D.9 of the
35 2023 Appropriations Act."

36 **SECTION 9D.9.(c)** The Division of Child Development and Early Education
37 (Division), in collaboration with the North Carolina Partnership for Children, Inc. (NCPC), shall
38 establish a three-year pilot project to implement the Tri-Share Child Care program, a program
39 that creates a public/private partnership to share the cost of child care equally between employers,
40 eligible employees, and the State to:

- 41 (1) Make high-quality child care affordable and accessible for working families.
- 42 (2) Help employers retain and attract employees.
- 43 (3) Help stabilize child care businesses across the State.

44 **SECTION 9D.9.(d)** The Division and NCPC shall select up to three local
45 partnerships to serve as regional facilitator hubs to implement and administer the pilot project
46 and act as regional intermediaries between employers, families, child care providers, and the
47 State. The Division and NCPC shall select local partnerships to participate in the pilot project
48 from geographically diverse areas across the State, with one selected from a tier one county. For
49 purposes of this section, a tier one county shall have the same designation as that established by
50 the North Carolina Department of Commerce's 2023 County Tier Designations.

1 **SECTION 9D.9.(e)** The local partnerships selected to serve as regional facilitator
2 hubs shall establish and determine program eligibility. For purposes of this pilot project, an
3 employee is eligible to participate in the program if the employee (i) is employed by a
4 participating employer, (ii) has a household income between one hundred eighty-five percent
5 (185%) and three hundred percent (300%) of the federal poverty level, and (iii) is not otherwise
6 eligible for subsidized child care in this State. An eligible employee may reside outside of the
7 designated region for the respective facilitator hub. Additionally, the regional facilitator hubs
8 shall develop and implement other criteria for the child care program, including, but not limited
9 to, each of the following:

- 10 (1) Ensuring payment for the cost of child care is divided equally between an
11 employer, an eligible employee, and the State.
- 12 (2) Soliciting participating employers.
- 13 (3) Ensuring participating employers agree to (i) identify and recruit eligible
14 employees, (ii) provide the employer portion of each participating employee's
15 child care costs, and (iii) maintain communication with the regional facilitator
16 hub regarding each eligible employee's continued employment and eligibility.
- 17 (4) Verifying that child care providers seeking to participate in the program are
18 licensed in this State.
- 19 (5) Upon determining an employee's eligibility, ensuring payment by the
20 employee of the employee's portion of the cost of child care.
- 21 (6) Coordinating payments between employers and licensed child care providers.

22 **SECTION 9D.9.(f)** For purposes of this section, child care includes part-time and
23 full-time care, before and after school care, and summer day camps.

24 **SECTION 9D.9.(g)** A regional facilitator hub may use up to nine percent (9%) of its
25 allocation for administrative costs.

26 **SECTION 9D.9.(h)** Within six months after completion of the pilot project, the
27 Division shall submit a report to the Joint Legislative Oversight Committee on Health and Human
28 Services and the Fiscal Research Division. The report shall include, at a minimum, each of the
29 following:

- 30 (1) The number of children served, by age and county.
- 31 (2) Total project costs, including any administrative costs.
- 32 (3) The amount of funds needed to expand the program statewide.
- 33 (4) The list of employers participating in the pilot project.
- 34 (5) Any other relevant information deemed appropriate.

35 36 **PART IX-E. HEALTH BENEFITS**

37 38 **CONTINUE MEDICAID ANNUAL REPORT**

39 **SECTION 9E.1.** The Department of Health and Human Services, Division of Health
40 Benefits (DHB), shall continue the publication of the Medicaid Annual Report and
41 accompanying tables. DHB shall publish the report and tables on its website no later than
42 December 31 following each State fiscal year.

43 44 **VOLUME PURCHASE PLANS AND SINGLE SOURCE PROCUREMENT**

45 **SECTION 9E.2.** The Department of Health and Human Services, Division of Health
46 Benefits, may, subject to the approval of a change in the State Medicaid Plan, contract for
47 services, medical equipment, supplies, and appliances by implementation of volume purchase
48 plans, single source procurement, or other contracting processes in order to improve cost
49 containment.

50 51 **DURATION OF MEDICAID PROGRAM MODIFICATIONS**

1 **SECTION 9E.3.** Except for statutory changes or where otherwise specified, the
2 Department of Health and Human Services shall not be required to maintain, after June 30, 2025,
3 any modifications to the Medicaid program required by this Subpart.
4

5 **ADMINISTRATIVE HEARINGS FUNDING**

6 **SECTION 9E.4.** Of the funds appropriated in this act to the Department of Health
7 and Human Services, Division of Health Benefits, for administrative contracts and interagency
8 transfers, the Department of Health and Human Services (DHHS) shall transfer the sum of one
9 million dollars (\$1,000,000) for the 2023-2024 fiscal year and the sum of one million dollars
10 (\$1,000,000) for the 2024-2025 fiscal year to the Office of Administrative Hearings (OAH).
11 These funds shall be allocated by OAH for mediation services provided for Medicaid applicant
12 and recipient appeals and to contract for other services necessary to conduct the appeals process.
13 OAH shall continue the Memorandum of Agreement (MOA) with DHHS for mediation services
14 provided for Medicaid recipient appeals and contracted services necessary to conduct the appeals
15 process. Upon receipt of invoices from OAH for covered services rendered in accordance with
16 the MOA, DHHS shall transfer the federal share of Medicaid funds drawn down for this purpose.
17

18 **ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE**

19 **SECTION 9E.5.(a)** The Department of Health and Human Services, Division of
20 Health Benefits (DHB), receivables reserved at the end of the 2023-2024 and 2024-2025 fiscal
21 years shall, when received, be accounted for as nontax revenue for each of those fiscal years. The
22 treatment under this section of any revenue derived from federal programs shall be in accordance
23 with the requirements specified in the Code of Federal Regulations, Title 2, Part 225.
24

25 **SECTION 9E.5.(b)** For the 2023-2024 fiscal year, the Department of Health and
26 Human Services shall deposit from its revenues one hundred sixty-four million five hundred
27 thousand dollars (\$164,500,000) with the Department of State Treasurer to be accounted for as
28 nontax revenue. For the 2024-2025 fiscal year, the Department of Health and Human Services
29 shall deposit from its revenues eighty-eight million four hundred thousand dollars (\$88,400,000)
30 with the Department of State Treasurer to be accounted for as nontax revenue. These deposits
31 shall represent the return of advanced General Fund appropriations, nonfederal revenue, fund
32 balances, or other resources from State-owned and State-operated hospitals that are used to
33 provide indigent and nonindigent care services. The return from State-owned and State-operated
34 hospitals to the Department of Health and Human Services shall be made from nonfederal
35 resources in the following manner:

- 36 (1) The University of North Carolina Hospitals at Chapel Hill shall make the
37 following deposits:
 - 38 a. For the 2023-2024 fiscal year, the amount of thirty-one million three
39 hundred sixty-five thousand three hundred five dollars (\$31,365,305).
 - 40 b. For the 2024-2025 fiscal year, the amount of thirty-one million three
41 hundred sixty-five thousand three hundred five dollars (\$31,365,305).
- 42 (2) All State-owned and State-operated hospitals, other than the University of
43 North Carolina Hospitals at Chapel Hill, that specialize in psychiatric care
44 shall annually deposit an amount equal to the amount of the payments from
45 DHB for uncompensated care.

46 **LME/MCO INTERGOVERNMENTAL TRANSFERS**

47 **SECTION 9E.6.(a)** The local management entities/managed care organizations
48 (LME/MCOs) shall make intergovernmental transfers to the Department of Health and Human
49 Services, Division of Health Benefits (DHB), in an aggregate amount of eighteen million
50 twenty-eight thousand two hundred seventeen dollars (\$18,028,217) in the 2023-2024 fiscal year
51 and in an aggregate amount of eighteen million twenty-eight thousand two hundred seventeen

dollars (\$18,028,217) for the 2024-2025 fiscal year. The due date and frequency of the intergovernmental transfer 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 each fiscal year shall be as follows:

	2023-2024	2024-2025
Alliance Behavioral Healthcare	\$4,907,800	\$4,907,800
Eastpointe	\$1,631,348	\$1,631,348
Partners Health Management	\$3,362,071	\$3,362,071
Sandhills Center	\$2,673,494	\$2,673,494
Trillium Health Resources	\$2,594,140	\$2,594,140
Vaya Health	\$2,859,364	\$2,859,364

SECTION 9E.6.(b) In the event that a county disengages from an LME/MCO and realigns with another LME/MCO during the 2023-2025 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 is achieved.

DSH RECEIPTS FOR USE BY THE MEDICAID PROGRAM

SECTION 9E.7.(a) Of the federal disproportionate share adjustment receipts arising from certified public expenditures for the 2023-2024 fiscal year and the 2024-2025 fiscal year, forty-three million dollars (\$43,000,000) in each fiscal year shall not be deposited into the Hospital Uncompensated Care Fund under G.S. 143C-9-9 but rather shall be available to the Department of Health and Human Services, Division of Health Benefits, to be used for the Medicaid program.

SECTION 9E.7.(b) If House Bill 76, 2023 Regular Session, becomes law, then this section shall expire on the date on which G.S. 108A-54.3A(24), as enacted under Section 1(b) of that act, is effective.

MEDICAID REBASE TRACKING, TRANSPARENCY, AND PREDICTABILITY

SECTION 9E.8.(a) The Department of Health and Human Services, Division of Health Benefits (DHB), shall, on the schedule outlined in subsection (b) of this section, report to the Office of State Budget Management, the Joint Legislative Oversight Committee on Medicaid, and the Fiscal Research Division on the following information:

- (1) For the initial report, Medicaid enrollment projections for the 2023-2025 fiscal biennium. For each subsequent report, the actual enrollment relative to those projections.
- (2) The year-to-date General Fund expenditures for Medicaid through the month prior to the month in which the report is due.
- (3) Projections on Medicaid General Fund expenditures needed for the remaining months in the 2023-2025 fiscal biennium.
- (4) Any Medicaid-related budget challenges identified by DHB for the 2023-2025 fiscal biennium and the 2025-2027 fiscal biennium, and the estimated cost related to those challenges. Challenges that have been identified in a previously submitted report for which there are no updates need not be identified in subsequent reports.
- (5) Changes to the Medicaid program that are planned to be implemented at any time in the future under the authority granted under G.S. 108A-54(e)(1), the predicted impact of those changes to the Medicaid budget for the 2023-2025 fiscal biennium and the 2025-2027 fiscal biennium, and the anticipated implementation time line for those changes. Planned changes that have been

1 identified in a previously submitted report for which there are no updates need
2 not be identified in subsequent reports.

3 (6) Changes to the Medicaid program required under federal or State law that will
4 be implemented, the predicted impact of those changes to the Medicaid budget
5 for the 2023-2025 fiscal biennium and the 2025-2027 fiscal biennium, and the
6 anticipated implementation time line for those changes. Changes that have
7 been identified in a previously submitted report for which there are no updates
8 need not be identified in subsequent reports.

9 (7) Any unanticipated costs to the Medicaid program that were not accounted for
10 in either the model used to create the Governor Cooper's Recommended
11 Budget for the 2023-2025 fiscal biennium, or the projection contained in any
12 prior report submitted under this section. Any unanticipated costs that have
13 been identified in a previously submitted report for which there are no updates
14 need not be identified in subsequent reports.

15 (8) The amount, if any, of funds DHB is requesting to be transferred out of the
16 Medicaid Contingency Reserve, as established under G.S. 143C-4-11, and as
17 much information as possible that meets the requirements under
18 G.S. 143C-4-11(b)(3).

19 **SECTION 9E.8.(b)** The reports required under subsection (a) of this section shall
20 be due on the following schedule:

21 (1) October 15, 2023.

22 (2) January 15, 2024.

23 (3) March 15, 2024, and monthly thereafter through June 15, 2024.

24 (4) October 15, 2024.

25 (5) January 15, 2025.

26 (6) March 15, 2025, and monthly thereafter through June 15, 2025.

27 28 **USE OF THE MEDICAID TRANSFORMATION FUND FOR MEDICAID** 29 **TRANSFORMATION NEEDS**

30 **SECTION 9E.9.(a)** Claims Run Out. – Funds from the Medicaid Transformation
31 Fund may be transferred to the Department of Health and Human Services, Division of Health
32 Benefits (DHB), for the 2023-2025 fiscal biennium, as needed, for the purpose of paying claims
33 related to services billed under the fee-for-service payment model for recipients who are being,
34 or have been, transitioned to managed care, otherwise known as "claims run out." Funds may be
35 transferred to DHB as the need to pay claims run out arises and need not be transferred in one
36 lump sum. To the extent that any funds are transferred under this subsection, the funds are
37 appropriated for the purpose set forth in this subsection.

38 **SECTION 9E.9.(b)** Non-Claims Run Out Medicaid Transformation Needs. –
39 Subject to the fulfillment of conditions specified in subsection (c) of this section, the sum of one
40 hundred fifty million dollars (\$150,000,000) in nonrecurring funds for the 2023-2024 fiscal year
41 and the sum of one hundred twenty-five million dollars (\$125,000,000) in nonrecurring funds for
42 the 2024-2025 fiscal year from the Medicaid Transformation Fund may be transferred to DHB
43 for the sole purpose of providing the State share for qualifying needs directly related to Medicaid
44 transformation, as required by S.L. 2015-245, as amended. Funds may be transferred to DHB as
45 qualifying needs arise during the 2023-2025 fiscal biennium and need not be transferred in one
46 lump sum. Any amount of funds from the one hundred fifty million dollars (\$150,000,000) made
47 available under this subsection for transfer to DHB in the 2023-2024 fiscal year that has not been
48 transferred to DHB for qualifying needs as of June 30, 2024, shall continue to be available for
49 transfer to DHB as qualifying needs arise during the 2024-2025 fiscal year.

50 For the purposes of this section, the term "qualifying need" shall be limited to the
51 following Medicaid transformation needs and may include contracts and temporary staffing:

- 1 (1) Program design.
- 2 (2) Beneficiary and provider experience.
- 3 (3) Information technology upgrades, operations, and maintenance.
- 4 (4) Data management tools.
- 5 (5) Program integrity.
- 6 (6) Quality review.
- 7 (7) Actuarial rate setting functions.
- 8 (8) Technical and operational integration.
- 9 (9) BH IDD tailored plan health homes.
- 10 (10) Legal fees.
- 11 (11) Expenses related to the Enhanced Case Management and Other Services Pilot
- 12 Program, commonly referred to as the "Healthy Opportunities Pilots."

13 **SECTION 9E.9.(c)** Requests for Transfer of Funds for Qualifying Need. – A request
 14 by DHB for the transfer of funds pursuant to subsection (b) of this section shall be made to OSBM
 15 and shall include the amount requested and the specific qualifying need for which the funds are
 16 to be used. None of the funds identified in subsection (b) of this section shall be transferred to
 17 DHB until OSBM verifies the following information:

- 18 (1) The amount requested is to be used for a qualifying need in the 2023-2025
- 19 fiscal biennium.
- 20 (2) The amount requested provides a State share that will not result in total
- 21 requirements that exceed one billion dollars (\$1,000,000,000) in nonrecurring
- 22 funds for the 2023-2025 fiscal biennium.

23 **SECTION 9E.9.(d)** Federal Fund Receipts. – Any federal funds received in any
 24 fiscal year by DHB that represent a return of State share already expended on a qualifying need
 25 related to the funds received by DHB under this section shall be deposited into the Medicaid
 26 Transformation Fund.

27 **SECTION 9E.9.(e)** Reporting. – No later than January 15, 2024, and every six
 28 months thereafter until the final report due July 15, 2025, DHB shall report to the Joint
 29 Legislative Oversight Committee on Medicaid and the Fiscal Research Division on each
 30 expenditure that has been funded from the Medicaid Transformation fund in the preceding six
 31 months and whether that expenditure is expected to continue into the 2025-2027 fiscal biennium.

32 **EXPAND NORTH CAROLINA INNOVATIONS WAIVER SLOTS**

33 **SECTION 9E.10.** The Department of Health and Human Services, Division of
 34 Health Benefits, shall amend the North Carolina Innovations waiver to increase the number of
 35 slots available under the waiver by 250 slots. These additional slots shall be made available on
 36 July 1, 2023, or upon approval by the Centers for Medicare and Medicaid Services, whichever is
 37 later.
 38

39 **MEDICAID SKILLED NURSING FACILITY RATES**

40 **SECTION 9E.11.** The Department of Health and Human Services, Division of
 41 Health Benefits, shall, at a minimum, continue the Medicaid rates for skilled nursing facilities
 42 that were in place as of March 15, 2023.
 43

44 **MEDICAID PERSONAL CARE SERVICES RATES**

45 **SECTION 9E.12.** Beginning July 1, 2023, the Department of Health and Human
 46 Services, Division of Health Benefits, shall provide a rate of six dollars and twenty-five cents
 47 (\$6.25) per 15-minute increment for personal care services provided to Medicaid beneficiaries
 48 through Medicaid Direct, Community Alternatives Program for Children (CAP/C) Services,
 49 Community Alternatives Program for Disabled Adults (CAP/DA), and Community Alternatives
 50 Program Choice (CAP/CO).
 51

1
2 **IMPLEMENT COMPREHENSIVE REIMBURSEMENT STRUCTURE FOR**
3 **FEDERALLY QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS**

4 **SECTION 9E.13.** No earlier than July 1, 2023, DHHS shall implement the new
5 reimbursement approach detailed in the report submitted to the Joint Legislative Oversight
6 Committee on Medicaid and NC Health Choice titled "Proposed Comprehensive Reimbursement
7 Structure for Federally Qualified Health Centers and Rural Health Clinics," dated March 8, 2023.

8
9 **STANDARD BENEFIT PLANS/PERMANENT DME RATE REQUIREMENTS**

10 **SECTION 9E.14.** Section 11 of S.L. 2020-88, as amended by Section 3.6(a) of S.L.
11 2021-62, reads as rewritten:

12 **"DURABLE MEDICAL EQUIPMENT RATE**

13 **"SECTION 11.** For the ~~first five years of the initial~~ standard benefit plan prepaid health plan
14 capitated contracts required under Article 4 of Chapter 108D of the General Statutes, the
15 reimbursement for durable medical equipment and supplies, orthotics, and prosthetics under
16 managed care shall be set at one hundred percent (100%) of the lesser of the supplier's usual and
17 customary rate or the maximum allowable Medicaid fee-for-service rates for durable medical
18 equipment and supplies, orthotics, and prosthetics."
19

20 **ESTABLISH MEDICAID DIRECTED PAYMENT PROGRAM TO INCREASE WAGES**
21 **OF DIRECT CARE WORKERS/INNOVATIONS WAIVER**

22 **SECTION 9E.15.(a)** It is the intent of the General Assembly to assist in increasing
23 the hourly wages of direct care workers who provide services to Medicaid beneficiaries receiving
24 services through the North Carolina Innovations waiver program, to be termed "Innovations
25 direct care workers" for the purpose of this act, by an industry average rate of six dollars and fifty
26 cents (\$6.50) per hour above the North Carolina industry average hourly wage rate cited in the
27 most recent report submitted to the Joint Legislative Oversight Committee on Medicaid and NC
28 Health Choice in accordance with Section 9D.15C of S.L. 2021-180.

29 To that end, the Department of Health and Human Services, Division of Health
30 Benefits (DHB), shall provide a rate increase to providers who provide services to Medicaid
31 beneficiaries receiving services through the North Carolina Innovations waiver program who are
32 either (i) enrolled in the Medicaid program or (ii) approved financial managers or financial
33 support agencies billing for waiver service hours provided by direct care workers that are hired
34 by employers of record or managing employers under a self-directed option in accordance with
35 Medicaid Clinical Coverage Policy 8-P: North Carolina Innovations.

36 **SECTION 9E.15.(b)** The wage increase described in subsection (a) of this section
37 shall be effectuated through a directed payment in accordance with 42 C.F.R. § 438.6(c). All
38 LME/MCOs shall be required to implement the wage increase. This shall continue to apply when
39 the BH IDD tailored plans become fully operational and are implemented. DHB shall determine
40 the amount of the directed payment under this section in consultation with relevant stakeholders.
41 The definition of an Innovations direct care worker under this section includes all workers
42 required for compliance with, or delivery of, the relevant Innovations waiver service definitions
43 and the delivery of a unit of Innovations services to individuals in the definition of direct care
44 worker to be applied and shall include only caregivers who are contracted for the provision of
45 services in a legally appropriate manner. The directed payment under this section shall be
46 effective on the effective date of the directed payment preprint approved by the Centers for
47 Medicare and Medicaid Services.

48 **SECTION 9E.15.(c)** Prior to receiving any funding passed through the directed
49 payment under this section, providers who employ Innovations direct care workers shall attest
50 and provide verification to the relevant LME/MCO that at least eighty-five percent (85%) of the
51 funding that results is being used to increase the rate of pay paid to its Innovations direct care

1 workers. DHB shall set the standards for documentation that shall be required for verification
2 that the provider used the rate increase in the manner required by this section, and LME/MCOs
3 shall use these same standards. DHB and LME/MCOs shall require verifiable methods of
4 accounting, such as payroll-based journals. Providers receiving a rate increase under this section
5 shall keep documentation of the use of that rate increase and make the documentation available
6 upon request by DHB or by the relevant LME/MCO.

7 **SECTION 9E.15.(d)** In addition to other allowable reasons for recoupment of funds,
8 DHB shall recoup part or all of the funds related to the directed payment or the associated rate
9 increase received by a provider pursuant to this section if DHB determines that the provider did
10 not use at least eighty-five percent (85%) of the resulting funding to increase the rate of pay paid
11 to Innovations direct care worker employees.

12 **ACCOUNT FOR DELAY OF BH IDD TAILORED PLANS**

13 **SECTION 9E.16.(a)** Section 9D.7(a) of S.L. 2022-74 is repealed.

14 **SECTION 9E.16.(b)** The Division of Health Benefits, Department of Health and
15 Human Services (DHHS), shall implement BH IDD tailored plans, as defined under
16 G.S. 108D-1, no later than October 1, 2023. The initial term of the BH IDD tailored plan shall
17 end October 1, 2027. If DHHS extends the standard benefit plan contracts, as authorized by
18 Section 7(b) of S.L. 2020-88, then DHHS shall offer to extend the initial term of the BH IDD
19 tailored plan contracts an equivalent amount of time.

20 **EXPEDITED MEDICAID PREFERRED DRUG LIST REVIEW FOR DRUGS 21 TREATING SERIOUS MENTAL ILLNESS**

22 **SECTION 9E.17.(a)** G.S. 108A-54.2 reads as rewritten:

23 **"§ 108A-54.2. Procedures for changing ~~medical-clinical coverage~~ policy.**

24 (a) The Department shall adopt rules to develop, amend, and adopt medical coverage
25 policy for Medicaid in accordance with this section.

26 ...

27 (e) The Department shall provide coverage of a new prescription medication approved
28 by the Food and Drug Administration (FDA) that becomes available to the public if (i) the
29 manufacturer of that medication is enrolled in the Medicaid Drug Rebate Program and (ii) the
30 medication is approved for the treatment of any of the following conditions, as defined by the
31 most recent edition of the Diagnostic and Statistical Manual of Mental Disorders:

32 (1) Bipolar disorders, hypomanic, manic, depressive, and mixed.

33 (2) Childhood and adolescent depression.

34 (3) Major depressive disorders, single episode or recurrent.

35 (4) Obsessive-compulsive disorders.

36 (5) Paranoid personality disorder and other psychotic disorders.

37 (6) Schizo-affective disorders, bipolar or depressive.

38 (7) Schizophrenia.

39 If the new prescription medication approved for the treatment of any of the preceding
40 conditions is not manufactured by a manufacturer enrolled in the Medicaid Drug Rebate Program,
41 then, no later than the end of the next calendar quarter following the date the new prescription
42 medication became available to the public, the Department shall, in consultation with the
43 Physician's Advisory Group, review and submit a proposed policy to the Preferred Drug List
44 (PDL) Review Panel regarding the inclusion of the new prescription medication as either a
45 preferred or non-preferred drug on the Department's PDL."

46 **SECTION 9E.17.(b)** In accordance with the requirements set out in Section 10.33(c)
47 of S.L. 2010-31, within 30 days of the receipt of a proposed policy under G.S. 108A-54.2(e), as
48 enacted by subsection (a) of this section, the Preferred Drug List (PDL) Policy Review Panel
49 shall hold an open meeting to review the recommended policy. After the conclusion of the open
50
51

1 meeting, the PDL Policy Review Panel shall submit policy recommendations about the proposed
2 policy to the Department of Health and Human Services. The PDL Policy Review Panel shall
3 meet no less than once a quarter.

4 **SECTION 9E.17.(c)** This section is effective when it becomes law.

6 **RELATIVES PROVIDING CARE TO MINORS ON THE INNOVATIONS WAIVER**

7 **SECTION 9E.18.(a)** The Department of Health and Human Services, Division of
8 Health Benefits (DHB), shall seek approval from the Centers for Medicare and Medicaid Services
9 (CMS) to amend NC Medicaid Clinical Coverage Policy 8-P "North Carolina Innovations" to
10 allow Community Living and Support services to be provided by a relative of a Medicaid
11 beneficiary residing in the same home as the beneficiary when that beneficiary is under the age
12 of 18 and when no other provider is available to provide these services, similar to what is
13 currently allowed for beneficiaries age 18 and older.

14 **SECTION 9E.18.(b)** DHB shall implement the changes outlined in subsection (a)
15 of this section on the effective date approved by CMS.

17 **FURTHER ADJUST IMPLEMENTATION DATE FOR REQUIRING LME/MCOS TO 18 PAY FOR BEHAVIORAL HEALTH SERVICES PROVIDED TO BENEFICIARIES 19 AWAITING HOSPITAL DISCHARGE**

20 **SECTION 9E.19.(a)** Section 9D.22(f) of S.L. 2021-180, as amended by Section
21 9D.9 of S.L. 2022-74, reads as rewritten:

22 "**SECTION 9D.22.(f)** CMS Approval. – The Department of Health and Human Services,
23 Division of Health Benefits, shall submit to the Centers for Medicare and Medicaid Services
24 (CMS) any State Plan amendments necessary to establish the new Medicaid coverage required
25 by this ~~section~~ section with a proposed start date of March 1, 2023. The new Medicaid covered
26 services and rates shall be implemented ~~December 31, 2022. If approval from CMS is not granted~~
27 ~~by December 31, 2022, then as soon as operationally feasible after the approval by CMS. DHB~~
28 ~~shall retroactively implement services and rates upon approval from CMS to December 31, 2022.~~
29 to the date approved by CMS. The new Medicaid covered services and rates shall only be
30 implemented to the extent allowable by CMS."

31 **SECTION 9E.19.(b)** This section is effective retroactively to December 31, 2022.

33 **PREPAID HEALTH PLANS PERFORMANCE METRICS**

34 **SECTION 9E.20.** The Department of Health and Human Services, Division of
35 Health Benefits (DHB), shall develop performance standards, including claims payment metrics
36 requiring claims to be paid within a set number of days, applicable to prepaid health plans
37 operating standard benefits plans in accordance with Chapter 108D of the General Statutes.
38 Beginning December 1, 2023, and annually until the expiration of the initial prepaid health plan
39 contract, DHB shall report to the Joint Legislative Oversight Committee on Medicaid and to the
40 Fiscal Research Division on these performance standards as they apply to each individual prepaid
41 health plan.

43 **PART IX-F. HEALTH SERVICE REGULATION**

45 **EXTENSION OF TEMPORARY CERTIFICATE OF NEED EXEMPTION**

46 **SECTION 9F.1.** Section 9E.4A(c) of S.L. 2021-180 reads as rewritten:

47 "**SECTION 9E.4A.(c)** This section is effective 30 days after this act becomes law, and
48 expires ~~December 31, 2024.~~December 31, 2027."

50 **PART IX-G. MENTAL HEALTH/DEVELOPMENTAL DISABILITIES/SUBSTANCE 51 ABUSE SERVICES**

SINGLE-STREAM FUNDING FOR DMH/DD/SAS COMMUNITY SERVICES

SECTION 9G.1.(a) For the purpose of mitigating cash flow problems that many local management entities/managed care organizations (LME/MCOs) experience at the beginning of each fiscal year relative to single-stream funding, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), shall distribute not less than one-twelfth of each LME/MCO's base budget allocation at the beginning of the fiscal year and subtract the amount of that distribution from the LME/MCO's total reimbursements for the fiscal year. For each month of the fiscal year after July, DMH/DD/SAS shall distribute, on the third working day of the month, one-eleventh of the amount of each LME/MCO's single-stream allocation that remains after subtracting the amount of the distribution that was made to the LME/MCO in July of the fiscal year.

SECTION 9G.1.(b) During each year of the 2023-2025 fiscal biennium, DMH/DD/SAS shall ensure that LME/MCOs fund, in total, at least ninety percent (90%) of the level of single-stream services provided across the State during the 2014-2015 fiscal year. No LME/MCO shall reduce funding for (i) home and community-based services or (ii) services paid for with single-stream funding that support the 2012 settlement agreement entered into between the United States Department of Justice and the State of North Carolina to ensure that the State will willingly meet the requirements of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, and the United States Supreme Court decision in *Olmstead v. L.C.*, 527 U.S. 581 (1999). This subsection shall not be construed to require an LME/MCO to authorize or maintain the same level of services for any specific individual whose services were paid for with single-stream funding. This subsection shall not be construed to create a private right of action for any person or entity against the State of North Carolina or the Department of Health and Human Services or any of its divisions, agents, or contractors and shall not be used as authority in any contested case brought pursuant to Chapter 108C of the General Statutes or Chapter 108D of the General Statutes.

LOCAL INPATIENT PSYCHIATRIC BEDS OR BED DAYS

SECTION 9G.2.(a) Use of Funds. – Funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall continue to be used for the purchase of local inpatient psychiatric beds or bed days. The Department of Health and Human Services (DHHS) shall continue to implement a two-tiered system of payment for purchasing these local inpatient psychiatric beds or bed days based on acuity level with an enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels, as defined by DHHS. The enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels shall not exceed the lowest average cost per patient bed day among the State psychiatric hospitals. In addition, at the discretion of the Secretary of Health and Human Services, existing funds allocated to LME/MCOs for community-based mental health, developmental disabilities, and substance abuse services may be used to purchase additional local inpatient psychiatric beds or bed days.

SECTION 9G.2.(b) Distribution and Management of Beds or Bed Days. – DHHS shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, except that DHHS may use up to ten percent (10%) of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the purchase of local inpatient psychiatric beds or bed days to pay for facility-based crisis services and nonhospital detoxification services for individuals in need of these services, regardless of whether the individuals are medically indigent. For the purposes of this subsection, "medically indigent" shall mean uninsured persons who (i) are financially unable

1 to obtain private insurance coverage, as determined by DHHS and (ii) are not eligible for
2 government-funded health coverage such as Medicare or Medicaid.

3 In addition, DHHS shall work to ensure that any local inpatient psychiatric beds or
4 bed days purchased in accordance with this section are distributed across the State and according
5 to need, as determined by DHHS. DHHS shall ensure that beds or bed days for individuals with
6 higher acuity levels are distributed across the State and according to greatest need based on
7 hospital bed utilization data. DHHS shall enter into contracts with LME/MCOs and local
8 hospitals for the management of these beds or bed days. DHHS shall work to ensure that these
9 contracts are awarded equitably around all regions of the State. LME/MCOs shall manage and
10 control these local inpatient psychiatric beds or bed days, including the determination of the
11 specific local hospital or State psychiatric hospital to which an individual should be admitted
12 pursuant to an involuntary commitment order.

13 **SECTION 9G.2.(c)** Funds to be Held in Statewide Reserve. – Funds appropriated in
14 this act to DHHS for the purchase of local inpatient psychiatric beds or bed days shall not be
15 allocated to LME/MCOs but shall be held in a statewide reserve at the Division of Mental Health,
16 Developmental Disabilities, and Substance Abuse Services to pay for services authorized by the
17 LME/MCOs and billed by the hospitals through the LME/MCOs. LME/MCOs shall remit claims
18 for payment to DHHS within 15 working days after receipt of a clean claim from the hospital
19 and shall pay the hospital within 30 working days after receipt of payment from DHHS.

20 **SECTION 9G.2.(d)** Ineffective LME/MCO Management of Beds or Bed Days. – If
21 DHHS determines that (i) an LME/MCO is not effectively managing the beds or bed days for
22 which it has responsibility, as evidenced by beds or bed days in the local hospital not being
23 utilized while demand for services at the State psychiatric hospitals has not decreased, or (ii) the
24 LME/MCO has failed to comply with the prompt payment provisions of this section, DHHS may
25 contract with another LME/MCO to manage the beds or bed days or, notwithstanding any other
26 provision of law to the contrary, may pay the hospital directly.

27 **SECTION 9G.2.(e)** Reporting by LME/MCOs. – LME/MCOs shall be required to
28 report to DHHS regarding the utilization of these beds or bed days.

29 **SECTION 9G.2.(f)** Reporting by DHHS. – By no later than December 1, 2024, and
30 by no later than December 1, 2025, DHHS shall report to the Joint Legislative Oversight
31 Committee on Health and Human Services and the Fiscal Research Division on all of the
32 following:

- 33 (1) A uniform system for beds or bed days purchased during the preceding fiscal
34 year from (i) existing State appropriations and (ii) local funds.
- 35 (2) An explanation of the process used by DHHS to ensure that, except as
36 otherwise provided in subsection (a) of this section, local inpatient psychiatric
37 beds or bed days purchased in accordance with this section are utilized solely
38 for individuals who are medically indigent, along with the number of
39 medically indigent individuals served by the purchase of these beds or bed
40 days.
- 41 (3) The amount of funds used to pay for facility-based crisis services, along with
42 the number of individuals who received these services and the outcomes for
43 each individual.
- 44 (4) The amount of funds used to pay for nonhospital detoxification services, along
45 with the number of individuals who received these services and the outcomes
46 for each individual.
- 47 (5) Other DHHS initiatives funded by State appropriations to reduce State
48 psychiatric hospital use.

50 FUNDS FOR HYPERBARIC OXYGEN THERAPY FOR VETERANS PROGRAM

1 **SECTION 9G.3.** Of the funds appropriated in this act to the Department of Health
2 and Human Services, Division of Mental Health, Developmental Disabilities, and Substance
3 Abuse Services, one million dollars (\$1,000,000) in nonrecurring funds for the 2023-2024 fiscal
4 year shall be allocated to the Community Foundation of NC East, Inc., a nonprofit in Pitt County,
5 to be used to support its HBOT for Veterans Program.
6

7 **OPIOID ANTAGONISTS FOR LOCAL GOVERNMENTS GRANT PROGRAM**

8 **SECTION 9G.4.(a)** Notwithstanding the use of the Mental Health and Substance
9 Use Task Force Reserve Fund (Fund) under Section 12F.3(b) of S.L. 2016-94, the Department
10 of Health and Human Services, Division of Mental Health, Developmental Disabilities, and
11 Substance Abuse Services (DMH/DD/SAS), shall use the sum of three million dollars
12 (\$3,000,000) in recurring funds for the 2023-2024 fiscal year and the sum of seven million dollars
13 (\$7,000,000) in recurring funds for the 2024-2025 fiscal year from the Fund to provide funding
14 to local governments for the purchase of opioid antagonists. DMH/DD/SAS shall administer a
15 grant program that allows units of local government to apply for funds to be used for the purchase
16 of any opioid antagonist approved by the federal Food and Drug Administration. For the
17 2023-2025 fiscal biennium, funds shall first be made available to those units of local government
18 that do not have an opioid antagonist program already established as of March 1, 2023.

19 **SECTION 9G.4.(b)** Notwithstanding the use of the Fund under Section 12F.3(b) of
20 S.L. 2016-94, the Department of Health and Human Services, Division of Mental Health,
21 Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), shall allocate the
22 sum of four million dollars (\$4,000,000) in nonrecurring funds for the 2023-2024 fiscal year from
23 the Fund to be distributed to NC Harm Reduction Coalition to be used to support their current
24 programs and to provide opioid antagonists for use by emergency medical services and reentry
25 programs.
26

27 **START-UP FUNDS FOR WILKES RECOVERY REVOLUTION, INC.**

28 **SECTION 9G.5.** Of the funds appropriated in this act to the Department of Health
29 and Human Services, Division of Mental Health, Developmental Disabilities, and Substance
30 Abuse Services, two million seven hundred twenty thousand dollars (\$2,720,000) in nonrecurring
31 funds for the 2023-2024 fiscal year shall be allocated to Wilkes Recovery Revolution, Inc., a
32 nonprofit corporation, to be used to build or purchase a new building, or to remodel or renovate
33 a building, for the provision of services for individuals with substance use disorder. These
34 nonrecurring funds may also be used for one-time start-up costs associated with the programs
35 that will be run out of the building. Notwithstanding the State Medical Facilities Plan, Article 9
36 of Chapter 131E of the General Statutes, or any other provision of law to the contrary, Wilkes
37 Recovery Revolution, Inc., shall be exempt from certificate of need review for the construction,
38 remodel, or renovation of any behavioral health-related facilities or beds for which funds are
39 allocated in this section, provided those facilities and beds shall be subject to existing licensure
40 laws and requirements.
41

42 **WORKFORCE DEVELOPMENT FUNDS FOR ADULTS WITH IDD**

43 **SECTION 9G.6.** Of the funds appropriated in this act from the ARPA Temporary
44 Savings Fund to the Department of Health and Human Services, Division of Mental Health,
45 Developmental Disabilities, and Substance Abuse Services, seven hundred fifty thousand dollars
46 (\$750,000) in nonrecurring funds for the 2023-2024 fiscal year shall be allocated to UMAR
47 Services, Inc., a nonprofit corporation, to provide services for adults with intellectual and
48 developmental disabilities (IDD). At least three hundred seventy-five thousand dollars
49 (\$375,000) of those funds shall be utilized by UMAR Services, Inc., to provide workforce
50 development opportunities and vocational services for adults with IDD.
51

FUNDS FOR NEW ADOLESCENT BEHAVIORAL HEALTHCARE FACILITY

SECTION 9G.7. Of the funds appropriated in this act from the ARPA Temporary Savings Fund to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, fifteen million dollars (\$15,000,000) in nonrecurring funds for the 2023-2024 fiscal year shall be allocated to the Katie Blessing Foundation, a nonprofit corporation, to be used to build a new facility for the provision of adolescent behavioral healthcare. Notwithstanding the State Medical Facilities Plan, Article 9 of Chapter 131E of the General Statutes, or any other provision of law to the contrary, the Katie Blessing Foundation shall be exempt from certificate of need review for the construction of any behavioral health-related facilities or beds for which funds are allocated in this section, provided those facilities and beds shall be subject to existing licensure laws and requirements.

USE OF OPIOID SETTLEMENT FUNDS

SECTION 9G.8.(a) The following definitions apply in this section:

- (1) Department. – The Department of Health and Human Services.
- (2) Opioid Abatement Fund. – The Fund created by Section 9F.1 of S.L. 2021-180, as amended by Section 9F.1 of S.L. 2022-74.
- (3) Opioid Abatement Reserve. – The Reserve created by Section 9F.1 of S.L. 2021-180, as amended by Section 9F.1 of S.L. 2022-74.

SECTION 9G.8.(b) The State Controller shall transfer from the Opioid Abatement Reserve to the Opioid Abatement Fund the sum of nine million one hundred ninety-two thousand four hundred sixty-one dollars (\$9,192,461) in nonrecurring funds for the 2023-2024 fiscal year and the sum of nine million nine hundred seventy-eight thousand four hundred sixty-two dollars (\$9,978,462) in nonrecurring funds for the 2024-2025 fiscal year. These funds are appropriated to the Department of Health and Human Services to be used and allocated as follows:

- (1) The Department shall transfer the sum of three hundred thousand dollars (\$300,000) in nonrecurring funds for the 2023-2024 fiscal year to the North Carolina Administrative Office of the Courts to fund the study on judicially managed accountability and recovery courts authorized by Section 16.13 of this act.
- (2) The Department shall use the remainder of the funds appropriated by this section to competitively award grants, based on a process prescribed by the Department, to nonprofit organizations that have the capacity to respond to the negative impacts of the opioid epidemic within the State of North Carolina, in one or more of the ways delineated in Section 9F.1(b) of S.L. 2021-180, as amended by Section 9F.1 of S.L. 2022-74.

REPORT ON IMPLEMENTATION STATUS OF NEW ELECTRONIC HEALTH RECORDS SYSTEM AT STATE PSYCHIATRIC HOSPITALS

SECTION 9G.9. By December 1, 2023, and by December 1, 2024, the Department of Health and Human Services, Division of State-Operated Healthcare Facilities, shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the status of the following:

- (1) Execution of a contract that provides for full implementation of a new electronic health records system within each of the State psychiatric hospitals under the jurisdiction of the Secretary of Health and Human Services pursuant to G.S. 122C-181.
- (2) Full implementation of a new electronic health records system within each of the State psychiatric hospitals under the jurisdiction of the Secretary of Health and Human Services pursuant to G.S. 122C-181.

- 1 (3) Training of the State's psychiatric hospitals' staff on the use of the newly
2 implemented electronic health records system.
3

4 **PART IX-H. PUBLIC HEALTH**

5 6 **LOCAL HEALTH DEPARTMENTS/COMPETITIVE GRANT PROCESS TO** 7 **IMPROVE MATERNAL AND CHILD HEALTH**

8 **SECTION 9H.1.(a)** Funds appropriated in this act to the Department of Health and
9 Human Services, Division of Public Health, for each year of the 2023-2025 fiscal biennium to
10 award competitive grants to local health departments for the improvement of maternal and child
11 health shall be used to continue administering a competitive grant process for local health
12 departments based on maternal and infant health indicators and the county's detailed proposal to
13 invest in evidence-based programs to achieve the following goals:

- 14 (1) Improve North Carolina's birth outcomes.
15 (2) Improve the overall health status of children in this State from birth to age 5.
16 (3) Lower the State's infant mortality rate.

17 **SECTION 9H.1.(b)** The plan for administering the competitive grant process shall
18 include at least all of the following components:

- 19 (1) A request for application (RFA) process to allow local health departments to
20 apply for and receive State funds on a competitive basis. The Department shall
21 require local health departments to include in the application a plan to evaluate
22 the effectiveness, including measurable impact or outcomes, of the activities,
23 services, and programs for which the funds are being requested.
24 (2) A requirement that the Secretary prioritize grant awards to those local health
25 departments that are able to leverage non-State funds in addition to the grant
26 award.
27 (3) Ensures that funds received by the Department to implement the plan
28 supplement and do not supplant existing funds for maternal and child health
29 initiatives.
30 (4) Allows grants to be awarded to local health departments for up to two years.

31 **SECTION 9H.1.(c)** No later than July 1 of each year, as applicable, the Secretary
32 shall announce the recipients of the competitive grant awards and allocate funds to the grant
33 recipients for the respective grant period pursuant to the amounts designated under subsection
34 (a) of this section. After awards have been granted, the Secretary shall submit a report to the Joint
35 Legislative Oversight Committee on Health and Human Services on the grant awards that
36 includes at least all of the following:

- 37 (1) The identity and a brief description of each grantee and each program or
38 initiative offered by the grantee.
39 (2) The amount of funding awarded to each grantee.
40 (3) The number of persons served by each grantee, broken down by program or
41 initiative.

42 **SECTION 9H.1.(d)** No later than February 1 of each fiscal year, each local health
43 department receiving funding pursuant to this section in the respective fiscal year shall submit to
44 the Division of Public Health a written report of all activities funded by State appropriations. The
45 report shall include the following information about the fiscal year preceding the year in which
46 the report is due:

- 47 (1) A description of the types of programs, services, and activities funded by State
48 appropriations.
49 (2) Statistical and demographical information on the number of persons served by
50 these programs, services, and activities, including the counties in which
51 services are provided.

- 1 (3) Outcome measures that demonstrate the impact and effectiveness of the
2 programs, services, and activities based on the evaluation protocols developed
3 by the Division, in collaboration with the University of North Carolina
4 Gillings School of Global Public Health, pursuant to Section 12E.11(e) of S.L.
5 2015-241, and reported to the Joint Legislative Oversight Committee on
6 Health and Human Services on April 1, 2016.
- 7 (4) A detailed program budget and list of expenditures, including all positions
8 funded, matching expenditures, and funding sources.
- 9

10 **REPORT ON PREMIUM ASSISTANCE PROGRAM WITHIN AIDS DRUG** 11 **ASSISTANCE PROGRAM**

12 **SECTION 9H.2.** Upon a determination by the Department of Health and Human
13 Services, Division of Public Health, that, in six months or less, it will no longer be feasible to
14 operate the health insurance premium assistance program implemented within the North Carolina
15 AIDS Drug Assistance Program (ADAP) on a cost-neutral basis or in a manner that achieves
16 savings to the State, the Department shall submit a report to the Joint Legislative Oversight
17 Committee on Health and Human Services notifying the Committee of this determination along
18 with supporting documentation and a proposed course of action with respect to health insurance
19 premium assistance program participants.

20

21 **LIMITATION ON USE OF STATE FUNDS**

22 **SECTION 9H.3.** G.S. 143C-6-5.5 reads as rewritten:

23 **"§ 143C-6-5.5. Limitation on use of State funds for abortions.**

24 (a) No State funds may be used for the performance of abortions or to support the
25 administration of any governmental health plan or government-offered insurance policy offering
26 abortion, except that this prohibition shall not apply where (i) the life of the mother would be
27 endangered if the unborn child were carried to term or (ii) the pregnancy is the result of a rape or
28 incest. Nothing in this section shall be construed to limit medical care provided after a
29 spontaneous miscarriage.

30 (b) No State funds may be used by a State agency to renew or extend existing contracts
31 or enter into new contracts for the provision of family planning services, pregnancy prevention
32 activities, or adolescent parenting programs with any provider that performs abortions. Nothing
33 in this subsection shall be construed to prevent a State agency from paying any healthcare
34 provider for services authorized under the State Health Plan for Teachers and State Employees
35 or the Medicaid program."

36

37 **USE OF JUUL SETTLEMENT FUNDS**

38 **SECTION 9H.4.(a)** There is appropriated from the Youth Electronic Nicotine
39 Dependence Abatement Fund created in Section 9G.10(a) of S.L. 2021-180 to the Department of
40 Health and Human Services, Division of Public Health, the sum of eleven million two hundred
41 fifty thousand dollars (\$11,250,000) in nonrecurring funds for the 2023-2024 fiscal year and the
42 sum of eleven million two hundred fifty thousand dollars (\$11,250,000) in nonrecurring funds
43 for the 2024-2025 fiscal year to be used and allocated as follows:

- 44 (1) Five million five hundred thousand dollars (\$5,500,000) in nonrecurring funds
45 for each year of the 2023-2025 fiscal biennium shall be allocated for electronic
46 cigarette and nicotine dependence prevention and cessation activities targeting
47 students in grades four through eight.
- 48 (2) Two hundred fifty thousand dollars (\$250,000) in nonrecurring funds for each
49 year of the 2023-2025 fiscal biennium shall be allocated to conduct lung
50 cancer screenings and surveillance on adults who were exposed to electronic
51 cigarettes as youth to support research on health outcomes related to the use

1 of electronic cigarettes by individuals who are under the legal age to purchase
2 these products in North Carolina.

- 3 (3) Five million five hundred thousand dollars (\$5,500,000) in nonrecurring funds
4 for each year of the 2023-2025 fiscal biennium shall be allocated to continue
5 the tobacco and nicotine dependence and prevention activities targeting youth
6 and young adults that were authorized in Section 9G.10 of S.L. 2021-180, as
7 amended by Section 9G.3 of S.L. 2022-74. The Department of Health and
8 Human Services, Division of Public Health, may exercise discretion in how
9 to allocate these funds among the purposes set forth in Section 9G.10 of S.L.
10 2021-180, as amended by Section 9G.3 of S.L. 2022-74; provided, however,
11 that all such allocated funds shall be used to target youth and young adults.

12 **SECTION 9H.4.(b)** Funds allocated under subsection (a) of this section shall remain
13 available for expenditure in the amounts and for the purposes specified in each subdivision of
14 subsection (a) of this section until expended.

15 **SECTION 9H.4.(c)** Annually on September 1, the Department of Health and Human
16 Services shall report to the Joint Legislative Oversight Committee on Health and Human Services
17 and the Fiscal Research Division on the expenditures made from the Youth Electronic Nicotine
18 Dependence Abatement Fund during the preceding fiscal year. The report shall identify each
19 expenditure and shall indicate the authority under this section for the expenditure.

20 **SECTION 9H.4.(d)** Notwithstanding the Committee Report described in Section
21 43.2 of this act or any other provision of law to the contrary, funds appropriated in this act to the
22 Department of Health and Human Services, Division of Public Health, in Fund Code 2600, for
23 (i) Electronic Cigarette Prevention and Cessation Programs Targeted at Children in Grades 4
24 through 8 are decreased by the sum of one million five hundred thousand dollars (\$1,500,000) in
25 nonrecurring funds for each year of the 2023-2025 fiscal biennium; and (ii) Activities to Mitigate
26 Electronic Cigarette Use by Youth are increased by the sum of one million five hundred thousand
27 dollars (\$1,500,000) in nonrecurring funds for each year of the 2023-2025 fiscal biennium.

29 FUNDS FOR LOCAL COMMUNICABLE DISEASE PROGRAMS

30 **SECTION 9H.5.(a)** Of the funds appropriated in this act to the Department of Health
31 and Human Services, Division of Public Health, the sum of fourteen million seven hundred
32 twenty-one thousand six dollars (\$14,721,006) in recurring funds for the 2023-2024 fiscal year
33 and the sum of fourteen million seven hundred twenty-one thousand six dollars (\$14,721,006) in
34 recurring funds for the 2024-2025 fiscal year shall be allocated to local health departments to be
35 used as follows:

- 36 (1) To continue to address the ongoing challenges of the COVID-19 public health
37 emergency and other communicable disease challenges.
38 (2) To better prepare the State for emerging and re-emerging public health threats.
39 (3) To retain and hire additional communicable disease staff, including public
40 health nurses and other public health professionals, who are vital not only to
41 maintaining North Carolina's communicable disease response but also to
42 ensuring that the essential public health services described in G.S. 130A-1.1
43 are available and accessible to the population served by the local health
44 department.

45 **SECTION 9H.5.(b)** In the distribution of these funds to local health departments,
46 for each year of the 2023-2025 fiscal biennium, the Division of Public Health shall do all of the
47 following:

- 48 (1) Divide seven million three hundred sixty thousand five hundred three dollars
49 (\$7,360,503) equally among the local health departments.
50 (2) Distribute the remaining seven million three hundred sixty thousand five
51 hundred three dollars (\$7,360,503) to local health departments based upon the

1 percentage of the State population served by each of the local health
2 departments.

- 3 (3) Begin distributing the funds allocated under this section no later than (i) 60
4 days after the date the Office of State Budget and Management and the Office
5 of the State Controller establish the certified budget for the Department of
6 Health and Human Services for the 2023-2024 fiscal year and (ii) 60 days after
7 the date the Office of State Budget and Management and the Office of the
8 State Controller establish the certified budget for the Department of Health
9 and Human Services for the 2024-2025 fiscal year.

10 **SECTION 9H.5.(c)** By October 1, 2024, and annually thereafter, the Department of
11 Health and Human Services, Division of Public Health, shall report to the Joint Legislative
12 Oversight Committee on Health and Human Services on the funding appropriated by this section.
13 The report shall include all of the following:

- 14 (1) The amount of funding that each county received pursuant to this section for
15 surveillance, detection, control, and prevention of communicable diseases.
16 (2) An explanation if the sum of the funding received in the previous fiscal year
17 by all counties under this section is not equivalent to the total funds
18 appropriated each year.
19 (3) Information on how the local health departments plan to use and subsequently
20 did use these funds to address surveillance, detection, control, and prevention
21 of communicable diseases.
22 (4) Consistent with the supplement and not supplant intent of this section, the
23 report shall delineate funds other than those distributed in accordance with
24 this section that were received by each county to address surveillance,
25 detection, control, and prevention of communicable diseases.
26 (5) Additional information as may be requested by the Joint Legislative Oversight
27 Committee on Health and Human Services.
28

29 **INFECTION PREVENTION PILOT PROGRAM**

30 **SECTION 9H.6.(a)** Of the funds appropriated in this act to the Department of Health
31 and Human Services, Division of Public Health (DPH), the sum of two million dollars
32 (\$2,000,000) in nonrecurring funds for the 2023-2024 fiscal year to establish and oversee a
33 two-year healthcare-associated infection prevention pilot program. The purpose of the pilot
34 program is to evaluate the effectiveness of a solution to (i) increase hand hygiene compliance
35 among healthcare workers before and after patient contact and (ii) reduce the number of
36 healthcare-associated infections, with the intent to establish best practices that can be modeled
37 statewide. The DPH shall select at least two general acute hospitals licensed to operate more than
38 200 beds as pilot program sites. Each pilot program site shall include the following components:

- 39 (1) Hand hygiene dispensers in patient rooms that are installed with
40 communication devices to track usage and detect when the dispensers need
41 service.
42 (2) In-hand hygiene dispensers for patient-facing healthcare workers.
43 (3) The use of real-time data analytics and dashboards to monitor hand hygiene
44 compliance among healthcare workers.
45 (4) Compliance training and education on hand hygiene for healthcare workers at
46 each pilot program site.

47 **SECTION 9H.6.(b)** Funds allocated under this section shall not revert at the end of
48 the 2023-2024 fiscal year but shall remain available until expended or until the pilot program
49 concludes, whichever is earlier.

50 **SECTION 9H.6.(c)** By December 31, 2023, and every six months thereafter until
51 June 30, 2025, the DPH shall submit a progress report on the status and operation of the pilot

1 program authorized by this section to the Joint Legislative Oversight Committee on Health and
2 Human Services and the Fiscal Research Division. By December 31, 2025, the Division shall
3 submit a final report to the Joint Legislative Oversight Committee on Health and Human Services
4 and the Fiscal Research Division that includes recommendations on best practices for (i) hand
5 hygiene among healthcare workers and (ii) reducing the number of healthcare-associated
6 infections.

7
8 **FUNDS FOR THE OFFICE OF THE CHIEF MEDICAL EXAMINER TO CONDUCT**
9 **TOXICOLOGY SCREENING IN ALL CHILD DEATH CASES**

10 **SECTION 9H.7.(a)** G.S. 130A-385 is amended by adding a new subsection to read:

11 "(a1) The Office of the Chief Medical Examiner shall conduct comprehensive toxicology
12 screening in all child death cases that fall under the jurisdiction of the medical examiner pursuant
13 to G.S. 130A-383 or G.S. 130A-384."

14 **SECTION 9H.7.(b)** Of the funds appropriated in this act to the Department of Health
15 and Human Services, Division of Public Health, Office of the Chief Medical Examiner, the
16 following sums shall be allocated and used as follows to fulfill the toxicology screening
17 requirements of G.S. 130A-385(a1), as enacted by this act:

- 18 (1) The sum of ninety-three thousand five hundred thirteen dollars (\$93,513) in
19 recurring funds for each year of the 2023-2025 fiscal biennium shall be used
20 to establish within the Office of the Chief Medical Examiner a full-time
21 Chemist I position dedicated to conducting comprehensive toxicology
22 screening in child death cases.
- 23 (2) The sum of sixty-five thousand six hundred eighty-three dollars (\$65,683) in
24 recurring funds for each year of the 2023-2025 fiscal biennium shall be used
25 to establish within the Office of the Chief Medical Examiner a full-time
26 Chemistry Technician I position dedicated to conducting comprehensive
27 toxicology screening in child death cases.
- 28 (3) The sum of five thousand five hundred dollars (\$5,500) in recurring funds for
29 each year of the 2023-2025 fiscal biennium shall be used to purchase supplies
30 to conduct comprehensive toxicology screening.
- 31 (4) The sum of five hundred fifty thousand dollars (\$550,000) in nonrecurring
32 funds for the 2023-2024 fiscal year shall be used to cover the cost of
33 equipment, training, and any other necessary start-up costs for conducting
34 comprehensive toxicology screening in all child death cases.

35 **SECTION 9H.7.(c)** Subsection (a) of this section becomes effective October 1,
36 2023, and applies to child death cases pending or initiated on or after that date. The remainder of
37 this section becomes effective on July 1, 2023.

38
39 **REQUIREMENT FOR AUTOPSIES OR OTHER REPORTS IN SUSPECTED DEATH**
40 **BY DISTRIBUTION CASES**

41 **SECTION 9H.8.(a)** G.S. 130A-389 reads as rewritten:

42 **"§ 130A-389. Autopsies.**

43 (a) ~~If~~ The Chief Medical Examiner or a competent pathologist designated by the Chief
44 Medical Examiner shall perform an autopsy or other study in each of the following cases:

- 45 (1) If, in the opinion of the medical examiner investigating the case or of the Chief
46 Medical Examiner, it is advisable and in the public interest that an autopsy or
47 other study be ~~made; or, if made.~~
- 48 (2) If an autopsy or other study is requested by the district attorney of the county
49 or by any superior court judge, ~~an autopsy or other study shall be made by the~~
50 ~~Chief Medical Examiner or by a competent pathologist designated by the~~
51 ~~Chief Medical Examiner-judge.~~

1 (3) In any case in which the district attorney of the county or the investigating law
2 enforcement agency asserts to the Chief Medical Examiner or the medical
3 examiner of the county in which the body was located that there is probable
4 cause to believe that a violation of G.S. 14-18.4 has occurred.

5 A complete autopsy report of findings and interpretations, prepared on forms designated for
6 the purpose, shall be submitted promptly to the Chief Medical Examiner. Subject to the
7 limitations of G.S. 130A-389.1 relating to photographs and video or audio recordings of an
8 autopsy, a copy of the report shall be furnished to any person upon request.

9 (a1) The fee for ~~the an~~ autopsy or other study performed pursuant to subsection (a) of this
10 section shall be two thousand eight hundred dollars (\$2,800) to be paid as follows:

11 (1) Except as provided in subdivision (2) of this subsection, the county in which
12 the deceased resided shall pay a fee of one thousand seven hundred fifty
13 dollars (\$1,750) and the State shall pay the remaining balance of one thousand
14 fifty dollars (\$1,050).

15 (2) If the death or fatal injury occurred outside the county in which the deceased
16 resided, the State shall pay the entire fee in the amount of two thousand eight
17 hundred dollars (\$2,800).

18 "

19 **SECTION 9H.8.(b)** G.S. 130A-389(a), as amended by this section, becomes
20 effective December 1, 2023, and applies to autopsies conducted on or after that date. The
21 remainder of this section becomes effective July 1, 2023.

22 23 **INCREASE IN AUTOPSY FEES**

24 **SECTION 9H.9.(a)** Effective January 1, 2025, G.S. 130A-389(a1), as amended by
25 Section 9H.8 of this act, reads as rewritten:

26 "(a1) The fee for an autopsy or other study performed pursuant to subsection (a) of this
27 section shall be ~~two five~~ thousand eight hundred dollars ~~(\$2,800)-(\$5,800)~~ to be paid as follows:

28 (1) Except as provided in subdivision (2) of this subsection, the county in which
29 the deceased resided shall pay a fee of one thousand seven hundred fifty
30 dollars (\$1,750) and the State shall pay the remaining balance of ~~one four~~
31 thousand fifty dollars ~~(\$1,050)-(\$4,050)~~.

32 (2) If the death or fatal injury occurred outside the county in which the deceased
33 resided, the State shall pay the entire fee in the amount of ~~two five~~ thousand
34 eight hundred dollars ~~(\$2,800)-(\$5,800)~~."

35 **SECTION 9H.9.(b)** By October 1, 2025, and biennially thereafter, the Department
36 of Health and Human Services, Division of Public Health, shall analyze the autopsy fee
37 established by subsection (a1) of G.S. 130A-389, as amended by this act, and report to the Joint
38 Legislative Oversight Committee on Health and Human Services and the Fiscal Research
39 Division on the following:

40 (1) The results of the analysis and any recommended changes to the fee or how
41 the fee is apportioned between the State and counties.

42 (2) For the preceding biennium, the number of autopsies performed by each
43 autopsy center within the North Carolina medical examiner system and the
44 total amount of fees paid to each autopsy center.

45 46 **SOUTH PIEDMONT REGIONAL AUTOPSY CENTER FUNDS**

47 **SECTION 9H.10.(a)** Of the funds appropriated in this act to the Department of
48 Health and Human Services, Division of Public Health, Office of the Chief Medical Examiner
49 (OCME), the sum of two million dollars (\$2,000,000) in recurring funds for the 2023-2024 fiscal
50 year and the sum of two million dollars (\$2,000,000) in recurring funds for the 2024-2025 fiscal

1 year shall be allocated to Union County for operational costs and equipment associated with the
2 establishment of a county-operated regional autopsy center serving the following areas:

- 3 (1) Anson County
- 4 (2) Cabarrus County
- 5 (3) Montgomery County
- 6 (4) Richmond County
- 7 (5) Stanly County
- 8 (6) Union County

9 **SECTION 9H.10.(b)** Union County shall notify the Department of Health and
10 Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and
11 the Fiscal Research Division when the regional autopsy center funded by this section becomes
12 operational. Upon receiving this notification, the OCME shall enter into a contract with Union
13 County pursuant to which (i) the regional autopsy center funded by this section agrees to provide
14 independent forensic pathology services in the counties specified by subsection (a) of this section
15 and (ii) the OCME agrees to reimburse Union County for each autopsy performed by the regional
16 autopsy center in an amount equivalent to the fee authorized by G.S. 130A-389(a1), as amended
17 by this act.

18 **SECTION 9H.10.(c)** By December 1, 2023, and December 1, 2024, Union County
19 shall submit a progress report to the Department of Health and Human Services, the Joint
20 Legislative Oversight Committee on Health and Human Services, and the Fiscal Research
21 Division on the status and operation of the regional autopsy center funded by this section.
22

23 CAROLINA PREGNANCY CARE FELLOWSHIP

24 **SECTION 9H.11.(a)** Of the funds appropriated in this act to the Department of
25 Health and Human Services, Division of Public Health, the sum of six million two hundred fifty
26 thousand dollars (\$6,250,000) in recurring funds for the 2023-2024 fiscal year and the sum of six
27 million two hundred fifty thousand dollars (\$6,250,000) in recurring funds for the 2024-2025
28 fiscal year shall be allocated to Carolina Pregnancy Care Fellowship (CPCF), a nonprofit
29 corporation, to be used as follows:

- 30 (1) The sum of two million nine hundred thousand dollars (\$2,900,000) in
31 recurring funds for the 2023-2024 fiscal year and the sum of two million nine
32 hundred thousand dollars (\$2,900,000) in recurring funds for the 2024-2025
33 fiscal year shall be used to provide grants for services to pregnancy centers
34 located in this State.
- 35 (2) The sum of one million dollars (\$1,000,000) in recurring funds for the
36 2023-2024 fiscal year and the sum of one million dollars (\$1,000,000) in
37 recurring funds for the 2024-2025 fiscal year shall be used to provide the
38 following grants to pregnancy centers located in this State:
 - 39 a. Grants to purchase durable medical equipment.
 - 40 b. Grants to pay for pregnancy care training and training on the use of
41 durable medical equipment.
- 42 (3) The sum of two hundred fifty thousand dollars (\$250,000) in recurring funds
43 for the 2023-2024 fiscal year and the sum of two hundred fifty thousand
44 dollars (\$250,000) in recurring funds for the 2024-2025 fiscal year shall be
45 used to provide grants to pregnancy centers located in this State to cover the
46 cost of nonreligious, nonsectarian educational training and resources
47 regarding pregnancy.
- 48 (4) The sum of two million one hundred thousand dollars (\$2,100,000) in
49 recurring funds for the 2023-2024 fiscal year and the sum of two million one
50 hundred thousand dollars (\$2,100,000) in recurring funds for the 2024-2025

1 fiscal year shall be allocated to fund operation of the CPCF Circle of Care
2 Program.

3 **SECTION 9H.11.(b)** The CPCF shall establish an application process for the grants
4 authorized by subdivisions (a)(1) through (a)(3) of this section, and any pregnancy center located
5 in this State that applies for these grant funds through the established application process is
6 eligible to receive these grant funds.

7 **SECTION 9H.11.(c)** The CPCF may not use more than ten percent (10%) of the
8 total amount of funds allocated by this section for each year of the 2023-2025 fiscal biennium
9 for administrative purposes.

10 **SECTION 9H.11.(d)** Funds allocated under this section shall be used for
11 nonsectarian, nonreligious purposes only.

12 **SECTION 9H.11.(e)** By July 1, 2025, and July 1 of each odd-numbered year
13 thereafter, the CPCF shall report to the Joint Legislative Oversight Committee on Health and
14 Human Services and the Fiscal Research Division on the use of funds allocated under this section.
15 The report shall include at least the following:

- 16 (1) The identity and a brief description of each grantee and the amount of funding
17 awarded to each grantee.
- 18 (2) The number of persons served by each grantee.
- 19 (3) The number of persons served by the Circle of Care Program.

20

21 STATEWIDE CONTINUUM OF CARE PROGRAM

22 **SECTION 9H.12.(a)** Of the funds appropriated in this act to the Department of
23 Health and Human Services, Division of Public Health, the sum of five million dollars
24 (\$5,000,000) in recurring funds for the 2023-2024 fiscal year and the sum of five million dollars
25 (\$5,000,000) in recurring funds for the 2024-2025 fiscal year shall be allocated to the Human
26 Coalition, a nonprofit organization, to fund operation of the Human Coalition's statewide
27 Continuum of Care Program, as expanded pursuant to Section 9G.6 of S.L. 2021-180. These
28 funds shall be used for nonreligious, nonsectarian purposes only.

29 **SECTION 9H.12.(b)** The Human Coalition may use up to ten percent (10%) of the
30 funds allocated for the statewide Continuum of Care Program for each year of the 2023-2025
31 fiscal biennium for administrative purposes.

32 **SECTION 9H.12.(c)** By December 1, 2023, and every six months thereafter, the
33 Human Coalition shall report to the Department of Health and Human Services on the status and
34 operation of the statewide Continuum of Care Program authorized by Section 9G.6 of S.L.
35 2021-180. The report shall include at least all of the following:

- 36 (1) A detailed breakdown of expenditures for the program.
- 37 (2) The number of individuals served by the program, and, for the individuals
38 served, the types of services provided to each.
- 39 (3) Any other information requested by the Department of Health and Human
40 Services as necessary for evaluating the success of the program.

41 **SECTION 9H.12.(d)** By February 1 of each odd-numbered year, the Department of
42 Health and Human Services shall report to the Joint Legislative Oversight Committee on Health
43 and Human Services and the Fiscal Research Division on the status and operation of the statewide
44 Continuum of Care Program. The report shall include at least all of the information specified in
45 subdivisions (c)(1) through (c)(3) of this section.

46

47 TIMELY AMENDMENT OF BIRTH AND DEATH CERTIFICATES

48 **SECTION 9H.13.(a)** G.S. 130A-118 is amended by adding a new subsection to read:

49 "(a1) The Office of Vital Records and each local register of deeds office must process each
50 request for amendment of a certificate of birth or death within 10 business days after the office

1 receives the appropriate completed application, any required proof, and payment of any
2 applicable fee for such amendment."

3 **SECTION 9H.13.(b)** By December 31, 2023, the Office of Vital Records and each
4 local register of deeds office shall process all birth or death certificate amendment requests
5 received on or before June 30, 2023. As used in this section, the term "birth or death certificate
6 amendment requests" means completed applications for birth or death certificate amendments
7 accompanied by any required proof and payment of any applicable fee.

8 **SECTION 9H.13.(c)** For the 2023-2025 fiscal biennium, the Office of Vital Records
9 may not use available lapsed salary funds for any purposes other than the following:

- 10 (1) To hire temporary staff to process birth or death certificate amendment
11 requests.
- 12 (2) To hire temporary staff to operate a help line to provide technical support on
13 use of the North Carolina Database Application for Vital Events known as NC
14 DAVE.
- 15 (3) To pay salary supplements or provide performance bonuses to Office of Vital
16 Records staff responsible for processing birth or death certificate amendment
17 requests.

18 **SECTION 9H.13.(d)** Subsection (a) of this section becomes effective July 31, 2023.
19 The remainder of this section becomes effective July 1, 2023.

20 **PART IX-I. SERVICES FOR THE BLIND/DEAF/HARD OF HEARING [RESERVED]**

21 **PART IX-J. SOCIAL SERVICES**

22 **TANF BENEFIT IMPLEMENTATION**

23 **SECTION 9J.1.(a)** The General Assembly approves the plan titled "North Carolina
24 Temporary Assistance for Needy Families State Plan FY 2022-2025," prepared by the
25 Department of Health and Human Services and presented to the General Assembly. The North
26 Carolina Temporary Assistance for Needy Families State Plan covers the period of October 1,
27 2022, through September 30, 2025. The Department shall submit the State Plan, as revised in
28 accordance with subsection (b) of this section, to the United States Department of Health and
29 Human Services.

30 **SECTION 9J.1.(b)** The counties approved as Electing Counties in the North
31 Carolina Temporary Assistance for Needy Families State Plan FY 2022-2025, as approved by
32 this section, are Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

33 **SECTION 9J.1.(c)** Counties that submitted the letter of intent to remain as an
34 Electing County or to be redesignated as an Electing County and the accompanying county plan
35 for years 2022 through 2025, pursuant to G.S. 108A-27(e), shall operate under the Electing
36 County budget requirements effective July 1, 2022. For programmatic purposes, all counties
37 referred to in this subsection shall remain under their current county designation through
38 September 30, 2025.

39 **SECTION 9J.1.(d)** For each year of the 2023-2025 fiscal biennium, Electing
40 Counties shall be held harmless to their Work First Family Assistance allocations for the
41 2022-2023 fiscal year, provided that remaining funds allocated for Work First Family Assistance
42 and Work First Diversion Assistance are sufficient for payments made by the Department on
43 behalf of Standard Counties pursuant to G.S. 108A-27.11(b).

44 **SECTION 9J.1.(e)** In the event that departmental projections of Work First Family
45 Assistance and Work First Diversion Assistance for the 2023-2024 fiscal year or the 2024-2025
46 fiscal year indicate that remaining funds are insufficient for Work First Family Assistance and
47 Work First Diversion Assistance payments to be made on behalf of Standard Counties, the
48 Department is authorized to deallocate funds, of those allocated to Electing Counties for Work
49
50
51

1 First Family Assistance in excess of the sums set forth in G.S. 108A-27.11, up to the requisite
2 amount for payments in Standard Counties. Prior to deallocation, the Department shall obtain
3 approval by the Office of State Budget and Management. If the Department adjusts the allocation
4 set forth in subsection (d) of this section, then a report shall be made to the Joint Legislative
5 Oversight Committee on Health and Human Services and the Fiscal Research Division.
6

7 **INTENSIVE FAMILY PRESERVATION SERVICES FUNDING, PERFORMANCE** 8 **ENHANCEMENTS, AND REPORT**

9 **SECTION 9J.2.(a)** Notwithstanding the provisions of G.S. 143B-150.6, the
10 Intensive Family Preservation Services (IFPS) Program shall provide intensive services to
11 children and families in cases of abuse, neglect, and dependency where a child is at imminent
12 risk of removal from the home and to children and families in cases of abuse where a child is not
13 at imminent risk of removal. The Program shall be implemented statewide on a regional basis.
14 The IFPS shall ensure the application of standardized assessment criteria for determining
15 imminent risk and clear criteria for determining out-of-home placement.

16 **SECTION 9J.2.(b)** The Department of Health and Human Services shall require that
17 any program or entity that receives State, federal, or other funding for the purpose of IFPS shall
18 provide information and data that allows for the following:

- 19 (1) An established follow-up system with a minimum of six months of follow-up
20 services.
- 21 (2) Detailed information on the specific interventions applied, including
22 utilization indicators and performance measurement.
- 23 (3) Cost-benefit data.
- 24 (4) Data on long-term benefits associated with IFPS. This data shall be obtained
25 by tracking families through the intervention process.
- 26 (5) The number of families remaining intact and the associated interventions
27 while in IFPS and 12 months thereafter.
- 28 (6) The number and percentage, by race, of children who received IFPS compared
29 to the ratio of their distribution in the general population involved with Child
30 Protective Services.

31 **SECTION 9J.2.(c)** The Department shall continue implementing a
32 performance-based funding protocol and shall only provide funding to those programs and
33 entities providing the required information specified in subsection (b) of this section. The amount
34 of funding shall be based on the individual performance of each program.

35 **SECTION 9J.2.(d)** The Department shall submit an annual report to the Joint
36 Legislative Oversight Committee on Health and Human Services and the Fiscal Research
37 Division by December 1 of each year that provides the information and data collected pursuant
38 to subsection (b) of this section.
39

40 **CHILD CARING INSTITUTIONS**

41 **SECTION 9J.3.** Until the Social Services Commission adopts rules setting
42 standardized rates for child caring institutions as authorized under G.S. 143B-153(8), the
43 maximum reimbursement for child caring institutions shall not exceed the rate established for the
44 specific child caring institution by the Department of Health and Human Services, Office of the
45 Controller. In determining the maximum reimbursement, the State shall include county and IV-E
46 reimbursements.
47

48 **USE FOSTER CARE BUDGET FOR GUARDIANSHIP ASSISTANCE PROGRAM**

49 **SECTION 9J.4.** Of the funds available for the provision of foster care services, the
50 Department of Health and Human Services, Division of Social Services, may continue to provide
51 for the financial support of children who are deemed to be (i) in a permanent family placement

1 setting, (ii) eligible for legal guardianship, and (iii) otherwise unlikely to receive permanency.
2 No additional expenses shall be incurred beyond the funds budgeted for foster care for the
3 Guardianship Assistance Program (GAP). The Guardianship Assistance Program shall include
4 provisions for extending guardianship services for individuals and youth who exited foster care
5 through the Guardianship Assistance Program after 14 years of age or who have attained the age
6 of 18 years and opt to continue to receive guardianship services until reaching 21 years of age if
7 the individual is (i) completing secondary education or a program leading to an equivalent
8 credential, (ii) enrolled in an institution that provides postsecondary or vocational education, (iii)
9 participating in a program or activity designed to promote, or remove barriers to, employment,
10 (iv) employed for at least 80 hours per month, or (v) incapable of completing the educational or
11 employment requirements of this section due to a medical condition or disability. The
12 Guardianship Assistance Program rates shall reimburse the legal guardian for room and board
13 and be set at the same rate as the foster care room and board rates in accordance with rates
14 established under G.S. 108A-49.1.
15

16 **CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM (NC REACH)**

17 **SECTION 9J.5.(a)** Funds appropriated in this act from the General Fund to the
18 Department of Health and Human Services for the child welfare postsecondary support program
19 shall be used to continue providing assistance with the "cost of attendance" as that term is defined
20 in 20 U.S.C. § 1087*ll* for the educational needs of foster youth aging out of the foster care system,
21 youth who exit foster care to a permanent home through the Guardianship Assistance Program
22 (GAP), or special needs children adopted from foster care after age 12. These funds shall be
23 allocated by the State Education Assistance Authority.

24 **SECTION 9J.5.(b)** Of the funds appropriated in this act from the General Fund to
25 the Department of Health and Human Services, the sum of fifty thousand dollars (\$50,000) for
26 each year of the 2023-2025 fiscal biennium shall be allocated to the North Carolina State
27 Education Assistance Authority (SEAA). The SEAA shall use these funds only to perform
28 administrative functions necessary to manage and distribute scholarship funds under the child
29 welfare postsecondary support program.

30 **SECTION 9J.5.(c)** Of the funds appropriated in this act from the General Fund to
31 the Department of Health and Human Services, the sum of three hundred thirty-nine thousand
32 four hundred ninety-three dollars (\$339,493) for each year of the 2023-2025 fiscal biennium shall
33 be used to contract with an entity to administer the child welfare postsecondary support program
34 described under subsection (a) of this section, which administration shall include the performance
35 of case management services.

36 **SECTION 9J.5.(d)** Funds appropriated in this act to the Department of Health and
37 Human Services for the child welfare postsecondary support program shall be used only for
38 students attending public institutions of higher education in this State.
39

40 **FEDERAL CHILD SUPPORT INCENTIVE PAYMENTS**

41 **SECTION 9J.6.(a)** Centralized Services. – The North Carolina Child Support
42 Services Section (NCCSS) of the Department of Health and Human Services, Division of Social
43 Services, shall retain up to fifteen percent (15%) of the annual federal incentive payments it
44 receives from the federal government to enhance centralized child support services. To
45 accomplish this requirement, NCCSS shall do the following:

- 46 (1) In consultation with representatives from county child support services
47 programs, identify how federal incentive funding could improve centralized
48 services.
- 49 (2) Use federal incentive funds to improve the effectiveness of the State's
50 centralized child support services by supplementing and not supplanting State
51 expenditures for those services.

- 1 (3) Continue to develop and implement rules that explain the State process for
2 calculating and distributing federal incentive funding to county child support
3 services programs.

4 **SECTION 9J.6.(b)** County Child Support Services Programs. – NCCSS shall
5 allocate no less than eighty-five percent (85%) of the annual federal incentive payments it
6 receives from the federal government to county child support services programs to improve
7 effectiveness and efficiency using the federal performance measures. To that end, NCCSS shall
8 do the following:

- 9 (1) In consultation with representatives from county child support services
10 programs, examine the current methodology for distributing federal incentive
11 funding to the county programs and determine whether an alternative formula
12 would be appropriate. NCCSS shall use its current formula for distributing
13 federal incentive funding until an alternative formula is adopted.
14 (2) Upon adopting an alternative formula, develop a process to phase in the
15 alternative formula for distributing federal incentive funding over a four-year
16 period.

17 **SECTION 9J.6.(c)** Reporting by County Child Support Services Programs. –
18 NCCSS shall continue implementing guidelines that identify appropriate uses for federal
19 incentive funding. To ensure those guidelines are properly followed, NCCSS shall require county
20 child support services programs to comply with each of the following:

- 21 (1) Submit an annual plan describing how federal incentive funding would
22 improve program effectiveness and efficiency as a condition of receiving
23 federal incentive funding.
24 (2) Report annually on the following: (i) how federal incentive funding has
25 improved program effectiveness and efficiency and been reinvested into their
26 programs, (ii) provide documentation that the funds were spent according to
27 their annual plans, and (iii) explain any deviations from their plans.

28 **SECTION 9J.6.(d)** Reporting by NCCSS. – NCCSS shall submit a report on federal
29 child support incentive funding to the Joint Legislative Oversight Committee on Health and
30 Human Services and the Fiscal Research Division by November 1 of each year. The report shall
31 describe how federal incentive funds enhanced centralized child support services to benefit
32 county child support services programs and improved the effectiveness and efficiency of county
33 child support services programs. The report shall further include any changes to the State process
34 that NCCSS used in calculating and distributing federal incentive funding to county child support
35 services programs and any recommendations for further changes.

36 37 **SUCCESSFUL TRANSITION/FOSTER CARE YOUTH**

38 **SECTION 9J.7.** The Foster Care Transitional Living Initiative Fund shall continue
39 to fund and support transitional living services that demonstrate positive outcomes for youth,
40 attract significant private sector funding, and lead to the development of evidence-based
41 programs to serve the at-risk population described in this section. The Fund shall continue to
42 support a demonstration project with services provided by Youth Villages to (i) improve
43 outcomes for youth ages 17-21 years who transition from foster care through implementation of
44 outcome-based Transitional Living Services, (ii) identify cost-savings in social services and
45 juvenile and adult correction services associated with the provision of Transitional Living
46 Services to youth aging out of foster care, and (iii) take necessary steps to establish an
47 evidence-based transitional living program available to all youth aging out of foster care. In
48 continuing to implement these goals, the Foster Care Transitional Living Initiative Fund shall
49 support the following strategies:

- 50 (1) Transitional Living Services, which is an outcome-based program that follows
51 the Youth Villages Transitional Living Model. Outcomes on more than 7,000

1 participants have been tracked since the program's inception. The program has
2 been evaluated through an independent randomized controlled trial. Results
3 indicate that the Youth Villages Transitional Living Model had positive
4 impacts in a variety of areas, including housing stability, earnings, economic
5 hardship, mental health, and intimate partner violence in comparison to the
6 control population.

7 (2) Public-Private Partnership, which is a commitment by private-sector funding
8 partners to match at least twenty-five percent (25%) of the funds appropriated
9 to the Foster Care Transitional Living Initiative Fund for the 2023-2025 fiscal
10 biennium for the purposes of providing Transitional Living Services through
11 the Youth Villages Transitional Living Model to youth aging out of foster
12 care.

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

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

23 24 **PERMANENCY INNOVATION INITIATIVE/SUPPLEMENT FEDERAL FUNDS**

25 **SECTION 9J.8.** Funds appropriated in this act to the Department of Health and
26 Human Services, Division of Social Services, for each year of the 2023-2025 fiscal biennium for
27 the Permanency Innovation Initiative Fund shall be supplemented, not supplanted, by all
28 available federal matching funds.

29 30 **REPORT ON CERTAIN SNAP AND TANF EXPENDITURES**

31 **SECTION 9J.9.(a)** Funds appropriated in this act to the Department of Health and
32 Human Services, Division of Social Services (Division), for each year of the 2023-2025 fiscal
33 biennium for a report on certain Supplemental Nutrition Assistance Program (SNAP) and
34 Temporary Assistance for Needy Families (TANF) expenditures shall be allocated for vendor
35 costs to generate the data regarding expenditures of those programs. The vendor shall generate
36 data to be submitted to the Division that includes, at a minimum, each of the following:

37 (1) The dollar amount and number of transactions accessed or expended
38 out-of-state, by state, for both SNAP benefits and TANF benefits.

39 (2) The amount of benefits expended out-of-state, by state, from active cases for
40 both SNAP and TANF.

41 (3) The dollar amount and number of transactions of benefits accessed or
42 expended in this State, by types of retailers or institutions, for both SNAP and
43 TANF.

44 **SECTION 9J.9.(b)** Upon receiving the expenditures data for SNAP and TANF from
45 the vendor, the Division shall evaluate the data. After evaluating the expenditures data, the
46 Division shall submit a report on its analysis of the data by June 30 and December 31 of each
47 year to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal
48 Research Division. The Division shall post its report required by this subsection on its website
49 and otherwise make the data available by June 30 and December 31 of each year. In the first
50 report required by this section, the Division shall report how this data is used to investigate fraud

1 and abuse in both SNAP and TANF. The Division shall also report on other types of data and
2 how that data is utilized in the detection of fraud and abuse.

3 **SECTION 9J.9.(c)** The Division shall maintain the confidentiality of information
4 not public under Chapter 132 of the General Statutes. The Division shall properly redact any
5 information subject to reporting under this section to prevent identification of individual
6 recipients of SNAP or TANF benefits.

7 8 **KINSHIP CARE/RULES REVIEW**

9 **SECTION 9J.10.(a)** Process Authorized. – Notwithstanding any provision of law to
10 the contrary and except as otherwise required by federal law, the Department of Health and
11 Human Services, Division of Social Services (Division), shall implement a process that allows
12 an individual who is not a licensed foster care parent and is providing kinship care to a child in
13 foster care to receive, for up to 12 months, assistance payments based on the rates set forth in
14 subsection (d) of this section. In implementing the process, the Division shall ensure training is
15 available for the individual providing kinship care and encourage the individual to seek licensure
16 as a foster care parent. For purposes of this section, "kinship care" encompasses a variety of
17 situations in which a child whose parents are unable to care for the child is raised by other family
18 members, relative caregivers, or close "non-relative kin," as referenced in the Information
19 Memorandum prepared by the federal Administration for Children and Families dated December
20 29, 2020. Non-relative kin shall have the same meaning as in G.S. 7B-101(15a).

21 **SECTION 9J.10.(b)** Training. – The Division of Social Services shall ensure
22 training in accordance with this section is available no later than January 1, 2024. The Division
23 shall consult with county child welfare agencies and licensed child placing agencies in selecting
24 the training curriculum for individuals seeking foster care licensure and shall ensure training is
25 available to counties and child placing agencies regarding the process established by this section.
26 The Division shall train county staff on the various funding sources available to pay for foster
27 and kinship care maintenance payments. The training shall be produced in a format that allows
28 access both virtually and on-demand to all counties at no cost.

29 Training shall be made available to the individual providing kinship care within the
30 first 90 days from the date the child is placed with the individual. The curriculum shall include
31 training that, at a minimum, is:

- 32 (1) Related to safety, rules, laws, and agency structure.
- 33 (2) Designed to address family trauma that includes managing the unique
34 challenges of kinship care, such as hope and denial, loss, and ambivalence.
- 35 (3) Implemented in accordance with the family's needs for maximum flexibility,
36 including the ability to train virtually and on-demand as fidelity models allow.
- 37 (4) Directed to consider the specific training needs of the family as it relates to
38 the family's relations to the child and the family's trauma experience.

39 **SECTION 9J.10.(c)** Appropriation. – Effective January 1, 2024, of the funds
40 appropriated in this act to the Department of Health and Human Services, Division of Social
41 Services (Division), the sum of five million one hundred thousand dollars (\$5,100,000) in
42 recurring funds for the 2023-2024 fiscal year and the sum of ten million two hundred thousand
43 dollars (\$10,200,000) in recurring funds for the 2024-2025 fiscal year shall be used to implement
44 the kinship care reimbursement rates set forth in subsection (d) of this section and the one-time
45 mitigation payments and normalcy payments in subsections (e) and (f) of this section,
46 respectively. From funds provided under this section, the Division may use the sum of up to two
47 hundred thousand dollars (\$200,000) in recurring funds for the 2023-2024 fiscal year and the
48 sum of up to four hundred thousand dollars (\$400,000) in recurring funds for the 2024-2025
49 fiscal year for administration of the kinship care program.

1 **SECTION 9J.10.(d)** Rates. – The maximum rates for State participation in
2 reimbursement for kinship foster care pursuant to this section are established on a graduated scale
3 as follows:

- 4 (1) \$257.00 per child per month for children from birth through 5 years of age.
- 5 (2) \$327.00 per child per month for children 6 through 12 years of age.
- 6 (3) \$349.00 per child per month for children at least 13 but less than 18 years of
7 age.

8 **SECTION 9J.10.(e)** One-Time Mitigation Payments. – The Division of Social
9 Services may grant a one-time payment not to exceed three thousand dollars (\$3,000) to mitigate
10 a documented safety barrier that prevents a foster care license from being issued. The one-time
11 payment must resolve the safety barrier and result in the successful issuance of the foster care
12 license and placement of the relative child. The Division may provide a waiver to counties to
13 exceed the three thousand dollar (\$3,000) maximum payment amount under policies adopted and
14 approved by a committee comprised of county child welfare agency staff and Division staff.
15 Payments made and waivers granted under this subsection shall be considered on a case-by-case
16 basis and align directly with the safety and permanency goals of the child.

17 **SECTION 9J.10.(f)** Normalcy Payments. – A portion of the funds provided under
18 this section may also be used by counties to ensure normalcy for children in kinship care.
19 Normalcy payments shall not exceed five hundred dollars (\$500.00) annually per child and shall
20 align with the safety and permanency goals for the child. The Division of Social Services shall
21 form a workgroup comprised of county child welfare directors to adopt a fair and reasonable
22 quarterly allocation process for distributing these funds to counties. For purposes of this
23 subsection, "normalcy payments" are payments that allow a child to participate in normal
24 childhood activities as described in G.S. 131D-10.2A(e).

25 **SECTION 9J.10.(g)** Extensions. – The Division of Social Services may grant an
26 individual providing kinship care in accordance with this section up to two three-month
27 extensions to continue receiving kinship care assistance payments under this section if (i) a foster
28 care license has not been granted at the end of the 12-month period and (ii) it is determined that
29 the individual has made progress toward obtaining the foster care license.

30 **SECTION 9J.10.(h)** Waivers. – The Division of Social Services is authorized to
31 waive any non-safety licensing rule that impedes the placement of a child in kinship care in
32 accordance with this section. County child welfare agencies and licensed child placing agencies
33 shall pursue any non-safety waivers that may impede the licensure process. The Division shall
34 offer annual training to county child welfare agencies and private child placing agencies
35 regarding how waivers may be requested and what waivers may be granted.

36 **SECTION 9J.10.(i)** Publication of Kinship Care Process. – The Division of Social
37 Services shall develop and make available for distribution public materials for families
38 promoting kinship care, including information about the foster care licensure process and waiver
39 options for licensure. The Division shall ensure information about the program is available on its
40 website.

41 **SECTION 9J.10.(j)** Rules Review. – The Division of Social Services shall conduct
42 an extensive review of the foster care licensure rules, including rules regarding the licensing of
43 family foster homes, child placing agencies and residential maternity homes, minimum standards
44 for residential child care, minimum standards for specialized residential child care programs,
45 waiver procedures, denials, suspensions, revocations, and appeal procedures. At a minimum, the
46 review shall seek to streamline the foster care licensing process by shortening the length of time
47 to become licensed and eliminate any barriers to obtaining a license, including abolishing
48 outdated rules and eliminating non-safety rules. The Division shall form a workgroup comprised
49 of the following to complete the review:

- 50 (1) County child welfare agency staff.
- 51 (2) Tribal child welfare agency staff.

- (3) Staff from the Divisions of Social Services, Health Benefits, Mental Health, Developmental Disabilities, and Substance Abuse Services.
- (4) Provider stakeholders.

The review shall be completed no later than 12 months from the date this act becomes law. The workgroup shall make a final report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than 18 months from the date this act becomes law. The report shall include a list and justification of the need for all foster care licensing rules remaining in effect that are non-safety related rules. The Social Services Commission shall adopt new rules consistent with the changes recommended pursuant to the rules review.

CHILD ADVOCACY CENTER FUNDS

SECTION 9J.11. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, the sum of three million dollars (\$3,000,000) in recurring funds for each year of the 2023-2025 fiscal biennium shall be allocated to the Children's Advocacy Centers of North Carolina, Inc. (CACNC), a nonprofit organization. At least seventy-five percent (75%) of these funds shall be distributed to child advocacy centers in this State that are in good standing with CACNC.

PART IX-K. VOCATIONAL REHABILITATION SERVICES [RESERVED]

PART IX-L. HHS MISCELLANEOUS

CONFORM PRIVILEGE EXEMPTIONS FOR PSYCHIATRISTS, LICENSED MARRIAGE AND FAMILY THERAPISTS, SOCIAL WORKERS, CLINICAL MENTAL HEALTH COUNSELORS, AND PSYCHOLOGISTS

SECTION 9L.1.(a) G.S. 14-318.6(h) reads as rewritten:

"(h) Nothing in this section shall be construed as to require a person with (i) a privilege under G.S. 8-53.3, 8-53.7, 8-53.8, or ~~8-53.12~~ or ~~with 8-53.12~~, (ii) attorney-client ~~privilege~~ privilege, or (iii) psychiatrist-client or patient privilege to report pursuant to this section if that privilege would prevent them from doing so. Nothing in this section shall be construed as requiring a licensed marriage and family therapist with a privilege under G.S. 8-53.5 to report pursuant to this section if that privilege would prevent that person from doing so, but the privilege only applies to the primary client and not to any other family members. For purposes of this subsection, the term "primary client" means a person who contracts with a licensed marriage and family therapist for professional services for the purpose of diagnosis or treatment."

SECTION 9.1.(b) This section is effective when it becomes law.

PART IX-M. DHHS BLOCK GRANTS

DHHS BLOCK GRANTS

SECTION 9M.1.(a) Except as otherwise provided, appropriations from federal Block Grant funds are made for each year of the fiscal biennium ending June 30, 2025, according to the following schedule:

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	FY 2023-2024	FY 2024-2025
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Local Program Expenditures

Division of Social Services

1			
2	01. Work First Family Assistance	\$31,328,255	\$31,259,794
3			
4	02. Work First County Block Grants	80,093,566	80,093,566
5			
6	03. Work First Electing Counties	2,378,213	2,378,213
7			
8	04. Adoption Services – Special Children		
9	Adoption Fund	4,001,676	4,001,676
10			
11	05. Child Protective Services – Child Welfare		
12	Workers for Local DSS	11,387,190	11,387,190
13			
14	06. Child Welfare Program Improvement Plan	775,176	775,176
15			
16	07. Child Welfare Collaborative	400,000	400,000
17			
18	08. Child Welfare Initiatives	1,400,000	1,400,000
19			
20	Division of Child Development and Early Education		
21			
22	09. Subsidized Child Care Program	45,813,694	45,813,694
23			
24	10. Swap-Child Care Subsidy	12,600,000	12,600,000
25			
26	11. NC Pre-K Services	68,300,000	68,300,000
27			
28	Division of Public Health		
29			
30	12. Teen Pregnancy Prevention Initiatives	3,538,541	3,538,541
31			
32	DHHS Administration		
33			
34	13. Division of Social Services	2,478,284	2,478,284
35			
36	14. Division of Child and Family Well-Being	3,976	3,976
37			
38	15. Office of the Secretary	34,042	34,042
39			
40	16. Eligibility Systems – Operations and		
41	Maintenance	431,733	431,733
42			
43	17. NC FAST Implementation	428,239	428,239
44			
45	18. Division of Social Services – Workforce		
46	Innovation & Opportunity Act (WIOA)	93,216	93,216
47			
48	19. Division of Social Services TANF Modernization	1,667,571	1,667,571
49			
50	Transfers to Other Block Grants		
51			

1	Division of Child Development and Early Education		
2			
3	20. Transfer to the Child Care and		
4	Development Fund	21,773,001	21,773,001
5			
6	Division of Social Services		
7			
8	21. Transfer to Social Services Block		
9	Grant for Child Protective Services –		
10	Training	285,612	285,612
11			
12	22. Transfer to Social Services Block		
13	Grant for Child Protective Services	5,040,000	5,040,000
14			
15	23. Transfer to Social Services Block		
16	Grant for County Departments of		
17	Social Services for Children's Services	13,097,783	13,166,244
18			
19	24. Transfer to Social Services Block		
20	Grant – Foster Care Services	3,422,219	3,422,219
21			
22	25. Transfer to Social Services Block	1,582,000	1,582,000
23	Grant – Child Advocacy Centers		
24			
25	TOTAL TEMPORARY ASSISTANCE FOR		
26	NEEDY FAMILIES (TANF) FUNDS	\$312,353,987	\$312,353,987
27			
28	TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)		
29	EMERGENCY CONTINGENCY FUNDS		
30			
31	Local Program Expenditures		
32			
33	Division of Child Development and Early Education		
34			
35	01. Subsidized Child Care	\$34,440,000	\$35,440,000
36			
37	TOTAL TEMPORARY ASSISTANCE FOR		
38	NEEDY FAMILIES (TANF) EMERGENCY		
39	CONTINGENCY FUNDS	\$34,440,000	\$35,440,000
40			
41	SOCIAL SERVICES BLOCK GRANT		
42			
43	Local Program Expenditures		
44			
45	Divisions of Social Services and Aging and Adult Services		
46			
47	01. County Departments of Social Services	\$19,905,849	\$19,837,388
48			
49	02. County Departments of Social Services		
50	(Transfer From TANF)	\$13,097,783	\$13,166,244
51			

1	03. EBCI Tribal Public Health and Human Services	244,740	244,740
2			
3	04. Child Protective Services		
4	(Transfer From TANF)	5,040,000	5,040,000
5			
6	05. State In-Home Services Fund	1,943,950	1,943,950
7			
8	06. Adult Protective Services	2,138,404	2,138,404
9			
10	07. State Adult Day Care Fund	1,994,084	1,994,084
11			
12	08. Child Protective Services/CPS		
13	Investigative Services – Child Medical		
14	Evaluation Program	901,868	901,868
15			
16	09. Special Children Adoption Incentive Fund	462,600	462,600
17			
18	10. Child Protective Services – Child		
19	Welfare Training for Counties		
20	(Transfer From TANF)	285,612	285,612
21			
22	11. Home and Community Care Block		
23	Grant (HCCBG)	2,696,888	2,696,888
24			
25	12. Child Advocacy Centers		
26	(Transfer from TANF \$1,582,000)	1,582,000	1,582,000
27			
28	13. Guardianship – Division of Social Services	1,802,671	1,802,671
29			
30	14. Foster Care Services		
31	(Transfer From TANF)	3,422,219	3,422,219
32			
33	Division of Central Management and Support		
34			
35	15. DHHS Competitive Block Grants		
36	for Nonprofits	4,774,525	4,774,525
37			
38	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
39			
40	16. Mental Health Services – Adult and		
41	Child/Developmental Disabilities Program/		
42	Substance Abuse Services – Adult	4,149,595	4,149,595
43			
44	DHHS Program Expenditures		
45			
46	Division of Services for the Blind		
47			
48	17. Independent Living Program & Program		
49	Oversight	3,880,429	3,880,429
50			
51	Division of Health Service Regulation		

1			
2	18. Adult Care Licensure Program	557,598	557,598
3			
4	19. Mental Health Licensure and		
5	Certification Program	266,158	266,158
6			
7	Division of Aging and Adult Services		
8			
9	20. Guardianship	3,825,443	3,825,443
10			
11	DHHS Administration		
12			
13	21. Division of Aging and Adult Services	743,284	743,284
14			
15	22. Division of Social Services	1,042,894	1,042,894
16			
17	23. Office of the Secretary/Controller's Office	639,167	639,167
18			
19	24. Legislative Increases/Fringe Benefits	293,655	587,310
20			
21	25. Division of Child Development and		
22	Early Education	13,878	13,878
23			
24	26. Division of Mental Health, Developmental		
25	Disabilities, and Substance Abuse Services	28,325	28,325
26			
27	27. Division of Health Service Regulation	258,960	258,960
28			
29	TOTAL SOCIAL SERVICES BLOCK GRANT	\$75,992,579	\$76,286,234
30			
31	LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT		
32			
33	Local Program Expenditures		
34			
35	Division of Social Services		
36			
37	01. Low-Income Energy Assistance		
38	Program (LIEAP)	\$67,836,069	\$67,836,069
39			
40	02. Crisis Intervention Program (CIP)	45,214,330	45,214,330
41			
42	Local Administration		
43			
44	Division of Social Services		
45			
46	03. County DSS Administration	8,789,246	8,789,246
47			
48	DHHS Administration		
49			
50	Division of Central Management and Support		
51			

1	04. Division of Social Services	10,000	10,000
2			
3	05. Division of Social Services – Energy Portal		
4	(FIS Transaction Fees)	25,000	25,000
5			
6	06. Office of the Secretary/DIRM (Accountable Results for		
7	Community Action (AR4CA) Replacement System)	166,750	166,750
8			
9	07. Office of the Secretary/DIRM	278,954	278,954
10			
11	08. Office of the Secretary/Controller's Office	18,378	18,378
12			
13	09. NC FAST Development	627,869	627,869
14			
15	10. NC FAST Operations and Maintenance	1,330,323	1,330,323
16			
17	Transfers to Other State Agencies		
18			
19	Department of Environmental Quality		
20			
21	11. Weatherization Program	13,220,309	13,220,309
22			
23	12. Heating Air Repair and Replacement		
24	Program (HARRP)	8,075,029	8,075,029
25			
26	13. Local Residential Energy Efficiency Service		
27	Providers – Weatherization	787,097	787,097
28			
29	14. Local Residential Energy Efficiency Service		
30	Providers – HARRP	437,276	437,276
31			
32	15. DEQ – Weatherization Administration	859,976	859,976
33			
34	16. DEQ – HARRP Administration	539,307	539,307
35			
36	Department of Administration		
37			
38	17. N.C. Commission on Indian Affairs	87,736	87,736
39			
40	TOTAL LOW-INCOME ENERGY		
41	ASSISTANCE BLOCK GRANT	\$148,303,649	\$148,303,649
42			
43	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT		
44			
45	Local Program Expenditures		
46			
47	Division of Child Development and Early Education		
48			
49	01. Child Care Services	\$289,070,072	\$289,070,072
50			
51	02. Smart Start Subsidy	7,392,654	7,392,654

1			
2	03. Transfer from TANF Block Grant		
3	for Child Care Subsidies	21,773,001	21,773,001
4			
5	04. Quality and Availability Initiatives		
6	(TEACH Program \$3,800,000)	61,980,526	61,980,526
7			
8	DHHS Administration		
9			
10	Division of Child Development and Early Education		
11			
12	05. DCDEE Administrative Expenses	9,710,886	9,710,886
13			
14	06. Indirect Cost	7,346	7,346
15			
16	Division of Social Services		
17			
18	07. Direct Deposit for Child Care Payments	5,000	5,000
19			
20	08. Local Subsidized Child Care		
21	Services Support	18,780,355	18,780,355
22			
23	Division of Central Management and Support		
24			
25	09. NC FAST Operations and Maintenance	1,450,316	1,450,316
26			
27	10. DHHS Central Administration – DIRM		
28	Technical Services	979,762	979,762
29			
30	11. DHHS Central Administration	68,000	68,000
31			
32	Division of Public Health		
33			
34	12. Child Care Health Consultation Contracts	62,205	62,205
35			
36	TOTAL CHILD CARE AND DEVELOPMENT		
37	FUND BLOCK GRANT	\$411,280,123	\$411,280,123
38			
39	COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT		
40			
41	Local Program Expenditures		
42			
43	01. Mental Health Services – Child	\$2,477,666	\$2,477,666
44			
45	02. Mental Health Services – Adult/Child	19,690,452	19,690,452
46			
47	03. Mental Health Services – First		
48	Psychotic Symptom Treatment	5,416,756	5,416,756
49			
50	04. Child Behavioral Health (Division of Child		
51	and Family Well-Being)	5,246,350	5,246,350

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DHHS Administration

Division of Child and Family Well-Being

05. Administration	140,000	140,000
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Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

06. Crisis Services	2,877,047	2,877,047
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07. Administration	332,351	332,351
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08. Adult/Child Mental Health Services	350,150	350,150
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Division of Public Health

09. NC Detect – Behavioral Health ER	35,000	35,000
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TOTAL COMMUNITY MENTAL HEALTH SERVICES

BLOCK GRANT	\$36,565,772	\$36,565,772
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**SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY SERVICES
BLOCK GRANT**

Local Program Expenditures

Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

01. Substance Abuse – IV Drug	\$2,000,000	\$2,000,000
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02. Substance Abuse Prevention	20,245,927	20,245,927
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03. Substance Abuse Services – Treatment for Children/Adults	45,176,849	45,176,848
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DHHS Program Expenditures

Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

04. Crisis Solutions Initiatives – Collegiate Wellness/Addiction Recovery	1,545,205	1,545,205
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05. Veterans Initiatives	250,000	250,000
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DHHS Administration

Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

06. Administration	2,297,852	2,297,852
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1	07. Controlled Substance Reporting System	675,000	675,000
2			
3	TOTAL SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY		
4	SERVICES BLOCK GRANT	\$72,190,833	\$72,190,832
5			
6	MATERNAL AND CHILD HEALTH BLOCK GRANT		
7			
8	Local Program Expenditures		
9			
10	Division of Child and Family Well-Being		
11			
12	01. Children's Health Services		
13	(Prevent Blindness \$650,000;		
14	Nurse-Family Partnership \$1,029,000)	\$12,500,559	\$12,500,559
15			
16	Division of Public Health		
17			
18	02. Women's and Children's Health Services		
19	(Safe Sleep Campaign \$120,000; Sickle Cell		
20	Centers \$100,000; March of Dimes \$350,000;		
21	Teen Pregnancy Prevention Initiatives \$725,000;		
22	Perinatal & Neonatal Outreach		
23	Coordinator Contracts \$440,000;		
24	Mountain Area Pregnancy Services \$50,000)	2,583,029	2,583,029
25			
26	03. Oral Health	51,119	51,119
27			
28	04. Evidence-Based Programs in Counties		
29	With Highest Infant Mortality Rates	1,575,000	1,575,000
30			
31	DHHS Program Expenditures		
32			
33	05. Children's Health Services	1,344,492	1,344,492
34			
35	06. Women's Health – Maternal Health	252,695	252,695
36			
37	07. Women's and Children's Health – Perinatal		
38	Strategic Plan Support Position	80,669	80,669
39			
40	08. State Center for Health Statistics	158,583	158,583
41			
42	09. Health Promotion – Injury and		
43	Violence Prevention	87,271	87,271
44			
45	DHHS Administration		
46			
47	10. Division of Public Health Administration	340,646	340,646
48			
49	11. Division of Child and Family Well-Being		
50	Administration	211,925	211,925
51			

1	TOTAL MATERNAL AND CHILD		
2	HEALTH BLOCK GRANT	\$19,185,988	\$19,185,988
3			
4	PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT		
5			
6	Local Program Expenditures		
7			
8	01. Physical Activity and Prevention	\$3,081,442	\$3,081,442
9			
10	DHHS Program Expenditures		
11			
12	Division of Public Health		
13			
14	02. HIV/STD Prevention and		
15	Community Planning	135,063	135,063
16			
17	03. Oral Health Preventive Services	150,000	150,000
18			
19	04. Injury and Violence Prevention		
20	(Services to Rape Victims – Set-Aside)	217,935	217,935
21			
22	05. Performance Improvement and		
23	Accountability	560,182	560,182
24			
25	06. State Center for Health Statistics	48,000	48,000
26			
27	DHHS Administration		
28			
29	Division of Public Health		
30			
31	07. Division of Public Health	65,000	65,000
32			
33	TOTAL PREVENTIVE HEALTH AND HEALTH		
34	SERVICES BLOCK GRANT	\$4,257,622	\$4,257,622
35			
36	COMMUNITY SERVICES BLOCK GRANT		
37			
38	01. Community Action Agencies	\$21,695,970	\$20,244,923
39			
40	02. Limited Purpose Agencies/Discretionary Funding	457,553	504,718
41			
42	03. Office of Economic Opportunity	1,077,552	1,124,718
43			
44	04. Office of the Secretary/DIRM (Accountable Results for		
45	Community Action (AR4CA) Replacement System)	560,000	560,000
46			
47	05. Office of Economic Opportunity – Workforce		
48	Investment Opportunities Act (WIOA)	60,000	60,000
49			
50	TOTAL COMMUNITY SERVICES		
51	BLOCK GRANT	\$23,851,075	\$22,494,359

GENERAL PROVISIONS

SECTION 9M.1.(b) Information to be Included in Block Grant Plans. – The Department of Health and Human Services shall submit a separate plan for each Block Grant received and administered by the Department, and each plan shall include the following:

- (1) A delineation of the proposed allocations by program or activity, including State and federal match requirements.
- (2) A delineation of the proposed State and local administrative expenditures.
- (3) An identification of all new positions to be established through the Block Grant, including permanent, temporary, and time-limited positions.
- (4) A comparison of the proposed allocations by program or activity with two prior years' program and activity budgets and two prior years' actual program or activity expenditures.
- (5) A projection of current year expenditures by program or activity.
- (6) A projection of federal Block Grant funds available, including unspent federal funds from the current and prior fiscal years.
- (7) The required amount of maintenance of effort and the amount of funds qualifying for maintenance of effort in the previous year delineated by program or activity.

SECTION 9M.1.(c) Changes in Federal Fund Availability. – If the Congress of the United States increases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this act, the Department shall allocate the increase proportionally across the program and activity appropriations identified for that Block Grant in this section. In allocating an increase in federal fund availability, the Office of State Budget and Management shall not approve funding for new programs or activities not appropriated in this act.

If the Congress of the United States decreases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this act, the Department shall develop a plan to adjust the Block Grants based on reduced federal funding.

Notwithstanding the provisions of this subsection, for fiscal years 2023-2024 and 2024-2025, increases in the federal fund availability for the Temporary Assistance to Needy Families (TANF) Block Grant shall be used only for the North Carolina Child Care Subsidy program to pay for child care and shall not be used to supplant State funds.

Prior to allocating the change in federal fund availability, the proposed allocation must be approved by the Office of State Budget and Management. If the Department adjusts the allocation of any Block Grant due to changes in federal fund availability, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

SECTION 9M.1.(d) Except as otherwise provided, appropriations from federal Block Grant funds are made for each year of the fiscal biennium ending June 30, 2025, according to the schedule enacted for State fiscal years 2023-2024 and 2024-2025 or until a new schedule is enacted by the General Assembly.

SECTION 9M.1.(e) All changes to the budgeted allocations to the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services that are not specifically addressed in this section shall be approved by the Office of State Budget and Management. The Office of State Budget and Management shall not approve funding for new programs or activities not appropriated in this section. However, the Office of State Budget and Management shall have the authority to realign

1 appropriated funds in the Maternal and Child Health Block Grant between the categories to
2 maintain federal compliance and programmatic alignment, so long as the realignment does not
3 result in a reduction of funds designated for subrecipients under subsection (a) of this section.
4 Additionally, if budgeted allocations are decreased, the Office of State Budget and Management
5 shall not approve any reduction of funds designated for subrecipients in subsection (a) of this
6 section under Item 01 or 02 of the Maternal and Child Health Block Grant. The Office of State
7 Budget and Management shall consult with the Joint Legislative Oversight Committee on Health
8 and Human Services for review prior to implementing any changes. In consulting, the report shall
9 include an itemized listing of affected programs, including associated changes in budgeted
10 allocations. All changes to the budgeted allocations to the Block Grants shall be reported
11 immediately to the Joint Legislative Oversight Committee on Health and Human Services and
12 the Fiscal Research Division. This subsection does not apply to Block Grant changes caused by
13 legislative salary increases and benefit adjustments.

14 **SECTION 9M.1.(f)** Except as otherwise provided, the Department of Health and
15 Human Services shall have flexibility to transfer funding between the Temporary Assistance for
16 Needy Families (TANF) Block Grant and the TANF Emergency Contingency Funds Block Grant
17 so long as the total allocation for the line items within those Block Grants remains the same.
18

19 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS**

20 **SECTION 9M.1.(g)** The sum of eighty million ninety-three thousand five hundred
21 sixty-six dollars (\$80,093,566) for each year of the 2023-2025 fiscal biennium appropriated in
22 this act in TANF funds to the Department of Health and Human Services, Division of Social
23 Services, shall be used for Work First County Block Grants. The Division shall certify these
24 funds in the appropriate State-level services based on prior year actual expenditures. The Division
25 has the authority to realign the authorized budget for these funds among the State-level services
26 based on current year actual expenditures. The Division shall also have the authority to realign
27 appropriated funds from Work First Family Assistance for electing counties to the Work First
28 County Block Grant for electing counties based on current year expenditures so long as the
29 electing counties meet Maintenance of Effort requirements.

30 **SECTION 9M.1.(h)** The sum of eleven million three hundred eighty-seven thousand
31 one hundred ninety dollars (\$11,387,190) for each year of the 2023-2025 fiscal biennium
32 appropriated in this act to the Department of Health and Human Services, Division of Social
33 Services, in TANF funds for child welfare improvements shall be allocated to the county
34 departments of social services for hiring or contracting staff to investigate and provide services
35 in Child Protective Services cases; to provide foster care and support services; to recruit, train,
36 license, and support prospective foster and adoptive families; and to provide interstate and
37 post-adoption services for eligible families.

38 Counties shall maintain their level of expenditures in local funds for Child Protective
39 Services workers. Of the Block Grant funds appropriated for Child Protective Services workers,
40 the total expenditures from State and local funds for fiscal years 2023-2024 and 2024-2025 shall
41 not be less than the total expended from State and local funds for the 2012-2013 fiscal year.

42 **SECTION 9M.1.(i)** The sum of four million one thousand six hundred seventy-six
43 dollars (\$4,001,676) for each year of the 2023-2025 fiscal biennium appropriated in this act in
44 TANF funds to the Department of Health and Human Services, Special Children Adoption Fund,
45 shall be used in accordance with G.S. 108A-50.2. The Division of Social Services, in consultation
46 with the North Carolina Association of County Directors of Social Services and representatives
47 of licensed private adoption agencies, shall develop guidelines for the awarding of funds to
48 licensed public and private adoption agencies upon the adoption of children described in
49 G.S. 108A-50 and in foster care. Payments received from the Special Children Adoption Fund
50 by participating agencies shall be used exclusively to enhance the adoption services program. No
51 local match shall be required as a condition for receipt of these funds.

1 **SECTION 9M.1.(j)** The sum of one million four hundred thousand dollars
2 (\$1,400,000) appropriated in this act in TANF funds to the Department of Health and Human
3 Services, Division of Social Services, for each fiscal year of the 2023-2025 fiscal biennium shall
4 be used for child welfare initiatives to (i) enhance the skills of social workers to improve the
5 outcomes for families and children involved in child welfare and (ii) enhance the provision of
6 services to families in their homes in the least restrictive setting.

7 **SECTION 9M.1.(k)** Of the three million five hundred thirty-eight thousand five
8 hundred forty-one dollars (\$3,538,541) allocated in this section in TANF funds to the Department
9 of Health and Human Services, Division of Public Health, for each year of the 2023-2025 fiscal
10 biennium for teen pregnancy prevention initiatives, the sum of five hundred thousand dollars
11 (\$500,000) in each year of the 2023-2025 fiscal biennium shall be used to provide services for
12 youth in foster care or the juvenile justice system.

13 **SOCIAL SERVICES BLOCK GRANT**

14 **SECTION 9M.1.(l)** The sum of nineteen million nine hundred five thousand eight
15 hundred forty-nine dollars (\$19,905,849) for the 2023-2024 fiscal year and the sum of nineteen
16 million eight hundred thirty-seven thousand three hundred eighty-eight dollars (\$19,837,388) for
17 the 2024-2025 fiscal year appropriated in this act in the Social Services Block Grant to the
18 Department of Health and Human Services, Division of Social Services, and the sum of thirteen
19 million ninety-seven thousand seven hundred eighty-three dollars (\$13,097,783) for the
20 2023-2024 fiscal year and the sum of thirteen million one hundred sixty-six thousand two
21 hundred forty-four dollars (\$13,166,244) for the 2024-2025 fiscal year transferred from funds
22 appropriated in the TANF Block Grant shall be used for county Block Grants. The Division shall
23 certify these funds in the appropriate State-level services based on prior year actual expenditures.
24 The Division has the authority to realign the authorized budget for these funds, as well as State
25 Social Services Block Grant funds, among the State-level services based on current year actual
26 expenditures.

27 **SECTION 9M.1.(m)** The sum of two hundred eighty-five thousand six hundred
28 twelve dollars (\$285,612) appropriated in this act in the Social Services Block Grant to the
29 Department of Health and Human Services, Division of Social Services, for each fiscal year of
30 the 2023-2025 fiscal biennium shall be used to support various child welfare training projects as
31 follows:
32

- 33 (1) Provide a regional training center in southeastern North Carolina.
- 34 (2) Provide training for residential child caring facilities.
- 35 (3) Provide for various other child welfare training initiatives.

36 **SECTION 9M.1.(n)** The Department of Health and Human Services is authorized,
37 subject to the approval of the Office of State Budget and Management, to transfer Social Services
38 Block Grant funding allocated for departmental administration between divisions that have
39 received administrative allocations from the Social Services Block Grant.

40 **SECTION 9M.1.(o)** Social Services Block Grant funds appropriated for the Special
41 Children Adoption Incentive Fund shall require a fifty percent (50%) local match.

42 **SECTION 9M.1.(p)** The sum of five million forty thousand dollars (\$5,040,000)
43 appropriated in this act in the Social Services Block Grant for each fiscal year of the 2023-2025
44 fiscal biennium transferred from funds appropriated in the TANF Block Grant shall be allocated
45 to the Department of Health and Human Services, Division of Social Services. The Division shall
46 allocate these funds to local departments of social services to replace the loss of Child Protective
47 Services State funds that are currently used by county governments to pay for Child Protective
48 Services staff at the local level. These funds shall be used to maintain the number of Child
49 Protective Services workers throughout the State. These Social Services Block Grant funds shall
50 be used to pay for salaries and related expenses only and are exempt from 10A NCAC 71R
51 .0201(3) requiring a local match of twenty-five percent (25%).

1 **SECTION 9M.1.(q)** The sum of four million seven hundred seventy-four thousand
2 five hundred twenty-five dollars (\$4,774,525) for each year of the 2023-2025 fiscal biennium
3 appropriated in this act in the Social Services Block Grant to the Department of Health and
4 Human Services (DHHS), Division of Central Management and Support, shall be used for DHHS
5 competitive Block Grants pursuant to Section 9B.8 of this act. These funds are exempt from the
6 provisions of 10A NCAC 71R .0201(3).

7 **SECTION 9M.1.(r)** The sum of one million five hundred eighty-two thousand
8 dollars (\$1,582,000) appropriated in this act in the Social Services Block Grant for each fiscal
9 year of the 2023-2025 fiscal biennium to the Department of Health and Human Services, Division
10 of Social Services, shall be used to continue support for the Child Advocacy Centers. These funds
11 are exempt from the provisions of 10A NCAC 71R .0201(3).

12 **SECTION 9M.1.(s)** The sum of three million eight hundred twenty-five thousand
13 four hundred forty-three dollars (\$3,825,443) for each fiscal year of the 2023-2025 fiscal
14 biennium appropriated in this act in the Social Services Block Grant to the Department of Health
15 and Human Services, Divisions of Social Services and Aging and Adult Services, shall be used
16 for guardianship services pursuant to Chapter 35A of the General Statutes. The Department may
17 expend funds allocated in this section to support existing corporate guardianship contracts during
18 the 2023-2024 and 2024-2025 fiscal years.

19 **SECTION 9M.1.(t)** Of the funds appropriated in this act in the Social Services Block
20 Grant to the Division of Aging and Adult Services for Adult Protective Services, the sum of eight
21 hundred ninety-three thousand forty-one dollars (\$893,041) for each year of the 2023-2025 fiscal
22 biennium shall be used to increase the number of Adult Protective Services workers where these
23 funds can be the most effective. These funds shall be used to pay for salaries and related expenses
24 and shall not be used to supplant any other source of funding for staff. These funds are also
25 exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%).
26

27 **LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT**

28 **SECTION 9M.1.(u)** The Division of Social Services shall have the authority to
29 realign appropriated funds between the State-level services Low-Income Energy Assistance
30 Payments and Crisis Assistance Payments without prior consultation with the Joint Legislative
31 Oversight Committee on Health and Human Services to ensure needs are effectively met without
32 exceeding the total amount appropriated for these State-level service items. Additional
33 emergency contingency funds received may be allocated for Energy Assistance Payments or
34 Crisis Intervention Payments without prior consultation with the Joint Legislative Oversight
35 Committee on Health and Human Services. Additional funds received shall be reported to the
36 Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research
37 Division upon notification of the award. The Department of Health and Human Services shall
38 not allocate funds for any activities, including increasing administration, other than assistance
39 payments, without prior consultation with the Joint Legislative Oversight Committee on Health
40 and Human Services.

41 **SECTION 9M.1.(v)** The sum of sixty-seven million eight hundred thirty-six
42 thousand sixty-nine dollars (\$67,836,069) for each year of the 2023-2025 fiscal biennium
43 appropriated in this act in the Low-Income Energy Assistance Block Grant to the Department of
44 Health and Human Services, Division of Social Services, shall be used for Energy Assistance
45 Payments for the households of (i) elderly persons age 60 and above with income up to one
46 hundred fifty percent (150%) of the federal poverty level and (ii) disabled persons eligible for
47 services funded through the Division of Aging and Adult Services.

48 County departments of social services shall submit to the Division of Social Services
49 an outreach plan for targeting households with 60-year-old household members no later than
50 August 1 of each year. The outreach plan shall comply with the following:

- 1 (1) Ensure that eligible households are made aware of the available assistance,
2 with particular attention paid to the elderly population age 60 and above and
3 disabled persons receiving services through the Division of Aging and Adult
4 Services.
- 5 (2) Include efforts by the county department of social services to contact other
6 State and local governmental entities and community-based organizations to
7 (i) offer the opportunity to provide outreach and (ii) receive applications for
8 energy assistance.
- 9 (3) Be approved by the local board of social services or human services board
10 prior to submission.

11 **CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT**

12 **SECTION 9M.1.(w)** Payment for subsidized child care services provided with
13 federal TANF funds shall comply with all regulations and policies issued by the Division of Child
14 Development and Early Education for the subsidized child care program.

15 **SECTION 9M.1.(x)** If funds appropriated through the Child Care and Development
16 Fund Block Grant for any program cannot be obligated or spent in that program within the
17 obligation or liquidation periods allowed by the federal grants, the Department may move funds
18 to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order
19 to use the federal funds fully.

20 **SECTION 9M.1.(y)** Of the sixty-one million nine hundred eighty thousand five
21 hundred twenty-six dollars (\$61,980,526) appropriated in this act in the Child Care and
22 Development Block Grant for the 2024-2025 fiscal year to the Department of Health and Human
23 Services, Division of Child Development and Early Education, the sum of one million three
24 hundred fifty thousand dollars (\$1,350,000) shall be used to establish 18 new positions.

25 **COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT**

26 **SECTION 9M.1.(z)** The sum of five million four hundred sixteen thousand seven
27 hundred fifty-six dollars (\$5,416,756) for each year of the 2023-2025 fiscal biennium
28 appropriated in this act in the Community Mental Health Services Block Grant to the Department
29 of Health and Human Services, Division of Mental Health, Developmental Disabilities, and
30 Substance Abuse Services, is to be used for Mental Health Services – First Psychotic Symptom
31 Treatment.

32 **SECTION 9M.1.(aa)** Of the funds appropriated in this act in the Community Mental
33 Health Services Block Grant to the Department of Health and Humans Services, Division of
34 Mental Health, Developmental Disabilities, and Substance Abuse Services, for each fiscal year
35 of the 2023-2025 fiscal biennium, the sum of three hundred fifty thousand one hundred fifty
36 dollars (\$350,150) shall be used for three positions and cover operating costs focused on
37 developing pilot programs and implementing policy to improve services to transition-aged youth
38 and adults with serious mental illness or serious emotional disturbance.

39 **SUBSTANCE USE PREVENTION, TREATMENT, AND RECOVERY SERVICES** 40 **BLOCK GRANT**

41 **SECTION 9M.1.(bb)** Of the two million two hundred ninety-seven thousand eight
42 hundred fifty-two dollars (\$2,297,852) allocated in this section in the Substance Use Prevention,
43 Treatment, and Recovery Services Block Grant for each year of the 2023-2025 fiscal biennium
44 to the Department of Health and Human Services, Division of Mental Health, Developmental
45 Disabilities, and Substance Abuse Services, for administration, the sum of nine hundred
46 fifty-nine thousand four hundred dollars (\$959,400) shall be used to support nine new positions.

47 **SECTION 9M.1.(cc)** Notwithstanding any other provision of law or provision of the
48 Committee Report described in Section 43.2 of S.L. 2022-74 to the contrary, the sum of one
49

1 million five hundred thousand dollars (\$1,500,000) in nonrecurring funds provided to Haywood
2 County and the sum of one million five hundred thousand dollars (\$1,500,000) in nonrecurring
3 funds provided to Madison County under the federal Substance Abuse Prevention and Treatment
4 Block Grant in Item 3 of Section 9L.1(a) and Section 9L.1(z2)(1) of S.L. 2021-180, as amended
5 in Section 9L.1 of S.L. 2022-74, for the 2022-2023 fiscal year for substance use treatment shall
6 remain available for expenditure in the 2023-2024 fiscal year.

7 8 **MATERNAL AND CHILD HEALTH BLOCK GRANT**

9 **SECTION 9M.1.(dd)** If federal funds are received under the Maternal and Child
10 Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42
11 U.S.C. § 710), for the 2023-2024 fiscal year or the 2024-2025 fiscal year, then those funds shall
12 be transferred to the State Board of Education to be administered by the Department of Public
13 Instruction. The Department of Public Instruction shall use the funds to establish an abstinence
14 until marriage education program consistent with G.S. 115C-81.30. The Department of Public
15 Instruction shall carefully and strictly follow federal guidelines in implementing and
16 administering the abstinence education grant funds.

17 **SECTION 9M.1.(ee)** The sum of one million five hundred seventy-five thousand
18 dollars (\$1,575,000) appropriated in this act in the Maternal and Child Health Block Grant to the
19 Department of Health and Human Services, Division of Public Health, for each year of the
20 2023-2025 fiscal biennium shall be used for evidence-based programs in counties with the
21 highest infant mortality rates. The Division shall report on (i) the counties selected to receive the
22 allocation, (ii) the specific evidence-based services provided, (iii) the number of women served,
23 and (iv) any impact on the counties' infant mortality rate. The Division shall report its findings
24 to the House of Representatives Appropriations Committee on Health and Human Services, the
25 Senate Appropriations Committee on Health and Human Services, and the Fiscal Research
26 Division no later than December 31 of each year.

27 **SECTION 9M.1.(ff)** The sum of eighty thousand six hundred sixty-nine dollars
28 (\$80,669) allocated in this section in the Maternal and Child Health Block Grant to the
29 Department of Health and Human Services, Division of Public Health, Women and Children's
30 Health Section, for each fiscal year of the 2023-2025 fiscal biennium shall not be used to supplant
31 existing State or federal funds. This allocation shall be used for a Public Health Program
32 Consultant position assigned full-time to manage the North Carolina Perinatal Health Strategic
33 Plan and provide staff support for the stakeholder work group.

34 **SECTION 9M.1.(gg)** The sum of one hundred thousand dollars (\$100,000) allocated
35 in this section in the Maternal and Child Health Block Grant to the Department of Health and
36 Human Services, Division of Public Health, for each year of the 2023-2025 fiscal biennium for
37 community-based sickle cell centers shall not be used to supplant existing State or federal funds.

38 **SECTION 9M.1.(hh)** No more than fifteen percent (15%) of the funds allocated for
39 the designated subrecipients in subsection (a) of this section under Item 01 of the Maternal and
40 Child Health Block Grant shall be used for administrative costs, unless otherwise required by
41 federal law.

42 **SECTION 9M.1.(ii)** Notwithstanding any provision of law to the contrary, the
43 Department of Health and Human Services, Division of Public Health, shall have the authority
44 to realign appropriated funds between the Maternal and Child Health Block Grant categories to
45 maintain federal compliance and programmatic alignment without exceeding the total amount
46 appropriated for the Maternal and Child Health Block Grant.

47 48 **PART X. AGRICULTURE AND CONSUMER SERVICES**

49 50 **LARGE ANIMAL HEALTH ENHANCEMENT FUND**

1 SECTION 10.1.(a) Funds appropriated in this act to the Department of Agriculture
2 and Consumer Services for the enhancement of large animal veterinary services in the State shall
3 be allocated to the Large Animal Healthcare Enhancement Fund created in Article 88 of Chapter
4 106 of the General Statutes, as enacted by subsection (b) of this section, for the purposes set forth
5 therein.

6 SECTION 10.1.(b) Chapter 106 of the General Statutes is amended by adding a new
7 Article to read:

8 "Article 88.

9 "Large Animal Healthcare Enhancement Act.

10 **§ 106-1071. Title.**

11 This Article shall be known and may be cited as the "Large Animal Healthcare Enhancement
12 Act of 2023."

13 **§ 106-1072. Definitions.**

14 The following definitions apply in this Article:

- 15 (1) Advisory Committee. – The Large Animal Healthcare Enhancement Advisory
16 Committee, as established by G.S. 106-1073.
- 17 (2) Authority. – The North Carolina Agricultural Finance Authority, as created
18 by G.S. 122D-4.
- 19 (3) Board. – The North Carolina Board of Agriculture, as created by G.S. 106-2.
- 20 (4) Commissioner. – The Commissioner of Agriculture.
- 21 (5) Department. – The Department of Agriculture and Consumer Services.
- 22 (6) Designated county. – A county in this State with a population of less than
23 100,000 people according to the latest decennial census.
- 24 (7) Fund. – The Large Animal Healthcare Enhancement Fund, as created by
25 G.S. 106-1074.
- 26 (8) Large animal veterinarian. – A person who is actively engaged in and is
27 licensed to practice veterinary medicine pursuant to Article 11 of Chapter 90
28 of the General Statutes and whose specialties include livestock, poultry, or
29 equine animals.
- 30 (9) Large animal veterinary medicine. – The practice of veterinary medicine, as
31 defined in G.S. 90-181, for livestock, poultry, or equine animals.

32 **§ 106-1073. Advisory Committee.**

33 (a) Committee Established. – The Large Animal Healthcare Enhancement Advisory
34 Committee is established within the North Carolina Agricultural Finance Authority and shall
35 consist of membership as follows:

- 36 (1) The Commissioner of Agriculture or an employee of the Department
37 designated by the Commissioner, who shall serve as chair.
- 38 (2) The State Veterinarian or the State Veterinarian's designee.
- 39 (3) A member of the Food Animal Scholars Program steering and mentoring
40 committee.
- 41 (4) Two practicing large animal veterinarians, to be appointed by the
42 Commissioner. The veterinarians shall have different specialties in their
43 practice.
- 44 (5) Two representatives of the livestock industry, to be appointed by the
45 Commissioner. The representatives shall represent different segments of the
46 livestock industry.
- 47 (6) The Executive Director of the Authority or the Executive Director's designee,
48 who shall not be a voting member.

49 The Commissioner and the State Veterinarian may each designate one additional at-large
50 member of the Advisory Committee.

1 **(b) Terms of Members.** – Members of the Advisory Committee shall serve terms of four
2 years, beginning effective July 1 of the year of appointment.

3 **(c) Vacancies.** – Any appointment to fill a vacancy on the Commission created by the
4 resignation, dismissal, death, or disability of a member shall be made by the original appointing
5 authority and shall be for the balance of the unexpired term.

6 **(d) Removal.** – The appointing authority shall have the power to remove any member of
7 the Commission appointed by that authority from office for misfeasance, malfeasance, or
8 nonfeasance.

9 **(e) Reimbursement.** – The members of the Commission shall receive per diem and
10 necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

11 **(f) Meetings.** – The Advisory Committee shall meet at least once every six months and
12 may meet more often upon the call of the chair. A majority of the members of the Commission
13 shall constitute a quorum for the transaction of business.

14 **(g) Ethics.** – Members of the Advisory Committee are public servants as defined by
15 G.S. 138A-3(70).

16 **(h) Staff.** – The staff of the Authority shall serve as staff to assist the Advisory Committee
17 in carrying out administrative functions in the discharge of its duties and responsibilities.

18 **"§ 106-1074. Large Animal Healthcare Enhancement Fund.**

19 **(a) Fund Created.** – The Large Animal Healthcare Enhancement Fund is created as a
20 special fund within the Department of Agriculture and Consumer Services. The Fund shall be
21 administered by the Authority. The purpose of the fund is to make grants to encourage veterinary
22 students to enter and stay in large animal veterinarian practice and to support large animal
23 veterinarian practices to enable them to better serve their designated counties.

24 **(b) Fund Sources.** – The Fund shall consist of any money appropriated to it by the General
25 Assembly and any money received from public or private sources. Unexpended, unencumbered
26 money in the Fund from sources other than appropriations from the General Assembly shall not
27 revert and shall remain available for expenditure in accordance with this section. The Authority
28 may use up to five percent (5%) of General Fund appropriations in each fiscal year for
29 administrative support.

30 **(c) Grant Eligibility.** – A large animal veterinarian who practices or plans to practice in
31 one or more designated counties may be eligible for a grant of up to twenty-five thousand dollars
32 (\$25,000) per fiscal year. Applicants shall apply in a format to be determined by the Advisory
33 Commission, but the application shall require the applicant to state the designated counties in
34 which the large animal veterinarian is practicing or plans to practice, the amount of funding
35 requested, and the approved use for which the applicant intends to use the funds. When
36 determining which applicants shall be awarded grant funds, the Advisory Committee shall
37 consider all of the following criteria:

38 **(1)** The geographic area of the State that an applicant serves or would serve and
39 the need for large animal veterinary services in that area of the State.

40 **(2)** The number of designated counties that an applicant serves or would serve.

41 **(3)** The number of different large animal veterinarian specialties in which the
42 applicant practices.

43 **(4)** The percentage of time the applicant devotes to large animal veterinary
44 services.

45 **(5)** Any additional criteria the Advisory Committee determines to be appropriate.

46 **(d) Uses of Grant Funds.** – The grant recipient may use the funds to support the recipient's
47 large animal veterinary practice, including any of the following:

48 **(1)** The repayment of educational loans related to the recipient's veterinary
49 degree.

50 **(2)** The purchase of equipment or technology for use in the recipient's large
51 animal veterinary practice.

1 (3) Any additional uses the Advisory Committee determines is appropriate to
2 promote and develop large animal veterinarians to practice in designated
3 counties.

4 (e) Limitations. –The Advisory Committee shall review applicants on an annual basis to
5 determine eligibility under the criteria developed under subsection (c) of this section. The
6 Advisory Committee shall also review each recipient of grant funds at the end of each fiscal year.
7 A recipient whose veterinary license expires, is revoked, or is suspended during the fiscal year
8 in which the grant is awarded, or who fails to practice large animal veterinary medicine in the
9 designated counties named in the recipient's application, shall repay the amount received from
10 the Fund.

11 (f) Report. – The Agricultural Finance Authority shall report no later than October 1 each
12 year to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic
13 Resources and the Fiscal Research Division of the General Assembly regarding the
14 implementation of this section during the previous fiscal year. The report shall include a list of
15 the recipients of grants from the Fund for the previous fiscal year, the amount of the grants
16 received, how recipients used awarded grant funds, and whether any awarded funds were
17 required to be repaid by recipients."

18 **SECTION 10.1.(c)** The Agricultural Finance Authority, in consultation with the
19 Large Animal Healthcare Enhancement Advisory Committee established by G.S. 106-1073, as
20 enacted by subsection (b) of this section, shall adopt temporary rules to implement this section
21 as soon as practicable and shall concurrently begin adopting permanent rules to replace the
22 temporary rules.

23 **SECTION 10.1.(d)** This section is effective when it becomes law.

24 25 **NORTH CAROLINA AGRICULTURE MANUFACTURING AND PROCESSING** 26 **INITIATIVE**

27 **SECTION 10.2.(a)** Findings and Purpose. – The General Assembly finds that the
28 lack of capacity for value-added processing of agricultural commodities near the farms where
29 those commodities are produced in the State creates competitive disadvantages to North Carolina
30 farmers by imposing increased transportation costs to remote commodity processing facilities
31 and presenting economic barriers to farmers who wish to participate in the market for higher
32 profit margin processed food products. The General Assembly further finds that grants to increase
33 agricultural processing opportunities in the State will create jobs and increase local property tax
34 bases in this State; will benefit agricultural and farming operations in the State with decreased
35 costs and increased profit options; and is consistent with promoting agricultural operations, a
36 vital sector of the State's economy. The purpose of this section is to create seed capital to fund
37 and promote the establishment of value-adding agricultural manufacturing and food processing
38 facilities across the State to fill existing gaps in the processing of agricultural products and to
39 create a diverse and economically competitive array of high value-added goods and products
40 manufactured in this State from agricultural products grown or produced in this State.

41 **SECTION 10.2.(b)** Establishment. – There is created within the Department of
42 Agriculture and Consumer Services (Department), the North Carolina Agricultural
43 Manufacturing and Processing Initiative (NCAMPI). Funds allocated to NCAMPI by this section
44 will be used for the following activities:

45 (1) Up to \$200,000 of funds in the first year of the program for the Department to
46 assess the State's agricultural economy with the assistance of independent
47 industry-recognized experts to identify and assess opportunities to increase
48 access to value-added processing of commodities produced in the State and
49 address categorical or geographical gaps in agricultural manufacturing and
50 processing.

1 (2) Up to \$250,000 of the funds provided in each year of the program for the
2 Department to market and recruit agricultural manufacturing and processing
3 facilities to fill identified gaps in access to such facilities by North Carolina
4 farmers based on the assessment described in subdivision (1) of this
5 subsection.

6 (3) Remaining NCAMPI funds to provide grants to agricultural manufacturing
7 facilities for site development, infrastructure costs (including water,
8 wastewater, or transportation improvements), building construction or
9 rehabilitation costs, or equipment. New facilities and expansions of existing
10 facilities will be eligible for grants under this subdivision. Before entering into
11 a grant agreement, the Department must find that the total benefits of the
12 project to the State outweigh its costs and render the grant appropriate for the
13 project.

14 **SECTION 10.2.(c)** Administration of Initiative. – In consultation with the nonprofit
15 corporation with which the Department of Commerce contracts pursuant to G.S. 143B-431.01(b),
16 the Department shall develop guidelines related to the administration of NCAMPI. The
17 guidelines shall require a finding that a grant under this section is necessary for the construction
18 or expansion of a facility engaged in agricultural manufacturing and processing in this State. At
19 least 20 days before the effective date of any guidelines or nontechnical amendments to the
20 guidelines, the Department shall publish the proposed guidelines on its website and provide
21 notice to persons who have requested notice of proposed guidelines. In addition, the Department
22 shall accept oral and written comments on the proposed guidelines and shall, in its discretion,
23 consider those comments before finalizing the guidelines. Guidelines adopted under this section
24 shall not be subject to the requirements of Article 2A of Chapter 150B of the General Statutes,
25 and shall include all of the following:

26 (1) Criteria for evaluating grant applicants, including job creation, concentration
27 of production of the agricultural product the facility will process in proximity
28 to the proposed location, and reductions in transportation costs and estimated
29 damage rates for agricultural products due to greater proximity to the
30 manufacturing or processing facility.

31 (2) A system for determining grant eligibility, the amounts of awards, not to
32 exceed \$5,000,000 per facility, and the required cost-share for grant
33 recipients. The Department may consider the economic development tier of
34 the county of a grant recipient under G.S. 143B-437.08 in setting cost-share
35 amounts.

36 **SECTION 10.2.(d)** Report. – Until all funds allocated by this section have been
37 expended, the Department shall annually report no later than October 1 on NCAMPI activities
38 during the prior fiscal year to the chairs of the Joint Legislative Oversight Committee on
39 Agriculture and Natural and Economic Resources and the Fiscal Research Division. The report
40 shall include, at a minimum, all of the following:

41 (1) Total amount of grants awarded.

42 (2) A list of award recipients and the amount awarded to each recipient.

43 (3) Matching funds required.

44 (4) Activities to ready sites and associated costs.

45 (5) Any major employers located at an improved or acquired site.

46 (6) Any unallocated amount for grants remaining in the NCAMPI Fund.

47 (7) Assessment of additional remaining needs for agricultural manufacturing and
48 processing facilities in the State.

49 **SECTION 10.2.(e)** Funding. – Of the funds appropriated from the State Fiscal
50 Recovery Fund to the Department of Agriculture and Consumer Services, the sum of twenty-five
51 million dollars (\$25,000,000) in nonrecurring funds for each year of the 2023-2025 biennium

1 shall be used for NCAMPI. Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary,
 2 these funds shall not revert at the end of the fiscal year in which they are appropriated, but shall
 3 remain available for the purposes set forth in this section. The Department may use up to one
 4 percent (1%) of the funds allocated by this section for administrative costs of program
 5 administration.

6
 7 **NC GRANGE ALLOCATION FOR FARMERS APPRECIATION DAY**

8 **SECTION 10.3.** Of the funds appropriated to the Department of Agriculture and
 9 Consumer Services, the sum of five hundred thousand dollars (\$500,000) in nonrecurring funds
 10 for the 2023-2024 fiscal year shall be used as a directed grant for N.C. Grange Mutual Insurance
 11 Company, a nonprofit corporation, (NC Grange) to develop a plan to raise awareness of and
 12 promote the first annual North Carolina Farmers Appreciation Day. These funds shall be
 13 disbursed to NC Grange at the discretion of the Department upon the request of NC Grange for
 14 that purpose, and shall be subject to Section 5.3(b)(4) of this act.

15
 16 **PART XI. COMMERCE**

17
 18 **COMMUNITY DEVELOPMENT BLOCK GRANTS**

19 **SECTION 11.1.(a)** Allocations. – Of the funds appropriated in this act for federal
 20 block grant funds, the following allocations are made for the fiscal years ending June 30, 2024,
 21 and June 30, 2025, according to the following schedule:

22
 23 **COMMUNITY DEVELOPMENT BLOCK GRANT**

24		
25	1. State Administration	\$1,560,286
26		
27	2. Neighborhood Revitalization	7,521,789
28		
29	3. Economic Development	13,482,687
30		
31	4. Infrastructure	18,994,905
32		
33	5. Rural Community Development	4,748,726
34		

35 **TOTAL COMMUNITY DEVELOPMENT**

36 **BLOCK GRANT – 2024 Program Year** **\$46,308,393**

37 **2025 Program Year** **\$46,308,393.**

38
 39 **SECTION 11.1.(b)** Availability Reduction. – If federal funds are reduced below the
 40 amounts specified in this section after the effective date of this act, then every program in each
 41 of these federal block grants shall be reduced by the same percentage as the reduction in federal
 42 funds.

43 **SECTION 11.1.(c)** Availability Increase. – Any block grant funds appropriated by
 44 the Congress of the United States in addition to the funds specified in this section shall be
 45 expended as follows: each program category under the Community Development Block Grant
 46 shall be increased by the same percentage as the increase in federal funds.

47 **SECTION 11.1.(d)** Reallocation. – The Department of Commerce shall consult with
 48 the Joint Legislative Commission on Governmental Operations prior to reallocating Community
 49 Development Block Grant Funds. Notwithstanding the provisions of this subsection, whenever
 50 the Director of the Budget finds either of the following conditions exist:

- 1 (1) If a reallocation is required because of an emergency that poses an imminent
2 threat to public health or public safety, then the Director of the Budget may
3 authorize the reallocation without consulting the Commission. The
4 Department of Commerce shall report to the Commission on the reallocation
5 no later than 30 days after it was authorized and shall identify in the report the
6 emergency, the type of action taken, and how it was related to the emergency.
- 7 (2) If the State will lose federal block grant funds or receive less federal block
8 grant funds in the next fiscal year unless a reallocation is made, then the
9 Department of Commerce shall provide a written report to the Commission
10 on the proposed reallocation and shall identify the reason that failure to take
11 action will result in the loss of federal funds. If the Commission does not hear
12 the issue within 30 days of receipt of the report, the Department may take the
13 action without consulting the Commission.

14 **SECTION 11.1.(e)** Report. – By September 1, 2023, and September 1, 2024, the
15 Department of Commerce shall report to the chairs of the House of Representatives
16 Appropriations Committee on Agriculture and Natural and Economic Resources; the chairs of
17 the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources; the
18 chairs of the Joint Legislative Economic Development and Global Engagement Oversight
19 Committee; and the Fiscal Research Division on the use of Community Development Block
20 Grant Funds appropriated in the prior fiscal year. The report shall include the following:

- 21 (1) A discussion of each of the categories of funding, including information on
22 the statewide need in each category.
- 23 (2) Information on the number of applications that were received in each category
24 and the total dollar amount requested in each category.
- 25 (3) A list of grantees, including the grantee's name, county, category under which
26 the grant was funded, the amount awarded, and a narrative description of the
27 project.

28 **SECTION 11.1.(f)** Neighborhood Revitalization. – Funds allocated to the
29 Neighborhood Revitalization Category in subsection (a) of this section shall be made available
30 as grants for eligible activities listed in this subsection. The funds available for grants under this
31 category may be used for all of the following, subject to the national objectives and eligible
32 activities allowed under guidance issued by the United States Department of Housing and Urban
33 Development (HUD):

- 34 (1) Essential repairs to prevent abandonment and deterioration of housing in
35 low- and moderate-income neighborhoods.
- 36 (2) Demolition and rehabilitation of buildings and improvements.
- 37 (3) Public improvements, including parks, streets, sidewalks, and water and sewer
38 lines.

39 **SECTION 11.1.(g)** Economic Development. – Funds allocated to the Economic
40 Development Category in subsection (a) of this section shall be made available as grants for
41 eligible activities listed in this subsection. The funds available for grants under this category may
42 be used for all of the following, subject to the national objectives and eligible activities allowed
43 under guidance issued by HUD:

- 44 (1) Acquisition of real property.
- 45 (2) Demolition and rehabilitation of buildings and improvements.
- 46 (3) Removal of material and architectural barriers.
- 47 (4) Public improvements, including parks, streets, sidewalks, and water and sewer
48 lines.
- 49 (5) Loans and grants to public or private nonprofit entities for construction and
50 rehabilitation activities.
- 51 (6) Assistance to private, for-profit entities for economic development.

- 1 (7) Technical assistance to public or nonprofit entities for neighborhood
2 revitalization or economic development activities.
- 3 (8) Assistance to for-profit and nonprofit entities to facilitate economic
4 development activities.

5 **SECTION 11.1.(h)** Infrastructure. – For purposes of this section, eligible activities
6 under the Infrastructure Category in subsection (a) of this section shall be defined as provided in
7 the HUD State Administered Community Development Block Grant definition of the term
8 "infrastructure." Notwithstanding the provisions of subsection (d) of this section, funds allocated
9 to the Infrastructure Category in subsection (a) of this section shall not be reallocated to any other
10 category.

11 **SECTION 11.1.(i)** Rural Community Development. – Funds allocated for the Rural
12 Community Development Category in subsection (a) of this section shall be made available as
13 grants for eligible activities listed in this subsection. These funds shall provide grants that support
14 community development and comprehensive growth projects to be awarded by the Department
15 of Commerce. The Rural Community Development Category will provide grants to units of local
16 government in development tier one and development tier two areas, as defined in
17 G.S. 143B-437.08, and in rural census tracts, as defined in G.S. 143B-472.127(a)(2), in any other
18 area to support projects that promote broad-based community development activities, increased
19 local investment and economic growth, and stronger and more viable rural neighborhoods. In
20 awarding grants under this section, preference shall be given to projects in development tier one
21 areas, as defined in G.S. 143B-437.08. The funds available for grants under this category may be
22 used for all of the following, subject to the national objectives and eligible activities allowed
23 under guidance issued by HUD:

- 24 (1) Essential repairs to prevent abandonment and deterioration of housing in
25 low- and moderate-income neighborhoods.
- 26 (2) Public improvements, including parks, streets, sidewalks, and water and sewer
27 lines.
- 28 (3) Public facilities, including neighborhood and community facilities and
29 facilities for individuals with special needs.
- 30 (4) Public services, including employment, crime prevention, and energy
31 conservation.
- 32 (5) Assistance to private, for-profit entities for economic development.
- 33 (6) Technical assistance to public or nonprofit entities for neighborhood
34 revitalization or economic development activities.
- 35 (7) Assistance to for-profit and nonprofit entities to facilitate economic
36 development activities.

37 **SECTION 11.1.(j)** Deobligated Funds. – Throughout each year, deobligated funds
38 arise in the various funding categories and program years of the Community Development Block
39 Grant (CDBG) program as a result of (i) projects coming in under budget, (ii) projects being
40 cancelled, or (iii) projects being required to repay funds. Surplus federal administrative funds in
41 the CDBG program may vary from year to year based upon the amount of State-appropriated
42 funds allocated and the amount of eligible in-kind funds identified. To allow the Department of
43 Commerce and the Department of Environmental Quality to quickly deploy deobligated and
44 surplus federal administrative funds as they are identified throughout the program year, the
45 following shall apply to the use of deobligated CDBG funds and surplus federal administrative
46 funds:

- 47 (1) All surplus federal administrative funds shall be divided proportionally
48 between the Departments of Commerce and Environmental Quality and shall
49 be used as provided in subdivisions (2) and (3) of this subsection.

- 1 (2) All deobligated funds allocated to the Department of Commerce and any
2 surplus federal administrative funds, as provided for in subdivision (1) of this
3 subsection, may be used by the Department for all of the following:
- 4 a. To issue grants in the CDBG Economic Development or
5 Neighborhood Revitalization Program Category.
 - 6 b. For providing training and guidance to local governments relative to
7 the CDBG program, its management, and administrative requirements.
 - 8 c. For any other purpose consistent with the Department's administration
9 of the CDBG program if an equal amount of State matching funds is
10 available.
- 11 (3) All deobligated funds allocated to the Department of Environmental Quality
12 and any surplus federal administrative funds, as provided for in subdivision
13 (1) of this subsection, may be used by the Department for all of the following:
- 14 a. To issue grants in the CDBG Infrastructure Category.
 - 15 b. For any other purpose consistent with the Department's administration
16 of the CDBG program if an equal amount of State matching funds is
17 available.

18 **COMMERCE NONPROFITS/REPORTING REQUIREMENTS**

19 **SECTION 11.2.(a)** The entities listed in subsection (b) of this section shall do the
20 following for each year that State funds are expended:

- 21 (1) By September 1 of each year, and more frequently as requested, report to the
22 chairs of the Joint Legislative Oversight Committee on Agriculture and
23 Natural and Economic Resources; the chairs of the House of Representatives
24 Appropriations Committee on Agriculture and Natural and Economic
25 Resources; the chairs of the Senate Appropriations Committee on Agriculture,
26 Natural, and Economic Resources; and the Fiscal Research Division on prior
27 State fiscal year program activities, objectives, and accomplishments and prior
28 State fiscal year itemized expenditures and fund sources. If State funds are
29 used to provide matching funds for competitive grants from the federal
30 government or a nongovernmental entity, the report should include a list and
31 description of the grants that are awarded.
- 32 (2) Provide to the chairs of the Joint Legislative Oversight Committee on
33 Agriculture and Natural and Economic Resources; the chairs of the House of
34 Representatives Appropriations Committee on Agriculture and Natural and
35 Economic Resources; the chairs of the Senate Appropriations Committee on
36 Agriculture, Natural, and Economic Resources; and the Fiscal Research
37 Division a copy of the entity's annual audited financial statement within 30
38 days of issuance of the statement.

39 **SECTION 11.2.(b)** The following entities shall comply with the requirements of
40 subsection (a) of this section:

- 41 (1) North Carolina Biotechnology Center.
- 42 (2) High Point Market Authority.
- 43 (3) RTI International.
- 44 (4) National Institute of Minority Economic Development.

45 **NC BIOTECHNOLOGY CENTER**

46 **SECTION 11.3.(a)** Except for the funds appropriated in subsection (b) of this
47 section, funds appropriated in this act to the Department of Commerce for the North Carolina
48 Biotechnology Center (Center) for each fiscal year in the 2023-2025 biennium shall be allocated
49 for the following purposes in the following proportions:
50
51

- 1 (1) Twenty-one percent (21%) for job creation, including funding for the
2 AgBiotech Initiative, economic and industrial development, and related
3 activities.
- 4 (2) Sixty-five percent (65%) for science and commercialization, including
5 science and technology development, Centers of Innovation, business and
6 technology development, education and training, and related activities.
- 7 (3) Fourteen percent (14%) for Center operations, including administration,
8 professional and technical assistance and oversight, corporate
9 communications, human resource management, financial and grant
10 administration, legal, and accounting.

11 **SECTION 11.3.(b)** Of the funds appropriated in this act to the Department of
12 Commerce for the Center, five hundred thousand dollars (\$500,000) of recurring funds in each
13 fiscal year of the biennium shall be used to support funding for early stage loans to North Carolina
14 agricultural technology companies.

15 **SECTION 11.3.(c)** The Center shall not use any of the recurring funds allocated in
16 subsection (b) of this section for administrative costs and shall report on the expenditure of those
17 funds each year pursuant to Section 11.2 of this act.

18 **SECTION 11.3.(d)** The Center shall prioritize funding and distribution of loans over
19 funding and distribution of grants.

20 **SECTION 11.3.(e)** Up to ten percent (10%) of the sum of each of the allocations in
21 subsection (a) of this section may be reallocated to subdivision (a)(1) or subdivision (a)(2) of this
22 section if, in the judgment of Center management, the reallocation will advance the mission of
23 the Center.

24 **NC BIOTECHNOLOGY CENTER PROFIT SHARING MODIFICATION**

25 **SECTION 11.4.** Prior to receiving any General Fund disbursements for the
26 2023-2025 biennium, the North Carolina Biotechnology Center (the "Center") shall renegotiate
27 the memorandum of understanding entered into pursuant to Section 20.8 of S.L. 2001-424, and
28 its amendments, with the Attorney General's Office to provide that the Center is required to pay
29 to the State fifty percent (50%) of only those net profits that exceed one million dollars
30 (\$1,000,000).
31

32 **MODIFICATION FOR GOLDEN LEAF**

33 **SECTION 11.5.** G.S. 143-712 reads as rewritten:

34 **"§ 143-712. Articles of incorporation; reporting.**

35 The Attorney General shall draft articles of incorporation for the Golden LEAF Foundation
36 to enable the Golden LEAF Foundation to carry out its mission as set out in the Consent Decree.
37 The articles of incorporation shall provide for the following:
38

- 39 (1) ~~Consultation; reporting.—The Golden LEAF Foundation shall consult with~~
40 ~~the Joint Legislative Commission on Governmental Operations prior to the~~
41 ~~board of directors (i) adopting bylaws and (ii) adopting the annual operating~~
42 ~~budget. Reporting. —~~ The Golden LEAF Foundation shall also report on its
43 programs and activities to the Joint Legislative Oversight Committee on
44 Agriculture and Natural and Economic Resources, and the Joint Legislative
45 Economic Development and Global Engagement Oversight Committee on or
46 before September 15 of each fiscal year and more frequently as requested by
47 any of these entities. The report shall include all of the following information:
48 a. Grants made in the prior fiscal year, including the amount, term, and
49 purpose of the grant.
50 b. Outcome data collected by the Golden LEAF Foundation, including
51 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 Golden LEAF Foundation shall also provide to the 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 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.

...."

GOLDEN LEAF WORKFORCE GRANTS

SECTION 11.6.(a) Of the funds appropriated in this act to the Department of Commerce, the sum of twelve million five hundred thousand dollars (\$12,500,000) for the 2023-2024 fiscal year and the sum of twelve million five hundred thousand dollars (\$12,500,000) for the 2024-2025 fiscal year shall be allocated to The Golden LEAF (Long-Term Economic Advancement Foundation), Inc. (Golden LEAF), a nonprofit corporation, to be used to provide grants to community colleges, governmental entities, or 501(c)(3) charitable non-profit organizations providing workforce training. Funds may be used for the purchase and installation of equipment, building renovations, purchase of instructional materials and supplies, personnel costs, and for student supports, apprenticeships, internships and similar costs.

SECTION 11.6.(b) Of the funds allocated in subsection (a) of this section for the 2023-2024 fiscal year, Golden LEAF shall remit the sum of nine million dollars (\$9,000,000) to the Guilford Tech Community College as a grant for the support of the Federal Advance Manufacturing Education partnership.

GOLDEN LEAF SHELL BUILDING PILOT PROGRAM

SECTION 11.7.(a) Of the funds appropriated in this act to the Department of Commerce for the 2023-2024 fiscal year, the nonrecurring sum of ten million dollars (\$10,000,000) shall be allocated to Golden LEAF (Long-Term Economic Advancement Foundation), Inc., (Golden LEAF), a nonprofit corporation, for a pilot program to provide grants for the construction of shell buildings suitable for new or expanding businesses, other than retail, entertainment, or sports projects. Funds shall be divided into equal grants to Bladen, Columbus, and Franklin Counties. Funds allocated in this section must be expended by December 31, 2025. Golden LEAF may use up to one percent (1%) of the funds allocated in this section for administration of the program and shall establish guidelines providing for administration of the program. Those rules shall include the following provisions, which shall apply to each grant under the program:

- (1) Funds for shell buildings can only be used for (i) identifying potential industrial sites, prioritized based on the number of appropriate sites in the community and the number of available shell buildings, (ii) completing environmental assessments and analysis of needed infrastructure improvements, (iii) grading, clearing, and other site preparation activities, and (iv) planning, design, and other pre-construction and construction activities for shell buildings.
- (2) Grants awarded shall require a match from the local government in the amount of one dollar (\$1.00) for every three State dollars (\$3.00).

- 1 (3) Grant awards may not exceed two million five hundred thousand dollars
2 (\$2,500,000).
3 (4) Grants may only be awarded for shell building projects reasonably anticipated
4 to result in the creation of new jobs.
5 (5) A wage standard, if any, deemed appropriate or beneficial for the purpose of
6 the program, as determined in the sole discretion of Golden LEAF.

7 **SECTION 11.7.(b)** Golden LEAF shall include the pilot program in the report
8 required pursuant to G.S. 143-712 until the year following the year in which all funds have been
9 expended.

10 **NASCAR ECONOMIC IMPACT STUDY AND FUNDING CLARIFICATION**

11 **SECTION 11.8.(a)** Of the funds appropriated in this act to the Department of
12 Commerce (the "Department"), the sum of forty thousand dollars (\$40,000) for the 2023-2024
13 fiscal year shall be used to pay the relevant expenses involved in conducting a survey at the
14 National Association of Stock Car Auto Racing (NASCAR) All-Star Race in North Wilkesboro
15 to measure the economic activities of attendees at the race.

16 **SECTION 11.8.(b)** No later than September 1, 2023, the Department shall report on
17 the use of such funds to the chairs of the Joint Legislative Oversight Committee on Agriculture
18 and Natural and Economic Resources and the Joint Legislative Economic Development and
19 Global Engagement Oversight Committee, and to the Fiscal Research Division.

20 **SECTION 11.8.(c)** Notwithstanding any other provision of law or the Committee
21 Report referenced in Section 43.2 of this act to the contrary, funds appropriated in this act from
22 the projected interest in the State Fiscal Recovery Reserve to the Department for the NASCAR
23 All-Star Race may be used by the grant recipient to cover expenditures made prior to the effective
24 date of this act.
25

26 **NCINNOVATION**

27 **SECTION 11.9.** Of the funds appropriated in this act to the Department of
28 Commerce for the 2024-2025 fiscal year, the nonrecurring sum of fifty million dollars
29 (\$50,000,000) shall be allocated by the Department to NCInnovation, Inc., a nonprofit
30 corporation, for the purposes set out in a plan to be developed and submitted to the Governor;
31 the Joint Legislative Commission on Governmental Operations; the chairs of the House of
32 Representatives Appropriations Committee on Agriculture and Natural and Economic
33 Resources; the chairs of the Senate Appropriations Committee on Agriculture, Natural, and
34 Economic Resources; the chairs of the Joint Legislative Economic Development and Global
35 Engagement Oversight Committee; and the Fiscal Research Division no later than January 1,
36 2024; provided, however, the release of the funds authorized in this section shall not be before
37 the later of July 1, 2024, and the date the Governor has both reviewed the submitted plan and
38 submitted a written determination to the General Assembly that the plan adequately addresses
39 the concerns listed in this section and achieves the goals of (i) improving technology transfer and
40 patentable research activity at North Carolina universities, (ii) increasing venture capital
41 availability, (iii) achieving greater parity in geographic access to funding for innovations with
42 commercial activity, (iv) promoting regional cooperation in innovation and research, (v)
43 identifying and developing strategic industry sectors in the State, (vi) synergizing university
44 research efforts with private sector investment, (vii) augmenting the transition of information
45 from pure research into applied research, (viii) creating jobs, (ix) positioning the State for
46 increased capture of federal funding for commercialization of intellectual property, and (x)
47 protecting the State's investment and interest in funds awarded by the entity through cost and
48 benefit analyses, minimum performance metrics achieved and maintained, clawbacks, and other
49 requirements needed to adequately safeguard the State. At a minimum, the plan shall address and
50 include the following:
51

- 1 (1) A clear and concise statement of the purpose and anticipated benefits.
- 2 (2) A list of authorized activities.
- 3 (3) A list of any specific and express related activities that are not authorized.
- 4 (4) Appropriate and effective means of oversight, including whether to create a
- 5 separate committee on accountability and standards that will, among other things,
- 6 (i) monitor performance of the entity, (ii) receive and investigate
- 7 complaints about the entity, (iii) audit the entity, including the minimum cycle
- 8 for auditing, and (iv) records access.
- 9 (5) The process by which the duties, functions, obligations, and protections may
- 10 be modified.
- 11 (6) The governance structure of the entity, including whether members of the
- 12 governing body are appointed by the State and the appointing entity and
- 13 whether the governing body should have geographic- and subject
- 14 matter-specific provisions ensuring diversity of expertise and award
- 15 distribution.
- 16 (7) Whether State employees can be a part of the governance structure of the
- 17 entity.
- 18 (8) Means of ensuring the handling of State funds are not affected by fundraising
- 19 activities or other potential issues or malfeasance that can result from
- 20 simultaneous authority to award State funds and to engage in private
- 21 fundraising.
- 22 (9) Gift ban and conflict of interest policies.
- 23 (10) The extent and frequency of governmental reporting of activities and sharing
- 24 of records.
- 25 (11) The method of accounting for State funds and other funds available to or
- 26 donated to the entity.
- 27 (12) Term of authorized activity and length of renewals for authority.
- 28 (13) Salary and compensation structure for members of the governing body of the
- 29 entity and for employees of the entity.
- 30 (14) Authority to incur financial obligations.
- 31 (15) Applicability of public records and open meetings, including for the award of
- 32 State funds.
- 33 (16) An analysis of identifying, and mitigating or solving, potential negative
- 34 effects on State equity ownership in recipients, including (i) impacts on
- 35 recruiting other businesses reasonably anticipated to compete with the
- 36 recipient and (ii) impacts to existing businesses in the State with respect to
- 37 ongoing operations in light of increased competition.
- 38 (17) Risks to the State of having equity stakes in private, for-profit entities and
- 39 means of mitigating or eliminating those risks.
- 40 (18) A survey and executive summary of other States' efforts with respect to
- 41 commercialization of intellectual property resulting from university research
- 42 and increasing venture capital funds, both from stimulating private sector
- 43 funding availability and allocating State funds. The survey should include
- 44 advantages and disadvantages of each approach.
- 45 (19) An analysis of impact, including the degree to which commercialized
- 46 university-researched intellectual property is being lost by this State for lack
- 47 of regional cooperation or venture capital funds or other identified reasons and
- 48 including a comparison between the plan under this section and the methods
- 49 used by the states to which those lost opportunities are accruing.
- 50 (20) A comparison of costs and benefits between the plan proposed under this
- 51 section and the degree and cost of providing collaborative and professional

1 patent portfolio development and commercialization personnel to research
2 universities in the State and incentivizing the private sector to provide venture
3 capital funds through tax benefits or otherwise.

- 4 (21) A breakdown showing that all State funds will go to a constitutionally
5 permissible public purpose, including the methodology or modelling that the
6 entity will use to ensure that the benefits to the State outweigh the costs to the
7 State of those uses.

9 EDPNC MARKETING FUNDING EXTENSION

10 **SECTION 11.10.** Section 11.4(b) of S.L. 2022-74 reads as rewritten:

11 "**SECTION 11.4.(b)** There is appropriated from the Economic Development Project
12 Reserve established in Section 2.2 of S.L. 2021-180 to the Department of Commerce for the
13 nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b) the
14 sum of sixty million dollars (\$60,000,000) to be used for the following purposes in the following
15 amounts:

- 16 (1) Thirty million dollars (\$30,000,000) for travel and tourism marketing of the
17 State.
18 (2) Thirty million dollars (\$30,000,000) for business marketing of the State.

19 Of the funds allocated in subdivisions (1) and (2) of this subsection, the nonprofit corporation
20 shall use no more than twenty million dollars (\$20,000,000) for each purpose by June 30, 2023,
21 and the remainder of the funds allocated by this section by ~~December 31, 2024.~~ June 30, 2025.
22 The nonprofit corporation may use up to three percent (3%) of the total funds allocated in this
23 section for administrative costs."

25 MODIFICATIONS TO MEGASITES PROGRAM

26 **SECTION 11.11.(a)** Of the funds appropriated in this act to the Department of
27 Commerce for the 2023-2025 fiscal biennium, the nonrecurring sum of one hundred fifty million
28 dollars (\$150,000,000) shall be allocated in each year of the biennium to the North Carolina
29 Megasite Fund established in Section 11.11(b) of S.L. 2022-74 for purposes consistent with that
30 section.

31 **SECTION 11.11.(b)** Section 11.11 of S.L. 2022-74 reads as rewritten:

33 "MEGASITES READINESS PROGRAM

34 "**SECTION 11.11.(a)** Purpose. – It is in the best economic and developmental interests of
35 the State to support the development of megasites to ensure the State's ongoing competitiveness
36 for major manufacturing opportunities, including but not limited to the aerospace, automotive,
37 clean energy, food processing, semiconductor, and life science industries. The purpose of this
38 section is to establish a competitive grant program serving to do the following:

- 39 (1) Identify and evaluate up to ~~five~~ seven megasites for preferred development
40 and marketing.
41 (2) ~~Enable~~ Assist local governments or a partnership of local governments to
42 ~~acquire in the acquisition of~~ a newly identified or existing megasite.
43 (3) Support local governments or a partnership of local governments to analyze,
44 plan, install or upgrade public infrastructure, including publicly owned water,
45 gas, and sewer systems, transportation infrastructure, and the electrical utility
46 lines necessary to meet the needs of prospective employers for megasites.
47 (4) Support local governments or a partnership of local governments to fund
48 on-site preparation, including clearing, grading, or other related expenses for
49 megasites.
50 (4a) Support local governments or a partnership of local governments in
51 conducting due diligence, including, but not limited to, the following: site

1 characteristics, preliminary engineering reports for water and wastewater
 2 provision to the site, assessments related to road and highway infrastructure
 3 to serve the site, and other assessments as needed.

- 4 (5) ~~Facilitate coordination between the economic development entities and~~
 5 ~~entities, the North Carolina Department of Environmental Quality Quality,~~
 6 ~~and the North Carolina Department of Transportation to expedite any~~
 7 ~~environmental~~ needs related to timely site development.

8 ...

9 **"SECTION 11.11.(d)** Allocation. – EDPNC shall allocate monies in the Fund on the
 10 following basis:

- 11 (1) The first one million dollars (\$1,000,000) appropriated to the Fund shall be
 12 allocated for engaging a national site selection firm through a competitive bid
 13 process to produce a report evaluating sites in the State and determining the
 14 ~~five seven~~ megasites best positioned for advanced manufacturing site
 15 selection searches conducted by major employers. Amounts allocated under
 16 this subdivision in excess of what is required after the competitive bid process
 17 shall be transferred to the North Carolina Selectsite Fund.

- 18 (2) All other funds appropriated to the Fund for local government grants shall be
 19 allocated for the ~~acquisition of activities outlined in subdivisions (a)(2)~~
 20 ~~through (a)(5) of this section for megasites determined pursuant to subdivision~~
 21 ~~(1) of this subsection. A grant for a megasite is limited to eighty five percent~~
 22 ~~(85%) of the lesser of the property's purchase price or tax value. The~~
 23 ~~percentage actually provided in the grant shall be determined by EDPNC~~
 24 ~~based~~ EDPNC shall prioritize local government grants that have the greatest
 25 potential to reduce the time for site readiness and reduce the risk of unforeseen
 26 conditions that could affect the site viability for advanced manufacturing
 27 projects. EDPNC shall base the grant amount on total development needs for
 28 the megasite, prior investment in the megasite by one or more local
 29 governments, the ability of one or more local governments to invest in the
 30 megasite, and the ability and level of participation promised by the local
 31 government in exchange for a grant from the Fund. Monies may only be
 32 granted for, and used to acquire, a megasite for which (i) one or more local
 33 governments have a binding option or offer to purchase and (ii) all basic due
 34 diligence ~~must be complete,~~ has been completed, including, but not limited to,
 35 boundary surveys, title searches, State Historic Preservation Office reviews,
 36 and wetlands delineation.

37 **"SECTION 11.11.(e)** Matching Funds. – ~~The~~ If a grant is awarded that includes site
 38 acquisition assistance, the local governments to which a grant is awarded shall provide the
 39 remainder of the cost of purchasing the megasite not provided by the grant.

40"

41
 42 **SELECTSITE READINESS PROGRAM**

43 **SECTION 11.12.(a)** Of the funds appropriated in this act to the Department of
 44 Commerce (Department) for the 2023-2025 fiscal biennium, the nonrecurring sum of fifty
 45 million dollars (\$50,000,000) shall be allocated in each year of the biennium to the North
 46 Carolina Selectsite Fund established in subsection (c) of this section for purposes consistent with
 47 that subsection.

48 **SECTION 11.12.(b)** Purpose. – It is in the best economic and developmental
 49 interests of the State to support the development of sites to ensure the State's ongoing
 50 competitiveness for major manufacturing opportunities, including, but not limited to, the
 51 aerospace, automotive, clean energy, food processing, semiconductor, and life science industries.

1 The purpose of this section is to establish a competitive grant program serving to do the
2 following:

- 3 (1) Identify and evaluate up to 10 sites of less than 1,000 acres for preferred
4 development and marketing.
- 5 (2) Assist local governments or a partnership of local governments in the
6 acquisition of a newly identified or existing site.
- 7 (3) Support local governments or a partnership of local governments to analyze,
8 plan, install, or upgrade public infrastructure, including publicly owned water,
9 gas, and sewer systems, transportation infrastructure, and the electrical utility
10 lines necessary to meet the needs of prospective employers for sites.
- 11 (4) Support local governments or a partnership of local governments to fund
12 on-site preparation, including clearing, grading, or other related expenses for
13 sites.
- 14 (5) Support local governments or a partnership of local governments in
15 conducting due diligence, including, but not limited to: site characteristics,
16 preliminary engineering reports for water and wastewater provision to the site,
17 assessments related to road and highway infrastructure to serve the site, and
18 other assessments as needed.
- 19 (6) Facilitate coordination between the economic development entities and the
20 North Carolina Department of Environmental Quality and the North Carolina
21 Department of Transportation to expedite needs related to timely site
22 development.

23 **SECTION 11.12.(c)** Fund Established. – There is created in the Department a special
24 fund to be known as the North Carolina Selectsite Fund for grants awarded by the Economic
25 Development Partnership of North Carolina (EDPNC) for purposes consistent with this section.
26 EDPNC shall be responsible for administering the program. The provisions prohibiting EDPNC
27 from awarding of grants contained in G.S. 143B-431.01 do not apply to the Fund.

28 **SECTION 11.12.(d)** Definitions. – The definitions in Section 11.11(c) of S.L.
29 2022-74 apply in this section. For purposes of this section, a "selectsite" is a parcel of contiguous
30 property consisting of less than 1,000 acres that is viable for industrial development and listed in
31 the report pursuant to subsection (h) of this section. For purposes of this section, a "Fund" is the
32 North Carolina Selectsite Fund.

33 **SECTION 11.12.(e)** Allocation. – EDPNC shall allocate monies in the Fund on the
34 following basis:

- 35 (1) Funds transferred from the North Carolina Megasite Fund shall be allocated
36 for an analysis of sites that are less than 1,000 acres that are of sufficient size
37 to successfully attract advanced manufacturing projects of more than 1,000
38 employees.
- 39 (2) Funds appropriated to the Fund for local government grants shall be allocated
40 for the purposes outlined in subdivisions (b)(2), (b)(3), (b)(4), and (b)(5) of
41 this section for selectsites determined pursuant to subdivision (1) of this
42 subsection. EDPNC shall prioritize local government grants that have the
43 greatest potential to reduce the time for site readiness and reduce the risk of
44 unforeseen conditions that could affect the site viability for advanced
45 manufacturing projects. EDPNC shall base the grant amount on total
46 development needs for the selectsite, prior investment in the selectsite by one
47 or more local governments, the ability of one or more local governments to
48 invest in the selectsite, and the ability and level of participation promised by
49 the local government in exchange for a grant from the Fund. Monies may only
50 be granted for, and used to acquire, a selectsite for which (i) one or more local
51 governments have a binding option or offer to purchase and (ii) all basic due

diligence has been completed, including, but not limited to, boundary surveys, title searches, State Historic Preservation Office reviews, and wetlands delineation.

SECTION 11.12.(f) Matching Funds. – If a grant is awarded that includes site acquisition assistance, the local governments to which a grant is awarded shall provide the remainder of the cost of purchasing the selectsite not provided by the grant.

SECTION 11.12.(g) Agreements Required. – Monies may be disbursed from the Fund only in accordance with agreements entered into between EDPNC and a local government or a government partnership. The agreement must include all of the performance criteria, remedies, and other safeguards required to secure the assistance provided to ready the selectsite for a major employer and must require EDPNC to recapture a proportionate amount of assistance provided under this section for failure by a local government or government partnership to meet and maintain the selectsite for availability for the purposes for which the assistance was provided.

SECTION 11.12.(h) Reporting. – EDPNC shall file an annual report to the Department on or before April 1 of each year. The annual report prepared will document total amount of grants awarded, matching funds required, activities to ready selectsites and associated costs, any major employers locating at an improved or acquired selectsite, and the unallocated amount for grants remaining in the Fund. The Department shall prepare and file on or before May 1 of each year with the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources; the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources; the Joint Legislative Economic Development and Global Engagement Oversight Committee; the Office of State Budget and Management; and the Fiscal Research Division a consolidated report for the preceding fiscal year concerning the information required by this section.

SECTION 11.12.(i) Program Guidelines. – EDPNC shall develop guidelines related to the administration of this program. At least 20 days before the effective date of any guidelines or nontechnical amendments to the guidelines, EDPNC shall publish the proposed guidelines on its website and provide notice to persons who have requested notice of proposed guidelines. In addition, EDPNC must accept oral and written comments on the proposed guidelines and shall in its discretion consider such comments before finalizing the guidelines, during the 15 business days beginning on the first day that EDPNC has completed these notifications. Guidelines adopted under this section shall not be subject to the requirements of Article 2A of Chapter 150B of the General Statutes.

SHELLFISH GROWERS LOAN PROGRAM MODIFICATION

SECTION 11.13.(a) G.S. 113-211 reads as rewritten:

"§ 113-211. Shellfish Growers Loan Program.

(a) **Definitions.** – For purposes of this section, the following definitions apply:

(1) Applicable federal rate. – The minimum interest rate that the Internal Revenue Service sets and adjusts monthly for private loans.

(1a) Department. – The Department of Commerce.

(2) Governmental crop insurance. – Insurance coverage through the United States Department of Agriculture Noninsured Crop Disaster Assistance Program.

(3) ~~Prime rate.~~ ~~—The interest rate that a commercial bank holds out as its lowest rate for a loan with less than a 36-month term to its most creditworthy borrowers.~~

...

(b) **Program.** – There is established the Shellfish Growers Loan Program to be administered by the Rural Center. The program shall provide a revolving source of low-interest working capital and equipment loans to emerging and existing small shellfish growers in this

1 State. Funds credited to the program are available in perpetuity and must be used only to provide
 2 loans to eligible businesses or for administrative expenses as allowed in this section.

3 (c) Loans. – The following shall apply to the program and loans made under the program:

4 (1) A loan provided under the program shall have a fixed interest rate that is equal
 5 to the ~~prime~~applicable federal rate plus two and one-quarter percent (2.25%)
 6 and shall be amortized over the term of the loan. For the purposes of each
 7 loan, the qualifying lender shall use the applicable federal interest rate that
 8 aligns with the term of the loan and shall match the applicable federal rate for
 9 the month in which the qualifying business receives the loan.

10 ...

11 (2) A working capital loan shall have a term of at least 12 months and shall not
 12 exceed ~~24~~72 months.

13 (3) An equipment loan shall have a term of at least 12 months and shall not exceed
 14 ~~60~~72 months.

15 ...

16 (7) Loans are made pursuant to an agreement with a qualifying business that
 17 includes at least the following:

18 ...

19 e. A provision requiring proof that the qualifying business ~~p~~ossesses
 20 ~~current~~has submitted a completed application for governmental crop
 21 insurance to protect from disasters.

22 f. A provision allowing for losses from disasters in excess of
 23 governmental crop insurance coverage on loans made to the qualifying
 24 business to be covered by the program funds up to the remaining
 25 unpaid principal loaned to the qualifying business but not repaid at the
 26 time of the loss.

27"

28 **SECTION 11.13.(b)** The qualifying lender shall seek to renegotiate the interest rate
 29 for any loans already disbursed or agreed to regarding loans that are already issued on or before
 30 the date this section becomes law, if the new interest rate at that time is lower than the interest
 31 rate currently agreed to between the qualifying lender and qualifying business.

32 **SECTION 11.13.(c)** This section is effective when it becomes law.

33
 34 **PART XII. ENVIRONMENTAL QUALITY**

35
 36 **SHALLOW DRAFT FUND DIRECTED GRANTS**

37 **SECTION 12.1.(a)** Funds appropriated in this act from the Shallow Draft Navigation
 38 Channel and Aquatic Weed Fund to the Office of State Budget and Management shall be used
 39 for directed grants to the following entities:

40 (1) The Lake Gaston Weed Control Council, to be used for a multiyear project to
 41 treat *lyngbya* spp., a cyanobacteria, in Lake Gaston.

42 (2) The Town of Tabor City, to be used for aquatic weed control in Lake Tabor.

43 **SECTION 12.1.(b)** Funds allocated by this section (i) shall not have a cost-share
 44 requirement under G.S. 143-215.73F(c) and (ii) shall not apply towards the aquatic weed control
 45 project limitation set forth in G.S. 143-215.73F(b)(2). These funds shall remain available until
 46 expended.

47
 48 **WATER AND SEWER INFRASTRUCTURE FUNDS**

49 **SECTION 12.2.(a)** Allocation. – Funds appropriated in this act for each year of the
 50 2023-2025 fiscal biennium from the Clean Water and Drinking Water Reserve to the Department

1 of Environmental Quality (Department) for the Water Infrastructure Fund are allocated as
2 follows:

- 3 (1) Three hundred million dollars (\$300,000,000) in each year of the 2023-2025
4 fiscal biennium for the Viable Utility Reserve to be used for the purposes set
5 forth in subdivisions (1) through (5) of G.S. 159G-32(d).
- 6 (2) Six hundred million dollars (\$600,000,000) in each year of the 2023-2025
7 fiscal biennium for the Drinking Water Reserve and the Wastewater Reserve
8 to provide project construction grants for public water systems and wastewater
9 systems.

10 **SECTION 12.2.(b)** Limitation Not Applicable. – The limits set forth in
11 G.S. 159G-36(c)(3) shall not apply to grants awarded from funds allocated by this section.

12 **SECTION 12.2.(c)** Choice of Funding. – The Department may exchange projects
13 funded from the State Fiscal Recovery Fund in S.L. 2021-180 and S.L. 2022-74 with other
14 projects subsequently awarded by the State Water Infrastructure Authority from other funding
15 sources to meet the deadline for expenditure of State Fiscal Recovery Funds set forth in
16 applicable federal law and guidance.

17 **SECTION 12.2.(d)** Administrative Costs. – The Department may use three percent
18 (3%) of the funds allocated to the Drinking Water Reserve and the Wastewater Reserve by this
19 section for administrative costs. The Department shall not charge the grant fee authorized by
20 G.S. 159G-24 for grants made from funds subject to the set aside of administrative costs
21 authorized by this subsection.

22 **SECTION 12.2.(e)** Report. – The Department shall include in the report required by
23 G.S. 159G-26 the status of projects funded under this section. This report may be provided in
24 tabular or summary form and need not include information beyond that described in
25 G.S. 159G-26(b)(4).

26 **REDIRECT CERTAIN PRIOR WATER AND WASTEWATER FUNDS**

27 **SECTION 12.2A.** Funds allocated to the Town of Norwood for the expansion of
28 Lake Tillery by subdivision (a)(3a) of Section 12.13 of S.L. 2021-180, as enacted by subsection
29 6.1(a) of S.L. 2022-6, shall instead be provided to Montgomery County as a construction grant
30 for a water or wastewater project. The limits set forth in G.S. 159G-36(c)(3) shall not apply to
31 grants awarded from funds allocated by this subsection. Funds allocated by this subdivision in
32 excess of the amounts needed to complete these projects shall revert to the Drinking Water
33 Reserve and the Wastewater Reserve and may be used for other eligible projects for the purposes
34 set forth in subdivisions (2) through (3a) of G.S. 159G-34(a) and subdivisions (2) through (3a)
35 of G.S. 159G-33(a).

36 **VIALE UTILITY RESERVE GRANT CRITERIA**

37 **SECTION 12.3.** G.S. 159G-35(c) reads as rewritten:

38 "(c) Viable Utility Reserve. – The Local Government Commission and the Authority shall
39 jointly develop evaluation criteria for grants from the Viable Utility Reserve. Criteria shall also
40 be developed concerning distressed units for which the Local Government Commission has
41 exercised its authority under Article 11 of Chapter 159 of the General Statutes to assume control,
42 in whole or in part, of the financial affairs of an applicant. These evaluation criteria shall be used
43 to review applications and award grants as provided in G.S. 159G-39."
44

45 **STORMWATER INFRASTRUCTURE FUNDING**

46 **SECTION 12.4.(a)** Allocation. – Funds appropriated in this act for the 2023-2024
47 and 2024-2025 fiscal years from the Clean Water and Drinking Water Reserve to the Department
48 of Environmental Quality (Department) for the Local Assistance for Stormwater Infrastructure
49 Investments Fund established in Section 12.14(a) of S.L. 2021-180 shall be used to provide grants
50
51

1 to eligible entities as defined in this section for projects that will improve or create infrastructure
2 for controlling stormwater quantity and quality.

3 **SECTION 12.4.(b)** Allocation of Funds. – The Department shall use eighty-five
4 percent (85%) of the funds allocated in this section for construction grants as specified in
5 subdivision (1) of subsection (e) of this section and fifteen percent (15%) of the funds allocated
6 in this section for planning grants as specified in subdivision (2) of subsection (e) of this section.

7 **SECTION 12.4.(c)** Eligible Entity. – An eligible entity for a grant under this section
8 shall be a city or county that (i) documents in a form and manner as the Department may specify
9 a stormwater quality or quantity issue and (ii) demonstrates that it would experience a significant
10 hardship raising the revenue necessary to finance stormwater management activities within its
11 jurisdiction based on income and unemployment data, population trends, and any other data
12 determined relevant by the Department. A regional council of government created pursuant to
13 Part 2 of Article 20 of Chapter 160A of the General Statutes or a nonprofit entity is also an
14 eligible entity under this section if the regional council of government or nonprofit entity partners
15 with a city or county.

16 **SECTION 12.4.(d)** Grant Types. – The Department shall make the following types
17 of grants from the Fund:

18 (1) Construction grants. – A construction grant is available for the development
19 and implementation of a new stormwater utility or stormwater control
20 measure (SCM), the rehabilitation of existing SCMs, the retrofitting of
21 existing stormwater conveyances to provide SCMs for quantity and quality
22 control purposes, or the installation of innovative technologies or nature-based
23 solutions. The Department shall allow nature-based solutions where feasible
24 and possible.

25 (2) Planning grants. – A planning grant is available for research or investigative
26 studies, alternatives analyses, the preparation of engineering concept plans or
27 engineering designs, and similar activities intended to help an eligible entity
28 determine the best solutions for the entity's stormwater quality or quantity
29 issue and to engineer and permit the solutions. The Department shall allow
30 nature-based solutions where feasible and possible.

31 **SECTION 12.4.(e)** Limitation. – The following limits apply to grants from the Fund:

32 (1) Construction grants may not exceed fifteen million dollars (\$15,000,000).

33 (2) Planning grants may not exceed five hundred thousand dollars (\$500,000).

34 **SECTION 12.4.(f)** Administration. – The Department may use up to three percent
35 (3%) of the funds allocated by this section for administrative expenses. The Department may
36 adopt any policies or procedures regarding the application process, applicant record keeping and
37 reporting, and any other administrative details not inconsistent with this section.

38 **SECTION 12.4.(g)** Definition. – For purposes of this section, "nature-based
39 solutions" are sustainable planning, design, environmental management, and engineering
40 practices that weave natural features or processes into the built environment to store, infiltrate,
41 and treat water by enlisting natural features and processes in efforts to promote resilience, reduce
42 flood risks, improve water quality, protect coastal property, restore and protect wetlands, stabilize
43 shorelines, and add recreational space.

44 **PROHIBIT CAP AND TRADE REQUIREMENTS FOR CO2 EMISSIONS.**

45 **SECTION 12.5.(a)** Article 21B of Chapter 143 of the General Statutes is amended
46 by adding a new section to read:

47 **"§ 143-215.107E. Prohibit cap and trade requirements for carbon dioxide (CO2) emissions.**

48 **Neither the Governor, nor any of the agencies of the State, including the Utilities**
49 **Commission, the Department of Environmental Quality, and the Environmental Management**
50 **Commission, may require an electric public utility, as defined in G.S. 62-126.3(7), or persons**
51

1 who operate an electric generating facility the primary purpose of which is for the person's own
2 use and not for the primary purpose of producing electricity for sale to or for the public for
3 compensation, to participate in a program that requires such utilities to obtain allowances to offset
4 their CO2 emissions, commonly characterized as emissions cap-and-trade programs, CO2 budget
5 trading programs, or cap-and-invest initiatives. In addition, the Governor and the Department are
6 expressly prohibited from entering into any agreement with other states obligating North
7 Carolina's participation in any program requiring acquisition of allowances to offset CO2
8 emissions by such utilities."

9 **SECTION 12.5.(b)** This section is effective when it becomes law.

10 11 **PROHIBITION ON STATE OR REGIONAL EMISSIONS STANDARDS FOR NEW** 12 **MOTOR VEHICLES**

13 **SECTION 12.6.(a)** Article 21B of Chapter 143 of the General Statutes is amended
14 by adding a new section to read:

15 **"§ 143-215.107F. Prohibit requirements for control of emissions from new motor vehicles.**

16 Notwithstanding any authorization granted under 42 U.S.C. § 7507, no agency of the State,
17 including the Department of Environmental Quality, the Environmental Management
18 Commission, the Department of Transportation, or the Department of Administration, may adopt
19 and enforce standards relating to control of emissions from new motor vehicles or new motor
20 vehicle engines, including requirements that mandate the sale or purchase of "zero-emission
21 vehicles," or electric vehicles as defined in G.S. 20-4.01. The prohibitions of this section shall
22 not be construed to effect requirements for the vehicle emissions testing and maintenance
23 program established pursuant to G.S. 143-215.107A."

24 **SECTION 12.6.(b)** This section is effective when it becomes law.

25 26 **REDUCE NUMBER OF COUNTIES SUBJECT TO EMISSIONS INSPECTIONS**

27 **SECTION 12.7.(a)** G.S. 143-215.107A(c) reads as rewritten:

28 "(c) Counties Covered. – Motor vehicle emissions inspections shall be performed in ~~the~~
29 ~~following counties: Alamance, Buncombe, Cabarrus, Cumberland, Davidson, Durham, Forsyth,~~
30 ~~Franklin, Gaston, Guilford, Iredell, Johnston, Lincoln, Mecklenburg, New Hanover, Randolph,~~
31 ~~Rowan, Union, and Wake.~~ Mecklenburg County."

32 **SECTION 12.7.(b)** No later than December 31, 2023, the Department of
33 Environmental Quality shall prepare and submit to the United States Environmental Protection
34 Agency for approval by that agency a proposed North Carolina State Implementation Plan
35 amendment based on the change to the motor vehicle emissions testing program provided in this
36 section.

37 **SECTION 12.7.(c)** Subsection (a) of this section becomes effective on the later of
38 the following dates and applies to motor vehicles inspected, or due to be inspected, on or after
39 that effective date:

40 (1) July 1, 2024.

41 (2) The first day of a month that is 60 days after the Secretary of the Department
42 of Environmental Quality certifies to the Revisor of Statutes that the United
43 States Environmental Protection Agency has approved an amendment to the
44 North Carolina State Implementation Plan submitted as required by
45 subsection (b) of this section. The Secretary shall provide this notice along
46 with the effective date of this section on its website and by written or
47 electronic notice to emissions inspection mechanic license holders, emissions
48 inspection station licensees, and self-inspector licensees in the county where
49 motor vehicle emissions inspection requirements are removed by this section.

50 **SECTION 12.7.(d)** Except as otherwise provided, this section is effective when it
51 becomes law.

1
2 **PART XIII. LABOR [RESERVED]**
3

4 **PART XIV. NATURAL AND CULTURAL RESOURCES**
5

6 **NC SYMPHONY CHALLENGE GRANT**

7 **SECTION 14.1.(a)** Of the funds appropriated in this act to the Department of Natural
8 and Cultural Resources, the sum of two million dollars (\$2,000,000) in recurring funds for each
9 year of the 2023-2025 fiscal biennium shall be allocated to the North Carolina Symphony as
10 provided in this section. It is the intent of the General Assembly that the North Carolina
11 Symphony raise at least six million dollars (\$6,000,000) in non-State funds for the 2023-2024
12 fiscal year and seven million dollars (\$7,000,000) in non-State funds for the 2024-2025 fiscal
13 year. The North Carolina Symphony cannot use funds transferred from the organization's
14 endowment to its operating budget to achieve the fundraising targets set out in subsections (b)
15 and (c) of this section.

16 **SECTION 14.1.(b)** For the 2023-2024 fiscal year, the North Carolina Symphony
17 shall receive allocations from the Department of Natural and Cultural Resources as follows:

- 18 (1) Upon raising the initial sum of two million dollars (\$2,000,000) in non-State
19 funding, the North Carolina Symphony shall receive the sum of six hundred
20 thousand dollars (\$600,000).
21 (2) Upon raising an additional sum of two million dollars (\$2,000,000) in
22 non-State funding for a total amount of four million dollars (\$4,000,000) in
23 non-State funds, the North Carolina Symphony shall receive the sum of seven
24 hundred thousand dollars (\$700,000).
25 (3) Upon raising an additional sum of two million dollars (\$2,000,000) in
26 non-State funding for a total amount of six million dollars (\$6,000,000) in
27 non-State funds, the North Carolina Symphony shall receive the final sum of
28 seven hundred thousand dollars (\$700,000) in the 2023-2024 fiscal year.

29 **SECTION 14.1.(c)** For the 2024-2025 fiscal year, the North Carolina Symphony
30 shall receive allocations from the Department of Natural and Cultural Resources as follows:

- 31 (1) Upon raising the initial sum of two million dollars (\$2,000,000) in non-State
32 funding, the North Carolina Symphony shall receive the sum of six hundred
33 thousand dollars (\$600,000).
34 (2) Upon raising an additional sum of two million dollars (\$2,000,000) in
35 non-State funding for a total amount of four million dollars (\$4,000,000) in
36 non-State funds, the North Carolina Symphony shall receive the sum of seven
37 hundred thousand dollars (\$700,000).
38 (3) Upon raising an additional sum of three million dollars (\$3,000,000) in
39 non-State funding for a total amount of seven million dollars (\$7,000,000) in
40 non-State funds, the North Carolina Symphony shall receive the final sum of
41 seven hundred thousand dollars (\$700,000) in the 2024-2025 fiscal year.
42

43 **RENAME SECCA**

44 **SECTION 14.2.** The Department of Natural and Cultural Resources shall rename
45 the Southeastern Center for Contemporary Art as the North Carolina Museum of Art–
46 Winston-Salem.
47

48 **TOBACCO FARM LIFE MUSEUM SPECIAL FUND**

49 **SECTION 14.3.(a)** As set forth in G.S. 143-431 and G.S. 121-4(8), the Department
50 of Natural and Cultural Resources shall assume from the Tobacco Farm Life Museum, Inc., the
51 ownership and administration of the Tobacco Farm Life Museum in Johnston County.

1 **SECTION 14.3.(b)** Of the funds appropriated from the General Fund to the
2 Department of Natural and Cultural Resources, the sum of three hundred seventy-five thousand
3 dollars (\$375,000) in the 2023-2024 fiscal year and the sum of three hundred fifty thousand
4 dollars (\$350,000) in the 2024-2025 fiscal year to be used for the operation, administration, and
5 new positions to staff the Tobacco Farm Life Museum.

6 **SECTION 14.3.(c)** Article 1 of Chapter 121 of the General Statutes is amended by
7 adding a new section to read:

8 **"§ 121-7.8. Tobacco Farm Life Museum Fund.**

9 (a) Fund. – The Tobacco Farm Life Museum Fund is created as a special, interest-bearing
10 revenue fund in the Department of Natural and Cultural Resources. The Fund consists of all
11 receipts derived from the lease or rental of property or facilities, disposition of structures or
12 products of the land, donations, gifts, devises, and admissions and fees collected at the Tobacco
13 Farm Life Museum. The Fund shall be treated as a special trust fund and may be used to pay
14 costs associated with the operation, interpretation, development, expansion, preservation, and
15 maintenance of the Tobacco Farm Life Museum.

16 (b) Fund Sources. – Notwithstanding Chapter 146 of the General Statutes, the Fund
17 consists of (i) all revenue derived from donations, gifts, devises, grants, admissions, and fees
18 collected by or for the benefit of the Tobacco Farm Life Museum Fund, (ii) the net proceeds
19 derived from the sale of real property pursuant to G.S. 146-30(d)(15), and (iii) interest on funds
20 in the Fund credited by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3.

21 (c) Reports. – The Department of Natural and Cultural Resources must submit to the Joint
22 Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chair
23 of the House of Representatives Appropriations Committee on Agriculture and Natural and
24 Economic Resources, the chair of the Senate Appropriations Committee on Natural and
25 Economic Resources, and the Fiscal Research Division by September 30 of each year a report on
26 the Fund that includes the source and amounts of all funds credited to the Fund and the purpose
27 and amount of all expenditures from the Fund during the prior fiscal year."

28 **SECTION 14.3.(d)** G.S. 121-7.7 reads as rewritten:

29 **"§ 121-7.7. State Historic Sites and Museums special fund.**

30 ...

31 (b) Application. – This section applies to the individual State Historic Sites and State
32 History and Maritime Museums owned by or under the control of the Division of State Historic
33 Sites and the Division of State History Museums, with the exception of the Bentonville
34 Battlefield State Historic Site–Site, the Tobacco Farm Life Museum, and the North Carolina
35 Transportation Museum. The Bentonville Battlefield State Historic Site is subject to
36 G.S. 121-7.5. The North Carolina Transportation Museum is subject to G.S. 121-7.6. The
37 Tobacco Farm Life Museum Fund is subject to G.S. 121-7.8.

38"

39 **SECTION 14.3.(e)** G.S. 146-30 reads as rewritten:

40 **"§ 146-30. Application of net proceeds.**

41 ...

42 (d) Notwithstanding any other provision of this Subchapter, the following exceptions
43 apply:

44 ...

45 (15) The net proceeds derived from the sale of real property from the Tobacco
46 Farm Life Museum donated to the State and allocated to the Department of
47 Natural and Cultural Resources shall be deposited in the Tobacco Farm Life
48 Museum Fund, created in G.S. 121-7.8, and shall be used in accordance with
49 that section."

50 **SECTION 14.3.(f)** This section becomes effective only if the Tobacco Farm Life
51 Museum transfers and conveys all of its assets to the State. The Department of Natural and

1 Cultural Resources shall notify the Revisor of Statutes when those assets are transferred and the
2 conveyance is complete.

3 4 **ACCESSIBLE PARKS GRANTS**

5 **SECTION 14.4.(a)** Grant Purposes. – Funds allocated in this act from the State
6 Capital and Infrastructure Fund to the Parks and Recreation Trust Fund to provide matching
7 grants to local parks facilities for persons with disabilities shall be used exclusively for grants to
8 local government units or public authorities, as defined in G.S. 159-7, for construction of special
9 facilities or adaptation of existing facilities that meet the unique needs of persons with disabilities
10 or that enable them to participate in recreational and sporting activities, regardless of their
11 abilities.

12 **SECTION 14.4.(b)** Match. – Notwithstanding any provision of G.S. 143B-135.56
13 to the contrary, a local government unit or public authority receiving a grant under this section
14 shall provide matching funds in the amount of one dollar (\$1.00) of local funds for every five
15 dollars (\$5.00) of State funds.

16 **SECTION 14.4.(c)** Limitation. – Grants made under this section shall not exceed
17 five hundred thousand dollars (\$500,000) per project.

18 19 **SALUDA GRADE RAIL CORRIDOR**

20 **SECTION 14.5.(a)** Findings and Purpose. – The General Assembly finds that the
21 Saluda Grade Railroad was constructed in the 1870s to link Spartanburg, South Carolina, to
22 Asheville, North Carolina, and holds a special place in American rail history as the steepest
23 standard-gauge mainline railroad in the United States, located where the line crosses the dramatic
24 Blue Ridge Escarpment. The General Assembly further finds that the 31-mile portion of the
25 Railroad proposed for acquisition stretches from Inman, SC, to Zirconia, NC, with 16 miles in
26 South Carolina and 15 miles in North Carolina, and would pass through downtown Inman,
27 Gramling, Campobello, Landrum, Tryon, and Saluda, as well as the picturesque Piedmont
28 countryside, the Pacolet River valley with its plunging waterfalls, and the spectacular scenery
29 around the Green River and Lake Summit. The purpose of this section is to take advantage of an
30 unprecedented opportunity for the citizens of North Carolina to celebrate 2023 as the Year of the
31 Trail and enhance the reputation of North Carolina as the Great Trails State by acquiring the
32 Saluda Grade rail corridor for conversion into the Saluda Grade Trail.

33 **SECTION 14.5.(b)** Definition. – For purposes of this section, the Saluda Grade rail
34 corridor means the portion of the Norfolk Southern W-Line railroad between milepost 26 in the
35 unincorporated community of Zirconia in Henderson County and the boundary between North
36 Carolina and South Carolina.

37 **SECTION 14.5.(c)** Funding. – Notwithstanding any other provision of law or the
38 Committee Report referenced in Section 43.2 of this act to the contrary, funds appropriated in
39 this act from the projected interest in the State Fiscal Recovery Reserve shall be increased by six
40 million dollars (\$6,000,000) in the 2023-2024 fiscal year, and eleven million dollars
41 (\$11,000,000) in the 2024-2025 fiscal year. These funds shall be transferred to the Department
42 of Natural and Cultural Resources to provide grants in each year of the biennium to Polk County
43 Community Foundation, Inc., a nonprofit corporation (Foundation), to be allocated in the
44 following amounts and for the following purposes:

- 45 (1) \$5,000,000 in the 2023-2024 fiscal year and \$11,000,000 in the 2024-2025
46 fiscal year for the purchase of the Saluda Grade rail corridor in Henderson and
47 Polk Counties and related transaction costs.
- 48 (2) \$450,000 in the 2023-2024 fiscal year to conduct an assessment, conceptual
49 design and preliminary engineering of the Saluda Grade rail corridor.
- 50 (3) \$550,000 in the 2023-2024 fiscal year to study the potential of a multi-purpose
51 active tourism rail and hiking corridor from the City of Hendersonville to

1 either the Town of Tryon or the Town of Saluda, and if such a multi-purpose
2 active tourism rail and hiking corridor is determined to be feasible, to develop
3 a conceptual plan and preliminary engineering for its implementation.

4 **SECTION 14.5.(d)** Council Established. – The Foundation shall establish a Saluda
5 Grade Conservation Council to oversee the disbursement of funds provided by this section to the
6 Foundation as provided in this subsection:

7 (1) Membership. – The Council shall include two members appointed by the
8 General Assembly, upon recommendation of the Speaker of the House of
9 Representatives in accordance with G.S. 120-121, two by the General
10 Assembly, upon recommendation of the President Pro Tempore of the Senate
11 in accordance with G.S. 120-121, one member of the Polk County Board of
12 Commissioners, elected by that body, one member of the Henderson County
13 Board of Commissioners, elected by that body, one member of the City of
14 Saluda Board of Commissioners, elected by that body, and one member of the
15 Town of Tryon Board of Commissioners, elected by that body. The Chair of
16 the board of the Saluda Historic Depot and Museum Board or the Chair's
17 designee shall serve as an ex officio member of the Council, and shall vote
18 only in the case of a tie.

19 (2) Disbursement of Funds. – The Foundation will disburse funds allocated by
20 subdivision (c)(1) of this section at the direction of the Council, and the
21 Council shall cease to exist when the funds allocated by this section have been
22 disbursed and all reports, audits, and other documentation required by the
23 State Budget Act (Chapter 143C of the General Statutes) have been submitted.
24 Funds allocated by subdivisions (c)(2) and (c)(3) of this section may be
25 disbursed directly by the Foundation prior to the appointment of the Council.

26 **SECTION 14.5.(e)** Memorandum of Understanding. – No later than September 1,
27 2023, the Department of Natural and Cultural Resources shall enter into a Memorandum of
28 Understanding with the Foundation regarding the long-term ownership structure, management,
29 and improvement of the rail corridor. The Memorandum shall provide, at a minimum, the
30 following:

31 (1) That not later than July 1, 2027, the corridor will be conveyed to the State to
32 be added to the State Trail system.

33 (2) That the conveyance and other provisions of the Memorandum are structured
34 to ensure that the acquisition of the rail corridor and the conversion to an
35 interim use as a State trail is consistent with the requirements of federal law
36 necessary to preserve established railroad rights-of-way for future activation
37 of rail service as set forth in the railbanking provisions of the National Trails
38 System Act Amendments of 1983.

39 **SECTION 14.5.(f)** Report. – The Foundation shall provide an interim report no later
40 than March 1, 2024, and a final report no later than October 1, 2025, to the Department of Natural
41 and Cultural Resources, the Joint Legislative Oversight Committee on Agriculture and Natural
42 and Economic Resources, and the Fiscal Research Division regarding the acquisition of and
43 improvements to the Saluda Grade rail corridor funded by this act. The Department shall include
44 a summary of its actions to promote and support the establishment of the Saluda Grade Trail as
45 a part of the report required by G.S. 143B-135.102.

46 **SECTION 14.5.(g)** Authorization. – Upon completion of the acquisition of the
47 Saluda Grade rail corridor funded by this act, the General Assembly authorizes the Department
48 of Natural and Cultural Resources to add the trail established on the Saluda Grade rail corridor
49 to the State Parks System as a State trail, as provided in G.S. 143B-135.54(b). The Department
50 shall support, promote, encourage, and facilitate the establishment of trail segments and
51 connecting trails on State parklands and on lands of other federal, State, local, and private

landowners. On segments of the trail that cross property controlled by agencies or owners other than the Department's Division of Parks and Recreation, the laws, rules, and policies of those agencies or owners shall govern the use of the property. The requirement of G.S. 143B-135.54(b) that additions be accompanied by adequate appropriations for land acquisition, development, and operations shall not apply to the authorization set forth in this section; provided, however, that the State may receive donations of appropriate land and may purchase other needed lands or finance improvements and amenities for the trail with existing funds in the Clean Water Management Trust Fund, the Parks and Recreation Trust Fund, the federal Land and Water Conservation Fund, and other available sources of funding.

GREAT TRAILS STATE PROGRAM

SECTION 14.6.(a) Of the funds transferred from the State Fiscal Recovery Reserve to the Department of Natural and Cultural Resources for the 2023-2024 fiscal year for trails, twenty-five million dollars (\$25,000,000) shall be allocated to the Great Trails Fund established in subsection (c) of this section for new trail development and extension of existing trails as described in that subsection.

SECTION 14.6.(b) Definitions. – The following definitions apply in this section:

- (1) Department. – The Department of Natural and Cultural Resources.
- (2) Eligible entity. – Any of the following:
 - a. A municipality or county.
 - b. A regional council of government created pursuant to Part 2 of Article 20 of Chapter 160A of the General Statutes.
 - c. A public authority, as defined in G.S. 159-7.
 - d. A nonprofit entity, provided the entity demonstrates in a manner acceptable to the Department that the unit or units of local government where the eligible trail project will be conducted have been notified of and support the trail project.
- (3) Eligible trail project. – Any of the following:
 - a. Planning, design, and related environmental assessment or permitting activities for trails.
 - b. Land and easement acquisition for trails.
 - c. Construction of trails and trail structures.
 - d. Trail amenities.
 - e. Maintenance activities, which includes rehabilitation of trails and trail structures, the installation of water bars, the relocation of eroded trail segments, and other activities that will mitigate erosion or deterioration of trails or prevent future erosion or deterioration of trails.
 - f. Matching funds for grants awarded by the federal government or any other non-State source or entity to an eligible entity for any of the purposes set forth in this subdivision.
- (4) Secretary. – The Secretary of the Department of Natural and Cultural Resources.
- (5) Trail. – Includes paved trails or greenways, natural surface trails, biking trails, equestrian trails, and any other type of trail recognized by the Department. The term does not include a series of tourism attractions related to a particular theme that are jointly marketed based on that theme and are interconnected only by vehicular roadways.
- (6) Trail amenities. – Markers, signage, benches, water fountains, restroom facilities, bathhouses, campsites, docks, boat ramps, parking facilities, picnic

1 facilities, equipment rental facilities, and other improvements or structures
2 intended to enhance visitor experience for trail users.

- 3 (7) Trail structures. – Bridges, boardwalks, retaining walls and other structures
4 that are necessary for visitors to use the trail to travel from one location to
5 another. For paddle trails, trail structures includes waterway access points and
6 watercraft launch structures.

7 **SECTION 14.6.(c)** Fund Created. – The Great Trails State Program is established as
8 a special fund within the Department of Natural and Cultural Resources. These funds shall be
9 used by the Department to provide grants to an eligible entity for eligible trail projects, with
10 priority given to projects for the purposes set forth in sub-subdivisions a., b., and c. of subdivision
11 (3) of subsection (b) of this section. The following requirements and limitations apply to these
12 grants:

- 13 (1) The Department is authorized to accept applications for grants authorized by
14 this section and evaluate them based on criteria that includes the amount of
15 additional funding being provided from other sources for the proposed project,
16 current access to trails and other outdoor recreational facilities in the area of
17 the proposed project, and the size and demographics of the population served
18 by the proposed project. Notwithstanding G.S. 143B-135.56, an eligible entity
19 receiving a grant from the Department shall provide a match as set forth in
20 this subsection.
- 21 (2) Match. – Grants shall be matched by an eligible entity receiving a grant as
22 follows:
- 23 a. The Department may determine the amount of match based on the
24 wealth of the county where the trail project is located. In the case of
25 trail projects in more than one county, the match shall be based on the
26 lowest wealth county.
- 27 b. The match shall be no greater than one non-State dollar (\$1.00) for
28 every one dollar (\$1.00) from the Fund, and no less than one non-State
29 dollar (\$1.00) for every four dollars (\$4.00) from the Fund.
- 30 c. The match may include cash, fee waivers, in-kind services, the
31 donation of assets, the provision of infrastructure, or a combination of
32 these. Non-cash matches must be quantifiable and documented in a
33 manner as the Department may specify.
- 34 (3) Limitation. – Grants made under this subsection shall not exceed five hundred
35 thousand dollars (\$500,000) per project.

36 **SECTION 14.6.(d)** Reports. – The Department shall provide an initial report no later
37 than October 1, 2023, to the Joint Legislative Oversight Committee on Agriculture and Natural
38 and Economic Resources and the Fiscal Research Division regarding the process for awarding
39 grants and the metrics the Department intends to use in evaluating grant applications for the Great
40 Trails Fund pursuant to this section. Thereafter, the Department shall report annually no later
41 than October 11 regarding the use of funds allocated by this section. The annual report will
42 include a list of grant recipients and amounts, a description of trail projects funded, and a
43 summary of non-State funds leveraged with grant funding. The Department may discontinue
44 annual reporting upon providing a final summary report after it awards all funds allocated by this
45 section. These reports may be included as a part of the report required by G.S. 143B-135.102.

46 **SECTION 14.6.(e)** Administrative Expenses. – The Department may use up to one
47 percent (1%) of the funds appropriated by this section for operating and administrative expenses.

49 COMPLETE THE TRAILS FUND

50 **SECTION 14.7.(a)** Of the funds transferred from the State Fiscal Recovery Reserve
51 to the Department of Natural and Cultural Resources for the 2023-2024 fiscal year for trails, eight

1 million dollars (\$8,000,000) shall be allocated to the Complete the Trails Fund to be used as set
2 forth in subsection (c) of this section.

3 **SECTION 14.7.(b)** Definitions. – The following definitions apply in this section:

- 4 (1) Complete the Trails Fund. – The Complete the Trails Fund established in
5 Section 14.7 of S.L. 2021-180.
- 6 (2) Department. – The Department of Natural and Cultural Resources.
- 7 (3) Eligible entity. – Any of the following:
8 a. A municipality or county.
9 b. A regional council of government created pursuant to Part 2 of Article
10 20 of Chapter 160A of the General Statutes.
11 c. A public authority, as defined in G.S. 159-7.
12 d. A nonprofit entity, provided the entity demonstrates in a manner
13 acceptable to the Department that the unit or units of local government
14 where the eligible trail project will be conducted have been notified of
15 and support the trail project.
- 16 (4) Eligible trail project. – Any of the following:
17 a. Planning, design, and related environmental assessment or permitting
18 activities for trails.
19 b. Land and easement acquisition for trails.
20 c. Construction of trails and trail structures.
21 d. Trail amenities.
22 e. Maintenance activities, which includes rehabilitation of trails and trail
23 structures, the installation of water bars, the relocation of eroded trail
24 segments, and other activities that will mitigate erosion or
25 deterioration of trails or prevent future erosion or deterioration of
26 trails.
27 f. Matching funds for grants awarded by the federal government or any
28 other non-State source or entity to an eligible entity for any of the
29 purposes set forth in this subdivision.
- 30 (5) Secretary. – The Secretary of the Department of Natural and Cultural
31 Resources.
- 32 (6) Trail. – Includes paved trails or greenways, natural surface trails, biking trails,
33 equestrian trails, and any other type of trail recognized by the Department.
34 The term does not include a series of tourism attractions related to a particular
35 theme that are jointly marketed based on that theme and are interconnected
36 only by vehicular roadways.
- 37 (7) Trail amenities. – Markers, signage, benches, water fountains, restroom
38 facilities, bathhouses, campsites, docks, boat ramps, parking facilities, picnic
39 facilities, equipment rental facilities, and other improvements or structures
40 intended to enhance visitor experience for trail users.
- 41 (8) Trail structures. – Bridges, boardwalks, retaining walls, and other structures
42 that are necessary for visitors to use the trail to travel from one location to
43 another. For paddle trails, trail structures include waterway access points and
44 watercraft launch structures.

45 **SECTION 14.7.(c)** Complete the Trails Fund. – Funds allocated to the Complete the
46 Trails Fund by subsection (a) of this section shall be used as follows:

- 47 (1) Capacity building funds. – Seven hundred thousand dollars (\$700,000) to
48 provide capacity building grants to the partner organizations for each
49 component of the State Trail System with which the Department has signed a
50 Memorandum of Understanding (MOU) pursuant to Section 14.7(d) of S.L.
51 2021-180 as well as the partner organization for the trail established on the

- 1 Saluda Grade rail corridor as set forth in Section 14.5 of this act. The
2 Department shall distribute fifty thousand dollars (\$50,000) to the local
3 partner for each System component. Where there is more than one partner
4 organization for a System, the Department shall apportion the funds under this
5 subdivision based on relative scope of activity for which each partner
6 organization assumes responsibility in the MOU.
- 7 (2) Directed allocations. – Two million eight hundred thousand dollars
8 (\$2,800,000) to provide grants in the following amounts to the following
9 entities for an eligible trail project except as otherwise specified:
- 10 a. Two hundred thousand dollars (\$200,000) to Roanoke River Partners
11 for the Roanoke River State Trail for the purposes set forth in
12 sub-subdivisions d. and e. of subdivision (b)(4) of this section.
- 13 b. Two hundred thousand dollars (\$200,000) to the Friends of the
14 Mountain-to-Sea Trail for the Mountains-to-Sea Trail. These funds
15 shall be used for eligible trail projects in Bladen Lakes State Forest
16 and eligible trail projects to extend the Mountains-to-Sea Trail east
17 from Bladen Lakes State Forest.
- 18 c. Eight hundred thousand dollars (\$800,000) to be split evenly between
19 the Town of Brevard and Henderson County for the Ecusta Trail in
20 Henderson and Transylvania Counties to be used for the purposes set
21 forth in sub-subdivisions a., c., d., and f. of subdivision (b)(4) of this
22 section.
- 23 d. Two hundred thousand dollars (\$200,000) to the East Coast Greenway
24 Alliance for the East Coast Greenway Trail for any eligible trail project
25 in Bertie, Chowan, Perquimans, Pasquotank, or Camden Counties.
- 26 e. Two hundred thousand dollars (\$200,000) to the Friends of Fonta
27 Flora State Trail for the Fonta Flora State Trail for any eligible trail
28 project.
- 29 f. Two hundred thousand dollars (\$200,000) to Conserving Carolina for
30 the Hickory Nut Gorge State Trail for any eligible trail project.
- 31 g. Two hundred thousand dollars (\$200,000) to the Foothills
32 Conservancy of N.C. for the Wilderness Gateway Trail for any eligible
33 trail project.
- 34 h. Two hundred thousand dollars (\$200,000) to OVNCST-Friends for the
35 Overmountain Victory State Trail for any eligible trail project.
- 36 i. Two hundred thousand dollars (\$200,000) to Blue Ridge Conservancy
37 for the Northern Peaks State Trail for any eligible trail project.
- 38 j. One hundred thousand dollars (\$100,000) each to the partner
39 organizations for the Dan River, French Broad River, Yadkin River,
40 and Deep River components of the State Trails System for any eligible
41 trail project.
- 42 (3) Land and easement acquisition funds. – Two million dollars (\$2,000,000) for
43 grants for the purpose set forth in sub-subdivision b. of subdivision (b)(4)
44 of this section, limited to acquisition of land or easements in North Carolina.
45 Eligible entities for funds allocated under this subdivision are the partner
46 organizations for each component of the State Trail System that is land-based
47 or has significant land-based components. Grants under this subdivision shall
48 not exceed two hundred thousand dollars (\$200,000) and shall be matched
49 dollar-for-dollar with non-State funds.
- 50 (4) Connecting trails. – Two million five hundred thousand dollars (\$2,500,000)
51 to provide grants for planning and development of connecting trails to eligible

1 local governments. For purposes of this subdivision, an "eligible local
2 government" is a municipality that is (i) less than 25,000 in population and (ii)
3 is located within 6 miles of an existing or planned segment of a component of
4 the State Trails System. Two-thirds of the funds allocated by this subdivision
5 shall be reserved for municipalities with a population less than 5,000 with no
6 match required. The remaining funds allocated by this subdivision shall be
7 reserved for other eligible local governments and shall be matched
8 dollar-for-dollar with non-State funds. Grants under this subdivision shall not
9 exceed one hundred thousand dollars (\$100,000).

10 **SECTION 14.7.(d) Reports.** – The Department shall provide an initial report no later
11 than October 1, 2023, to the Joint Legislative Oversight Committee on Agriculture and Natural
12 and Economic Resources and the Fiscal Research Division regarding the process for awarding
13 grants and the metrics the Department intends to use in evaluating grant applications for the
14 Complete the Trails Fund pursuant to this section. Thereafter, the Department shall report
15 annually no later than October 11 regarding the use of funds allocated by this section. The annual
16 report will include a list of grant recipients and amounts, a description of trail projects funded,
17 and a summary of non-State funds leveraged with grant funding. The Department may
18 discontinue annual reporting upon providing a final summary report after it awards all funds
19 allocated by this section. These reports may be included as a part of the report required by
20 G.S. 143B-135.102.

21 **SECTION 14.7.(e) Administrative Expenses.** – The Department may use up one
22 percent (1%) of the funds appropriated by this section for operating and administrative expenses
23 associated with the implementation of subdivisions (2), (3), and (4) of subsection (c) of this
24 section.
25

26 **PART XV. WILDLIFE RESOURCES COMMISSION**

27 **COMMISSION BASE BUDGET CORRECTION**

28 **SECTION 15.1.** During the budget certification process for the 2023-2024 fiscal
29 year, the Wildlife Resources Commission, in conjunction with the Office of State Budget and
30 Management (OSBM), shall redistribute two million two hundred forty-nine thousand nine
31 dollars (\$2,249,009) from the over-realized receipts departmentwide reserve to the appropriate
32 fund codes in the General Fund used to support Commission operations. In the redistribution of
33 receipts directed by this section, the Commission and OSBM shall neither increase or decrease
34 the Commission's net General Fund appropriation, nor create a negative General Fund
35 appropriation at the fund code level.
36
37

38 **RENAME OUTDOOR HERITAGE ADVISORY COUNCIL**

39 **SECTION 15.2.(a)** Part 36 of Article 7 of Chapter 143B of the General Statutes
40 reads as rewritten:

41 "~~Part 36. Outdoor Heritage Advisory Council.~~North Carolina Youth Outdoor Engagement
42 Commission.

43 "**§ 143B-344.60. Outdoor heritage advisory council.**North Carolina Youth Outdoor
44 Engagement Commission.

45 (a) ~~The Outdoor Heritage Advisory Council.~~North Carolina Youth Outdoor Engagement
46 Commission (hereinafter "Commission") is established within the North Carolina Wildlife
47 Resources Commission for organizational and budgetary purposes only. The ~~Council~~
48 Commission shall exercise all of its statutory powers independent of control by the Executive
49 Director of the Wildlife Resources Commission. The ~~Council-Commission~~ shall (i) advise State
50 agencies and the General Assembly on the promotion of outdoor recreational activities,
51 including, but not limited to, hiking, horseback riding, boating, sport shooting and archery, bird

1 watching and wildlife watching, camping, swimming, hunting, trapping, and fishing in order to
2 preserve North Carolina's outdoor heritage for future ~~generations~~.generations and (ii) use grants
3 and programming to promote the outdoor recreational activities described in this subsection.

4 (b) The ~~Council-Commission~~ shall consist of 13 members, appointed as follows:

5 (1) Four members appointed by the General Assembly, upon the recommendation
6 of the President Pro Tempore of the Senate.

7 (2) Four members appointed by the General Assembly, upon the recommendation
8 of the Speaker of the House of Representatives.

9 (3) Three members appointed by the Governor.

10 (4) One member appointed by the Commissioner of Agriculture.

11 (5) One member appointed by the chair of the Wildlife Resources Commission.

12 All members of the ~~Council-Commission~~ shall have knowledge and experience in outdoor
13 recreational activities and have a demonstrated interest in promoting outdoor heritage.

14 (c) The terms of the initial members of the ~~Council-Commission~~ shall commence October
15 1, 2015. Of the Governor's initial appointments, one member shall be designated to serve a term
16 of three years, one member shall be designated to serve a term of two years, and one member
17 shall be designated to serve a term of one year. Of the initial appointments by the President Pro
18 Tempore of the Senate, one member shall be designated to serve a term of three years, one
19 member shall be designated to serve a term of two years, and one member shall be designated to
20 serve a term of one year. Of the initial appointments by the Speaker of the House of
21 Representatives, one member shall be designated to serve a term of three years, one member shall
22 be designated to serve a term of two years, and one member shall be designated to serve a term
23 of one year. The members appointed by the Commissioner of Agriculture and the chair of the
24 Wildlife Resources Commission shall each serve an initial term of four years. After the initial
25 appointees' terms have expired, all members shall be appointed for a term of four years.

26 Any appointment to fill a vacancy on the ~~Council-Commission~~ created by the resignation,
27 dismissal, death, or disability of a member shall be for the balance of the unexpired term.

28 (d) The initial chair of the ~~Council-Commission~~ shall be designated by the Governor from
29 the ~~Council-Commission~~ members. Subsequent chairs shall be elected by the ~~Council~~
30 Commission for terms of two years.

31 (e) The ~~Council-Commission~~ shall meet quarterly and at other times at the call of the
32 chair. A majority of members of the ~~Council-Commission~~ shall constitute a quorum.

33 (f) ~~Council-Commission~~ members shall be reimbursed for expenses incurred in the
34 performance of their duties in accordance with G.S. 138-5 and G.S. 138-6, as applicable. The
35 reimbursements authorized by this subsection may be provided from the North Carolina ~~Outdoor~~
36 ~~Heritage Trust Fund for Youth Outdoor Heritage Promotion~~. Youth Outdoor Engagement Fund.

37 (g) The Executive Director of the Wildlife Resources Commission shall provide clerical
38 and other assistance as needed, including, but not limited to, office space, transportation support,
39 and support for equipment and information technology needs of the ~~Council-Commission~~.

40 (h) The ~~Council-Commission~~ shall be exempt from Article 3 of Chapter 143 of the
41 General Statutes but may use the services of the Department of Administration in procuring
42 goods and services for the ~~Council-Commission~~.

43 **"§ 143B-344.62. ~~Outdoor Heritage Advisory Council-North Carolina Youth Outdoor~~**
44 **Engagement Commission – executive director; staff.**

45 The ~~Council-Commission~~ may, subject to appropriations or other funds that accrue to it,
46 employ an executive director to carry out the day-to-day responsibilities and business of the
47 ~~Council-Commission~~. The executive director shall serve at the pleasure of the ~~Council-~~
48 Commission. The executive director, also subject to appropriations or other funds that accrue to
49 the ~~Council-Commission~~, may hire additional staff and consultants to assist in the discharge of
50 the executive director's responsibilities, as determined by the ~~Council-Commission~~.

"§ 143B-344.64. ~~Outdoor Heritage Advisory Council~~ North Carolina Youth Outdoor Engagement Commission – report.

On or before December 1, 2019, and at least annually thereafter, the ~~Council~~ Commission shall submit a report to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division regarding its activities, initiatives, partnerships, and use of donated and appropriated funds."

SECTION 15.2.(b) G.S. 126-5(c1)(36) reads as rewritten:

"(36) Employees of the ~~Outdoor Heritage Advisory Council~~ North Carolina Youth Outdoor Engagement Commission."

SECTION 15.2.(c) This section is effective when it becomes law.

PART XVI. ADMINISTRATIVE OFFICE OF THE COURTS

COLLECTION OF WORTHLESS CHECKS

SECTION 16.1. Notwithstanding the provisions of G.S. 7A-308(c), the Judicial Department may use any balance remaining in the Collection of Worthless Checks Fund on June 30, 2023, for the purchase or repair of office or information technology equipment during the 2023-2024 fiscal year and may use any balance remaining in the Collection of Worthless Checks Fund on June 30, 2024, for the purchase or repair of office or information technology equipment during the 2024-2025 fiscal year. Prior to using any funds under this section, the Judicial Department shall report to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the Office of State Budget and Management on the equipment to be purchased or repaired and the reasons for the purchases.

MAGISTRATE/CLERK STAFFING PILOT PROJECT

SECTION 16.2.(a) Notwithstanding the minimum staffing number in G.S. 7A-133(c), the clerk of superior court in a county, with the written or emailed consent of the chief district court judge, may hire one deputy or assistant clerk in lieu of one of the magistrate positions allocated to that county. To provide accessibility for law enforcement and citizens, the clerk of superior court's office shall provide some of the services traditionally provided by the magistrates' office during some or all of the regular courthouse hours.

SECTION 16.2.(b) The Administrative Office of the Courts shall report by March 1, 2024, to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety regarding all hires made pursuant to subsection (a) of this section.

CLARIFY TRIAL COURT ADMINISTRATOR NUMBERS, LOCATIONS

SECTION 16.3.(a) G.S. 7A-355 reads as rewritten:

"§ 7A-355. Trial court administrators.

The following districts or sets of districts as defined in G.S. 7A-41.1(a) shall have trial court administrators: ~~Set of districts 10A, 10B, 10C, 10D; District 22, District 27B, and District 28, and such administrators, including~~ other districts or sets of districts as may be designated by the Administrative Office of the ~~Courts~~ Courts:

<u>Set of districts</u>	<u>10A, 10B, 10C, 10D, 10E, 10F</u>
<u>Set of districts</u>	<u>12A, 12B, 12C</u>
<u>Set of districts</u>	<u>14A, 14B</u>
<u>Set of districts</u>	<u>18A, 18B, 18C, 18D, 18E</u>
<u>Set of districts</u>	<u>21A, 21B, 21C, 21D</u>
<u>Set of districts</u>	<u>26A, 26B, 26C, 26D, 26E, 26F, 26G, 26H</u>
<u>District</u>	<u>27B"</u>

SECTION 16.3.(b) This section is effective when it becomes law.

TECHNICAL CHANGES TO ASSISTANT DISTRICT ATTORNEY ALLOCATIONS AND ADDITIONAL POSITION ADDED

SECTION 16.4.(a) G.S. 7A-60(a1) reads as rewritten:

"(a1) The counties of the State are organized into prosecutorial districts, and each district has the counties and the number of full-time assistant district attorneys set forth in the following table:

Prosecutorial District	No. of Full-Time Asst. District Counties	Attorneys
10	Wake	4445
15	Cumberland	2526
17	Mecklenburg	5862
19	Forsyth	2728
21	Randolph	4011
23	Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain."	1516

SECTION 16.4.(b) G.S. 7A-60(a1), as amended by subsection (a) of this section, reads as rewritten:

"(a1) The counties of the State are organized into prosecutorial districts, and each district has the counties and the number of full-time assistant district attorneys set forth in the following table:

Prosecutorial District	No. of Full-Time Asst. District Counties	Attorneys
1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	12
2	Beaufort, Hyde, Martin, Tyrrell, Washington	8
3	Pitt	15
4	Carteret, Craven, Pamlico	14
5	Duplin, Jones, Onslow, Sampson	20
6	New Hanover, Pender	20
7	Bertie, Halifax, Hertford, Northampton	11
8	Edgecombe, Nash, Wilson	22
9	Greene, Lenoir, Wayne	16
10	Wake	45
11	Franklin, Granville, Person Vance, Warren	18
12	Harnett, Lee	12

1	13	Johnston	13
2	14	Cumberland	26
3	15	Bladen, Brunswick, Columbus	16
4	16	Durham	18
5	17	Alamance	12
6	18	Orange, Chatham	10
7	20	Robeson	13
8	21	Anson, Richmond, Scotland	11
9	22	Caswell, Rockingham	9
10	23	Stokes, Surry	9
11	24	Guilford	40
12	25	Cabarrus	40 <u>11</u>
13	26	Mecklenburg	62
14	27	Rowan	9
15	28	Montgomery, Stanly	6
16	29	Hoke, Moore	10
17	30	Union	11
18	31	Forsyth	28
19	32	Alexander, Iredell	15
20	33	Davidson, Davie	13
21	34	Alleghany, Ashe, Wilkes,	9
22		Yadkin	
23	35	Avery, Madison, Mitchell,	8
24		Watauga, Yancey	
25	36	Burke, Caldwell, Catawba	21
26	37	Randolph	11
27	38	Gaston	19
28	39	Cleveland,	13
29		Lincoln	
30	40	Buncombe	14
31	41	McDowell, Rutherford	8
32	42	Henderson, Polk, Transylvania	10
33	43	Cherokee, Clay, Graham,	16
34		Haywood, Jackson, Macon,	
35		Swain."	

36 **SECTION 16.4.(c)** G.S. 7A-60(a1), as amended by subsections (a) and (b) of this
37 section, reads as rewritten:
38 "(a1) The counties of the State are organized into prosecutorial districts, and each district
39 has the counties and the number of full-time assistant district attorneys set forth in the following
40 table:

41			
42	Prosecutorial	No. of Full-Time Asst. District	
43	District	Counties	Attorneys
44	...		
45	36	Burke, Caldwell	40 <u>11</u>
46"		

47 **SECTION 16.4.(d)** Subsection (c) of this section becomes effective January 1, 2027.
48 The remainder of this section becomes effective July 1, 2023.

50 **TECHNICAL CORRECTION FOR MAGISTRATE ALLOCATION NUMBERS AND**
51 **ADDITION OF ONE MAGISTRATE TO STANLY COUNTY**

1 **SECTION 16.5.(a)** G.S. 7A-133(c) reads as rewritten:
 2 "(c) Each county shall have the numbers of magistrates and additional seats of district
 3 court, as set forth in the following table:

County	Magistrates Min.	Additional Seats of Court
...		
Gates	<u>23</u>	
...		
Martin	<u>34</u>	
...		
Pitt	11 <u>513</u>	Farmville Ayden
...		
Jones	<u>23</u>	
...		
New Hanover	12 <u>14</u>	
Pender	<u>4.85</u>	
...		
Hertford	<u>34</u>	
...		
Wake	23 <u>532</u>	Apex, Wendell, Fuquay-Varina, Wake Forest
Harnett	<u>87</u>	Dunn
...		
Cumberland	19 <u>20</u>	
Bladen	<u>34</u>	
...		
Durham	13 <u>18</u>	
...		
Hoke	<u>34</u>	
...		
Stokes	<u>34</u>	
Surry	<u>65</u>	Mt. Airy
Guilford	25 <u>432</u>	High Point
Cabarrus	<u>910</u>	Kannapolis
Montgomery	<u>34</u>	
...		
Anson	<u>34</u>	
...		
Forsyth	16 <u>20</u>	Kernersville
Alexander	<u>34</u>	
...		
Davie	<u>34</u>	
...		
Alleghany	<u>23</u>	
...		
Yadkin	<u>34</u>	
...		
Mecklenburg	31 <u>538.5</u>	

1	...	
2	Henderson	<u>6.57</u>
3	McDowell	<u>34</u>
4	...	
5	Transylvania	<u>34</u>
6	Cherokee	<u>34</u>
7	Clay	<u>23</u>
8	Graham	<u>23</u>
9	...	
10	Jackson	<u>34</u>
11	Macon	<u>34</u>
12"	

13 **SECTION 16.5.(b)** G.S. 7A-133(c), as amended by subsection (a) of this section,
 14 reads as rewritten:

15 "(c) Each county shall have the numbers of magistrates and additional seats of district
 16 court, as set forth in the following table:

17			
18		Magistrates	Additional
19	County	Min.	Seats of Court
20	...		
21	Stanly	<u>56</u>	
22"		

23 **SECTION 16.5.(c)** This section becomes effective July 1, 2023.

24
 25 **MODIFY LOCAL JUDICIALLY MANAGED ACCOUNTABILITY AND RECOVERY**
 26 **COURT REPORTING AND MAKE TECHNICAL CORRECTION**

27 **SECTION 16.6.(a)** G.S. 7A-801 reads as rewritten:

28 **"§ 7A-801. Monitoring and annual report.**

29 The Administrative Office of the Courts shall monitor all ~~State-recognized and funded~~ local
 30 judicially managed accountability and recovery courts, prepare an annual report on the
 31 implementation, operation, and effectiveness of the ~~statewide~~ State judicially managed
 32 accountability and recovery court program, and submit the report to the ~~General Assembly chairs~~
 33 of the House and Senate Appropriations Committees on Justice and Public Safety by March 1 of
 34 each year. Each judicially managed accountability and recovery court and any court authorized
 35 to remain a drug treatment court under G.S. 7A-802, shall submit evaluation reports to the
 36 Administrative Office of the Courts as requested."

37 **SECTION 16.6.(b)** G.S. 7A-796 reads as rewritten:

38 **"§ 7A-796. Local judicially managed accountability and recovery court committees.**

39 Each judicial district choosing to establish a local judicially managed accountability and
 40 recovery court shall form a local judicially managed accountability and recovery court
 41 committee, which shall be comprised to assure representation appropriate to the type or types of
 42 local judicially managed accountability and recovery court operations to be conducted in the
 43 district and shall consist of persons appointed by the senior resident superior court judge with the
 44 concurrence of the chief district court judge and the district attorney for that district, chosen from
 45 the following list:

- 46 ...
- 47 (20) Any other persons selected by the local ~~management~~ judicially managed
 48 accountability and recovery court committee.

49 The local ~~drug treatment~~ judicially managed accountability and recovery court management
 50 committee shall develop local guidelines and procedures, not inconsistent with the State

1 guidelines, that are necessary for the operation and evaluation of the local ~~drug treatment~~
 2 judicially managed accountability and recovery court."

3 **SECTION 16.6.(c)** This section is effective when it becomes law.
 4

5 **ADD SUPERIOR COURT JUDGE TO SUPERIOR COURT DISTRICT 27A**

6 **SECTION 16.7.(a)** G.S. 7A-41(a) reads as rewritten:

7 "(a) The counties of the State are organized into judicial divisions and superior court
 8 districts, and each superior court district has the counties, and the number of regular resident
 9 superior court judges set forth in the following table, and for districts of less than a whole county,
 10 as set out in subsection (b) of this section:

Judicial Division	Superior Court District	Counties	No. of Resident Judges
...			
Fifth	27A	Gaston	<u>23</u>
...."			

18 **SECTION 16.7.(b)** This section becomes effective January 1, 2025, and elections
 19 conducted in 2024 shall be held accordingly.
 20

21 **ADD VETERANS TREATMENT COURT PILOT PROGRAM IN GASTON COUNTY**

22 **SECTION 16.8.(a)** Pilot Program. – The Administrative Office of the Courts, in
 23 coordination with the Gaston County District Attorney's Office, shall establish a pilot program
 24 in Gaston County that creates a judicially managed accountability and recovery court, as
 25 governed by Article 62 of Chapter 7A of the General Statutes. The goals of the accountability
 26 and recovery court shall be to reduce alcoholism and other substance abuse and dependencies
 27 among offenders; to reduce recidivism; to reduce the drug-related court workload; to reduce the
 28 mental, behavioral, or medical health-related court workload; to increase the personal, familial,
 29 and societal accountability of offenders; and to promote effective interaction, collaboration,
 30 coordination, and use of resources among criminal justice personnel. The judicially managed
 31 accountability and recovery court shall prioritize participation of offenders that are veterans of
 32 the Armed Forces of the United States.

33 **SECTION 16.8.(b)** Report. – The Administrative Office of the Courts shall report
 34 to the Joint Legislative Oversight Committee on Justice and Public Safety and its chairs on the
 35 results of the Gaston County pilot program, including the number of individuals who participated
 36 in the program in the prior year, no later than February 1 of each year following a year in which
 37 the pilot program receives funding from the State.

38 **SECTION 16.8.(c)** Policy. – It is the intent of the General Assembly that
 39 appropriations made to aid Gaston County in the original creation and operation of the county's
 40 judicially managed accountability and recovery court will not continue beyond the 2024-2025
 41 fiscal year but will instead be replaced by local expenditures, grants, and other available funding
 42 sources.

43 **SECTION 16.8.(d)** This section becomes effective July 1, 2023.
 44

45 **REPORTING REQUIREMENT FOR THE NC LEGAL EDUCATION ASSISTANCE
 46 FOUNDATION (NC LEAF)**

47 **SECTION 16.9.(a)** No later than February 1 of each year, the NC Legal Education
 48 Assistance Foundation (NC LEAF) shall report to the Joint Legislative Oversight Committee on
 49 Justice and Public Safety, at a minimum, all of the following:

- 50 (1) An accounting of all loan repayment assistance funds distributed during the
- 51 prior year.

- 1 (2) The number of individuals that received funds from the Foundation during the
2 prior year.
- 3 (3) The job titles and salaries of the individuals that received funds from the
4 Foundation during the prior year.

5 **SECTION 16.9.(b)** This section is effective when it becomes law.

6

7 **REPORTING REQUIREMENT FOR PISGAH LEGAL SERVICES**

8 **SECTION 16.10.(a)** No later than February 1 of each year, Pisgah Legal Services
9 (Pisgah) shall report to the Joint Legislative Oversight Committee on Justice and Public Safety,
10 at a minimum, all of the following:

- 11 (1) An accounting of all State funds utilized by Pisgah for its Veterans Law
12 Project during the prior year.
- 13 (2) The number of individuals that received services from Pisgah as a part of its
14 Veterans Law Project during the prior year.
- 15 (3) The types of services performed by Pisgah during the prior year as a part of
16 its Veterans Law Project and the counties in which those services were
17 performed.

18 **SECTION 16.10.(b)** This section is effective when it becomes law.

19

20 **INCLUDE PUBLIC DEFENDER SERVICE IN SUPERIOR COURT JUDGE** 21 **LONGEVITY CALCULATION**

22 **SECTION 16.11.(a)** G.S. 7A-44(b) reads as rewritten:

23 "(b) In lieu of merit and other increment raises paid to regular State employees, a judge of
24 the superior court, regular or special, shall receive as longevity pay an annual amount equal to
25 four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations
26 Appropriations Act payable monthly after five years of service, nine and six-tenths percent
27 (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of
28 service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four
29 percent (24%) after 25 years of service. "Service" means service as a-any of the following:

- 30 (1) A justice or judge of the General Court of Justice, as a Justice.
- 31 (2) A member of the Utilities Commission, as an Commission.
- 32 (3) An administrative law judge, or as judge.
- 33 (4) The director or assistant director of the Administrative Office of the Courts.
34 Service shall also mean service as a
- 35 (5) A district attorney or as a attorney.
- 36 (6) A public defender.
- 37 (7) A clerk of superior court."

38 **SECTION 16.11.(b)** This section becomes effective July 1, 2023, and applies to time
39 served before, on, or after that date.

40

41 **REQUIRE REPORTING ON REMOTE WORK POLICIES AND PARTICIPATION**

42 **SECTION 16.12.(a)** The Administrative Office of the Courts shall maintain and
43 shall furnish upon request a remote work policy.

44 **SECTION 16.12.(b)** The remote work policies required by subsection (a) of this
45 section shall, at a minimum, require that all employees utilizing the remote work policy shall
46 sign an agreement to be retained in the employee's file that records the employee's assent to
47 adhere to the remote work policy.

48 **SECTION 16.12.(c)** The Administrative Office of the Courts shall report all of the
49 following to the Joint Legislative Oversight Committee on Justice and Public Safety no later than
50 March 1 of each year:

- 51 (1) The remote work policy currently in place for its employees.

- 1 (2) Any remote work policy previously in place for its employees that was not a
2 part of the most recent report required by this subsection.
3 (3) The total number of employees utilizing its remote work policy.
4 (4) The total number of employees utilizing its remote work policy, delineated by
5 division, section, and any other organizational category.

6 **SECTION 16.12.(d)** This section becomes effective October 1, 2023.
7

8 **REQUIRE REPORT ON RECOVERY COURT STUDY RESULTS**

9 **SECTION 16.13.(a)** The Administrative Office of the Courts shall study existing
10 judicially managed accountability and recovery courts (JMARC)s, including those drug
11 treatment courts and JMARC)s partially or fully exempted from Article 62 of Chapter 7A of the
12 General Statutes under G.S. 7A-802.

13 **SECTION 16.13.(b)** No later than April 1, 2024, the Administrative Office of the
14 Courts shall report on the results of the study required by subsection (a) of this section to the
15 following entities:

- 16 (1) The Joint Legislative Oversight Committee on Health and Human Services.
17 (2) The Joint Legislative Oversight Committee on Justice and Public Safety.
18 (3) The chairs of the House and Senate Appropriations Committees on Health and
19 Human Services.
20 (4) The chairs of the House and Senate Appropriations Committees on Justice and
21 Public Safety.

22 **SECTION 16.13.(c)** The report required by subsection (b) of this section shall
23 include, at a minimum, each of the following:

- 24 (1) Executive summary of the study and its findings.
25 (2) Summary of each JMARC's operating model.
26 (3) Summary of each JMARC's funding sources.
27 (4) Analysis of demand and capacity for each JMARC.
28 (5) Summary of need and local interest for additional JMARC)s.
29 (6) Feasibility of JMARC)s operating across counties and across judicial districts.
30 (7) Proposed JMARC expansion plan.
31 (8) List of funding sources to support the expansion plan outlined in subdivision
32 (7) of this subsection.

33 **SECTION 16.13.(d)** This section is effective when it becomes law.
34

35 **RAISE MANDATORY RETIREMENT AGE FOR APPELLATE JUDGES**

36 **SECTION 16.14.(a)** Article 1B of Chapter 7A of the General Statutes is repealed.

37 **SECTION 16.14.(b)** G.S. 7A-5 reads as rewritten:

38 "**§ 7A-5. ~~Organization.~~Organization and age limit for service as justice or judge.**

39 (a) The appellate division of the General Court of Justice consists of the Supreme Court
40 and the Court of Appeals.

41 (b) No justice or judge of the appellate division of the General Court of Justice may
42 continue in office beyond the last day of the month in which the justice or judge attains 76 years
43 of age, but justices and judges so retired may be recalled for periods of temporary service as
44 provided in this Subchapter."

45 **SECTION 16.14.(c)** G.S. 7A-39.3(a) reads as rewritten:

46 "(a) Justices of the Supreme Court and judges of the Court of Appeals who have not
47 reached the mandatory retirement age specified in G.S. 7A-4.20, G.S. 7A-5(b), but who have
48 retired under the provisions of G.S. 7A-39.2, or under the Uniform Judicial Retirement Act after
49 having completed 12 years of creditable service, may apply as provided in G.S. 7A-39.6 to
50 become emergency justices or judges and upon being commissioned as an emergency justice or

1 emergency judge shall be subject to temporary recall to active service in place of a justice or
2 judge who is temporarily incapacitated as provided in G.S. 7A-39.5."

3 **SECTION 16.14.(d)** G.S. 7A-39.6 reads as rewritten:

4 "**§ 7A-39.6. Application to the Governor; commission as emergency justice or emergency**
5 **judge.**

6 No retired justice of the Supreme Court or retired judge of the Court of Appeals may become
7 an emergency justice or emergency judge except upon his written application to the Governor
8 certifying his desire and ability to serve as an emergency justice or emergency judge. If the
9 Governor is satisfied that the applicant qualifies under G.S. 7A-39.3(a) to become an emergency
10 justice or emergency judge and that he is physically and mentally able to perform the official
11 duties of an emergency justice or emergency judge, he shall issue to such applicant a commission
12 as an emergency justice or emergency judge of the court from which he retired. The commission
13 shall be effective upon the date of its issue and shall terminate when the judge to whom it is
14 issued reaches the maximum age for judicial service under ~~G.S. 7A-4.20(a)~~; G.S. 7A-5(b)."

15 **SECTION 16.14.(e)** G.S. 7A-39.15(a) reads as rewritten:

16 "(a) A retired justice or judge of the Appellate Division of the General Court of Justice is
17 eligible to be appointed as an emergency recall judge of the Court of Appeals ~~under~~ if the justice
18 or judge meets each of the following circumstances: requirements:

- 19 (1) The justice or judge has retired under the provisions of the Consolidated
20 Judicial Retirement Act, Article 4 of Chapter 135 of the General Statutes, or
21 is eligible to receive a retirement allowance under that ~~act~~; act.
- 22 (2) The justice or judge has not reached the mandatory retirement age specified
23 in ~~G.S. 7A-4.20~~; G.S. 7A-5(b).
- 24 (3) The justice or judge has served a total of at least five years as a judge or justice
25 of the General Court of Justice, provided that at least six months was served
26 in the Appellate Division, whether or not otherwise eligible to serve as an
27 emergency justice or judge of the Appellate Division of the General Court of
28 ~~Justice~~; Justice.
- 29 (4) The judicial service of the justice or judge ended within the preceding 15
30 ~~years~~; and years.
- 31 (5) The justice or judge has applied to the Governor for appointment as an
32 emergency recall judge of the Court of Appeals in the same manner as is
33 provided for application in G.S. 7A-53. If the Governor is satisfied that the
34 applicant meets the requirements of this section and is physically and mentally
35 able to perform the duties of a judge of the Court of Appeals, the Governor
36 shall issue a commission appointing the applicant as an emergency recall
37 judge of the Court of Appeals until the applicant reaches the mandatory
38 retirement age for judges of the Court of Appeals specified in
39 ~~G.S. 7A-4.20~~; G.S. 7A-5(b).

40 Any former justice or judge of the Appellate Division of the General Court of Justice who
41 otherwise meets the requirements of this section to be appointed an emergency recall judge of
42 the Court of Appeals, but who has already reached the mandatory retirement age for judges of
43 the Court of Appeals set forth in ~~G.S. 7A-4.20~~; G.S. 7A-5(b), may apply to the Governor to be
44 appointed as an emergency recall judge of the Court of Appeals as provided in this section. If the
45 Governor issues a commission to the applicant, the retired justice or judge is subject to recall as
46 an emergency recall judge of the Court of Appeals as provided in this section."

47 **SECTION 16.14.(f)** Article 7 of Chapter 7A of the General Statutes is amended by
48 adding a new section to read:

49 "**§ 7A-40.1. Age limit for service as superior court judge; exception.**

1 No superior court judge may continue in office beyond the last day of the month in which the
 2 superior court judge attains 72 years of age, but superior court judges so retired may be recalled
 3 for periods of temporary service as provided in this Subchapter."

4 **SECTION 16.14.(g)** G.S. 7A-45.2 reads as rewritten:

5 **"§ 7A-45.2. Emergency special judges of the superior court; qualifications, appointment,**
 6 **removal, and authority.**

7 (a) Any justice or judge of the appellate division of the General Court of Justice ~~who~~that
 8 meets each of the following requirements may apply to the Governor for appointment as an
 9 emergency special superior court judge in the same manner as is provided for application as an
 10 emergency superior court judge in G.S. 7A-53:

11 (1) Retires under the provisions of the Consolidated Judicial Retirement Act,
 12 Article 4 of Chapter 135 of the General Statutes, or who is eligible to receive
 13 a retirement allowance under that ~~act~~act.

14 (2) Has not reached the mandatory retirement age specified in
 15 ~~G.S. 7A-4.20;G.S. 7A-5(b)~~.

16 (3) Has served at least five years as a superior court judge or five years as a justice
 17 or judge of the appellate division of the General Court of Justice, or any
 18 combination thereof, whether or not eligible to serve as an emergency justice
 19 or judge of the appellate division of the General Court of ~~Justice; and~~Justice.

20 (4) Whose judicial service ended within the preceding 10 ~~years;~~years.

21 ~~may apply to the Governor for appointment as an emergency special superior court judge in the~~
 22 ~~same manner as is provided for application as an emergency superior court judge in G.S. 7A-53.~~

23 If the Governor is satisfied that the applicant meets the requirements of this section and is
 24 physically and mentally able to perform the duties of a superior court judge, the Governor shall
 25 issue a commission appointing the applicant as an emergency special superior court judge until
 26 the applicant reaches the mandatory retirement age for superior court judges specified in
 27 ~~G.S. 7A-4.20;G.S. 7A-40.1~~.

28 (b) Any emergency special superior court judge appointed as provided in this section
 29 shall:

30 (1) Have the same powers and duties, when duly assigned to hold court, as
 31 provided for an emergency superior court judge by ~~G.S. 7A-48;G.S. 7A-48~~.

32 (2) Be subject to assignment in the same manner as provided for an emergency
 33 superior court judge by G.S. 7A-46 and ~~G.S. 7A-52(a);G.S. 7A-52(a)~~.

34 (3) Receive the same compensation, expenses, and allowances, when assigned to
 35 hold court, as an emergency superior court judge as provided by
 36 ~~G.S. 7A-52(b);G.S. 7A-52(b)~~.

37 (4) Be subject to the provisions and requirements of the Canons of Judicial
 38 ~~Conduct; and~~Conduct.

39 ...

40 (c) Upon reaching mandatory retirement age for superior court judges as set forth in
 41 ~~G.S. 7A-4.20;G.S. 7A-40.1~~, any emergency special superior court judge appointed pursuant to
 42 this section, whose commission has expired, may be recalled as a recalled emergency special
 43 superior court judge to preside over any regular or special session of the superior court ~~under if~~
 44 each of the following ~~circumstances;~~requirements is satisfied:

45 (1) The judge shall consent to the ~~recall;~~recall.

46 (2) The Chief Justice may order the ~~recall;~~recall.

47 (3) Prior to ordering recall, the Chief Justice shall be satisfied that the recalled
 48 judge is capable of efficiently and promptly discharging the duties of the
 49 office to which ~~recalled;~~recalled.

50 (4) Jurisdiction of a recalled emergency special superior court judge is as set forth
 51 in ~~G.S. 7A-48;G.S. 7A-48~~.

1 (5) Orders of recall and assignment shall be in writing and entered upon the
2 minutes of the court to which ~~assigned; and~~ the judge is assigned.

3 ...

4 (d) Any former justice or judge of the appellate division of the General Court of Justice
5 who otherwise meets the requirements of subsection (a) of this section to be appointed an
6 emergency special superior court judge but has already reached the mandatory retirement age for
7 superior court judges set forth in ~~G.S. 7A-4.20-G.S. 7A-40.1~~ on retirement may, in lieu of serving
8 as an emergency judge of the court from which he retired, apply to the Governor to be appointed
9 as an emergency special superior court judge as provided in this section. If the Governor issues
10 a commission to the applicant, the retired justice or judge is subject to recall as an emergency
11 special superior court judge as provided in subsection (c) of this section.

12"

13 **SECTION 16.14.(h)** G.S. 7A-52(a) reads as rewritten:

14 "(a) Judges of the district court and judges of the superior court who have not reached the
15 mandatory retirement age specified in ~~G.S. 7A-4.20, G.S. 7A-40.1 and G.S. 7A-140.1,~~
16 respectively, but who have retired under the provisions of G.S. 7A-51, or under the Uniform
17 Judicial Retirement Act after having completed five years of creditable service, may apply as
18 provided in G.S. 7A-53 to become emergency judges of the court from which they retired. From
19 the commissioned emergency district, superior, and special superior court judges, the Chief
20 Justice of the Supreme Court shall create two lists of active emergency judges and two lists of
21 inactive emergency judges. For emergency superior and special superior court judges, the active
22 list shall be limited to a combined total of 10 emergency judges; all other emergency superior
23 and special superior court judges shall be on an inactive list. For emergency district court judges,
24 the active list shall be limited to 25 emergency judges; all other emergency district court judges
25 shall be on an inactive list. There is no limit to the number of emergency judges on either inactive
26 list. In the Chief Justice's discretion, emergency judges may be added or removed from their
27 respective active and inactive lists, as long as the respective numerical limits on the active lists
28 are observed. The Chief Justice is requested to consider geographical distribution in assigning
29 emergency judges to an active list but may utilize any factor in determining which emergency
30 judges are assigned to an active list. The Chief Justice of the Supreme Court may order any
31 emergency district, superior, or special superior court judge on an active list who, in ~~his~~ the Chief
32 Justice's opinion, is competent to perform the duties of a ~~judge, judge and~~ to hold regular or
33 special sessions of the court from which the judge retired, as needed. Order of assignment shall
34 be in writing and entered upon the minutes of the court to which ~~such~~ the emergency judge is
35 assigned. An emergency judge shall only be assigned in the event of a:

36"

37 **SECTION 16.14.(i)** G.S. 7A-53 reads as rewritten:

38 "**§ 7A-53. Application to the Governor; commission as emergency judge.**

39 No retired judge of the district or superior court may become an emergency judge except
40 upon ~~his~~ the judge's written application to the Governor certifying ~~his~~ the judge's desire and
41 ability to serve as an emergency judge. If the Governor is satisfied that the applicant qualifies
42 under G.S. 7A-52(a) to become an emergency judge and ~~that he~~ the applicant is physically and
43 mentally able to perform the official duties of an emergency judge, ~~he~~ the Governor shall issue
44 to ~~such~~ the applicant a commission as an emergency judge of the court from which ~~he~~ the
45 applicant retired. The commission shall be effective upon the date of its issue and shall terminate
46 when the judge to whom it is issued reaches the maximum age for judicial service under
47 ~~G.S. 7A-4.20(a)-G.S. 7A-40.1 or G.S. 7A-140.1, whichever is applicable.~~"

48 **SECTION 16.14.(j)** Article 14 of Chapter 7A of the General Statutes is amended by
49 adding a new section to read:

50 "**§ 7A-140.1. Age limit for service as district judge; exception.**

1 No district judge may continue in office beyond the last day of the month in which the district
 2 judge attains 72 years of age, but district judges so retired may be recalled for periods of
 3 temporary service as provided in this Subchapter."

4 **SECTION 16.14.(k)** G.S. 7A-170(b) reads as rewritten:

5 "(b) No magistrate may continue in office beyond the last day of the month in which the
 6 magistrate reaches the mandatory retirement age for ~~justices and district judges of the General~~
 7 ~~Court of Justice~~ specified in ~~G.S. 7A-4.20~~ G.S. 7A-140.1."

8 **SECTION 16.14.(l)** G.S. 135-57(b) reads as rewritten:

9 "(b) Any member who is a justice or judge of the General Court of Justice shall be
 10 automatically retired as of the ~~first last~~ day of the calendar month ~~coinciding with or next~~
 11 ~~following the later of January 1, 1974, or his attainment of his seventy second birthday; provided,~~
 12 ~~however, that no judge who is a member on January 1, 1974, shall be forced to retire under the~~
 13 ~~provisions of this subsection at an earlier date than the last day that he is permitted to remain in~~
 14 ~~office under the provisions of G.S. 7A-4.20~~ in which the justice or judge reaches the maximum
 15 age for judicial service under G.S. 7A-5(b), 7A-40.1, or 7A-140.1, whichever is applicable."

16 **SECTION 16.14.(m)** This section is effective when it becomes law and applies to
 17 justices, judges, and magistrates serving on or after that date, provided that nothing in this section
 18 shall be construed to automatically halt the retirement process of a justice, judge, or magistrate
 19 that has already initiated that process.

20
 21 **PART XVII. INDIGENT DEFENSE SERVICES**

22
 23 **NEW PUBLIC DEFENDER DISTRICTS**

24 **SECTION 17.1.(a)** G.S. 7A-498.7(a) reads as rewritten:

25 "(a) The following counties of the State are organized into the defender districts listed
 26 below, and in each of those defender districts an office of public defender is established:

Defender District	Counties
1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans
2	Beaufort, Hyde, Martin, Tyrell, Washington
3A	Pitt
3B	Craven, Pamlico, Carteret
5	New Hanover, Pender
<u>6</u>	<u>Bertie, Halifax, Hertford,</u> <u>Northampton</u>
10	Wake
12	Cumberland
<u>13B</u>	<u>Brunswick</u>
14	Durham
15B	Orange, Chatham
16A	Scotland, Hoke
16B	Robeson
18	Guilford
21	Forsyth
<u>22A</u>	<u>Alexander, Iredell</u>
26	Mecklenburg
27A	Gaston
27B	Cleveland, Lincoln

- 1 28 Buncombe
- 2 29A McDowell, Rutherford
- 3 29B Henderson, Polk, Transylvania

4
 5 After notice to, and consultation with, the affected district bar, senior resident superior court
 6 judge, and chief district court judge, the Commission on Indigent Defense Services may
 7 recommend to the General Assembly that a district or regional public defender office be
 8 established. A legislative act is required in order to establish a new office or to abolish an existing
 9 office."

10 **SECTION 17.1.(b)** G.S. 7A-498.7(a), as amended by subsection (a) of this section,
 11 reads as rewritten:

12 "(a) The following counties of the State are organized into the defender districts listed
 13 below, and in each of those defender districts an office of public defender is established:
 14

15 Defender District	16 Counties
17 1	Camden, Chowan, Currituck, 18 Dare, Gates, Pasquotank, Perquimans
19 2	Beaufort, Hyde, Martin, 20 Tyrell, Washington
21 3A	Pitt
22 3B	Craven, Pamlico, Carteret
23 5	New Hanover, Pender
24 6	Bertie, Halifax, Hertford, 25 Northampton
26 10	Wake
27 <u>11B</u>	<u>Johnston</u>
28 12	Cumberland
29 13B	Brunswick
30 14	Durham
31 15B	Orange, Chatham
32 16A	Scotland, Hoke
33 16B	Robeson
34 18	Guilford
35 21	Forsyth
36 22A	Alexander, Iredell
37 26	Mecklenburg
38 27A	Gaston
39 27B	Cleveland, Lincoln
40 28	Buncombe
41 29A	McDowell, Rutherford
42 29B	Henderson, Polk, Transylvania

43
 44 After notice to, and consultation with, the affected district bar, senior resident superior court
 45 judge, and chief district court judge, the Commission on Indigent Defense Services may
 46 recommend to the General Assembly that a district or regional public defender office be
 47 established. A legislative act is required in order to establish a new office or to abolish an existing
 48 office."

49 **SECTION 17.1.(c)** The Office of Indigent Defense Services may use up to the sum
 50 of one million three hundred sixteen thousand three hundred twenty-five dollars (\$1,316,325) of
 51 funds appropriated in this act under Budget Code 12001, Fund Code 1310, to create 18 new

1 positions for Public Defender District 6 created in subsection (a) of this section. These positions
2 shall include the public defender, up to 11 assistant public defenders, and up to six support
3 positions.

4 **SECTION 17.1.(d)** The Office of Indigent Defense Services may use up to the sum
5 of eight hundred forty-four thousand dollars (\$844,000) of funds appropriated in this act under
6 Budget Code 12001, Fund Code 1310, to create 12 new positions for Public Defender District
7 11B created in subsection (b) of this section. These positions shall include the public defender,
8 up to seven assistant public defenders, and up to four support positions.

9 **SECTION 17.1.(e)** The Office of Indigent Defense Services may use up to the sum
10 of nine hundred ten thousand dollars (\$910,000) of funds appropriated in this act under Budget
11 Code 12001, Fund Code 1310, to create 14 new positions for Public Defender District 13B
12 created in subsection (a) of this section. These positions shall include the public defender, up to
13 eight assistant public defenders, and up to five support positions.

14 **SECTION 17.1.(f)** The Office of Indigent Defense Services may use up to the sum
15 of one million four hundred ninety-three thousand dollars (\$1,493,000) of funds appropriated in
16 this act under Budget Code 12001, Fund Code 1310, to create 20 new positions for Public
17 Defender District 22A created in subsection (a) of this section. These positions shall include the
18 public defender, up to 12 assistant public defenders, and up to seven support positions.

19 **SECTION 17.1.(g)** Subsections (b) and (d) of this section become effective July 1,
20 2024. The remainder of this section becomes effective July 1, 2023.

21 **REQUIRE REPORTING ON REMOTE WORK POLICIES AND PARTICIPATION**

22 **SECTION 17.2.(a)** The Office of Indigent Defense Services shall maintain and shall
23 furnish upon request a remote work policy.

24 **SECTION 17.2.(b)** The remote work policies required by subsection (a) of this
25 section shall, at a minimum, require that all employees utilizing the remote work policy shall
26 sign an agreement to be retained in the employee's file that records the employee's assent to
27 adhere to the remote work policy.

28 **SECTION 17.2.(c)** The Office of Indigent Defense Services shall report all of the
29 following to the Joint Legislative Oversight Committee on Justice and Public Safety no later than
30 March 1 of each year:

- 31 (1) The remote work policy currently in place for its employees.
- 32 (2) Any remote work policy previously in place for its employees that was not a
33 part of the most recent report required by this subsection.
- 34 (3) The total number of employees utilizing its remote work policy.
- 35 (4) The total number of employees utilizing its remote work policy, delineated by
36 division, section, and any other organizational category.
- 37

38 **SECTION 17.2.(d)** This section becomes effective October 1, 2023.

39 **ALLOW THE ADMINISTRATIVE OFFICE OF THE COURTS TO SHARE CERTAIN** 40 **INFORMATION WITH THE OFFICE OF INDIGENT DEFENSE SERVICES**

41 **SECTION 17.3.(a)** G.S. 132-1.4(k) reads as rewritten:

42 "(k) The following court records are public records and may be withheld only when sealed
43 by court order: ~~arrest~~

- 44 (1) ~~Arrest~~ and search warrants that have been returned by law enforcement
45 ~~agencies, agencies.~~
- 46 (2) ~~indictments, Indictments.~~
- 47 (3) ~~eriminal summons, Criminal summonses.~~
- 48 (4) ~~and nontestimonial~~ Nontestimonial identification orders.
- 49

1 Nothing in this subsection shall preclude the Administrative Office of the Courts from
2 entering into a sharing agreement with the Office of Indigent Defense Services for the purpose
3 of generating reliable statistical information to evaluate services provided."

4 **SECTION 17.3.(b)** This section is effective when it becomes law.
5

6 **PART XVIII. JUSTICE**

7 **CREATE LEGISLATIVE STUDY COMMITTEE ON THE STATE CRIME LAB**

8 **SECTION 18.1A.(a)** There is established a Joint Legislative Study Committee on
9 the State Crime Lab (Committee). The Committee shall study and propose possible
10 administrative and organizational locations for the State Crime Lab within North Carolina
11 government.
12

13 **SECTION 18.1A.(b)** The Committee shall consist of 12 members. These members
14 shall be appointed as follows:

- 15 (1) Six members appointed by the Speaker of the House of Representatives
16 (Speaker). Five of the Speaker appointees shall be members of the North
17 Carolina General Assembly, two of whom shall be members of the minority
18 political party, and one Speaker appointee shall be a member of the public that
19 either currently serves or at one time served in a scientific or managerial role
20 at the State Crime Lab.
- 21 (2) Six members appointed by the President Pro Tempore of the Senate (President
22 Pro Tem). Five of the President Pro Tem appointees shall be members of the
23 North Carolina General Assembly, two of whom shall be members of the
24 minority political party, and one President Pro Tem appointee shall be a
25 member of the public that either currently serves or at one time served in a
26 scientific or managerial role at the State Crime Lab.

27 The Speaker and the President Pro Tem shall each appoint a cochair for the
28 Committee. A quorum of the Committee is a majority of its members.

29 **SECTION 18.1A.(c)** Members of the Committee shall receive per diem, subsistence,
30 and travel allowances in accordance with G.S. 120-3.1 or G.S. 138-5, as appropriate.

31 **SECTION 18.1A.(d)** Subject to the approval of the Legislative Services
32 Commission, the Committee may meet in the State Legislative Building or the Legislative Office
33 Building. The Legislative Services Commission, through the Legislative Services Officer, shall
34 assign professional staff to assist in the work of the Committee. The House of Representatives'
35 and the Senate's Directors of Legislative Assistants shall assign clerical staff to the Committee,
36 and the expenses relating to the clerical employees shall be borne by the Committee. The
37 Committee, while in the discharge of its official duties, may exercise all the powers provided
38 under the provisions of G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4, including the
39 power to request all officers, agents, agencies, and departments of the State to provide any
40 information, data, or documents within their possession, ascertainable from their records, or
41 otherwise available to them and the power to subpoena witnesses. The appointing authority shall
42 fill vacancies.

43 **SECTION 18.1A.(e)** In developing proposals of possible administrative and
44 organizational locations for the State Crime Lab within North Carolina government, the
45 Committee shall at a minimum consider each of the following:

- 46 (1) The location that will best serve the interests of justice as it relates to the work
47 performed by the State Crime Lab, including its ability to remain an unbiased
48 and objective source of evidentiary analysis.
- 49 (2) The location that will provide the most operational efficiencies for the State
50 Crime Lab.

1 **SECTION 18.1A.(f)** The Committee may report its findings and recommendations
2 to the General Assembly in an interim report by April 1, 2024, and shall make a final report by
3 December 1, 2024, and shall terminate upon the earlier of December 1, 2024, or the filing of its
4 final report.

5 **SECTION 18.1A.(g)** This section is effective when it becomes law.
6

7 **REQUIRE REPORTING ON REMOTE WORK POLICIES AND PARTICIPATION**

8 **SECTION 18.2.(a)** The Department of Justice shall maintain and shall furnish upon
9 request a remote work policy.

10 **SECTION 18.2.(b)** The remote work policies required by subsection (a) of this
11 section shall, at a minimum, require that all employees utilizing the remote work policy shall
12 sign an agreement to be retained in the employee's file that records the employee's assent to
13 adhere to the remote work policy.

14 **SECTION 18.2.(c)** The Department of Justice shall report all of the following to the
15 Joint Legislative Oversight Committee on Justice and Public Safety no later than March 1 of each
16 year:

- 17 (1) The remote work policy currently in place for its employees.
- 18 (2) Any remote work policy previously in place for its employees that was not a
19 part of the most recent report required by this subsection.
- 20 (3) The total number of employees utilizing its remote work policy.
- 21 (4) The total number of employees utilizing its remote work policy, delineated by
22 division, section, and any other organizational category.

23 **SECTION 18.2.(d)** This section becomes effective October 1, 2023.
24

25 **PART XIX. ADULT CORRECTION [RESERVED]**

26 **PART XIX-A. DEPARTMENT OF ADULT CORRECTION ADMINISTRATION**

27 **NO TRANSFER OF POSITIONS TO OTHER STATE AGENCIES**

28 **SECTION 19A.1.(a)** Notwithstanding any other provision of law, and except as
29 otherwise provided in subsection (b) of this section, the Office of State Budget and Management
30 shall not transfer any positions, personnel, or funds from the Department of Adult Correction to
31 any other State agency during the 2023-2025 fiscal biennium unless the transfer was included in
32 the base budget for one or both fiscal years of the biennium.
33

34 **SECTION 19A.1.(b)** This section shall not apply to consolidation of information
35 technology positions into the Department of Information Technology pursuant to
36 G.S. 143B-1325.
37
38

39 **STATEWIDE MISDEMEANANT CONFINEMENT PROGRAM FUNDING TRANSFER**

40 **SECTION 19A.2.** Of the funds appropriated in this act for the Statewide
41 Misdemeanant Confinement Program:

- 42 (1) The sum of one million dollars (\$1,000,000) shall be transferred each fiscal
43 year to the North Carolina Sheriffs' Association, Inc., a nonprofit corporation,
44 to support the Program and for administrative and operating expenses of the
45 Association and its staff.
- 46 (2) The sum of two hundred twenty-five thousand dollars (\$225,000) shall be
47 allocated each fiscal year to the Department of Adult Correction for its
48 administrative and operating expenses for the Program.
- 49 (3) Up to the sum of two hundred fifty thousand dollars (\$250,000) may be used
50 in each fiscal year of the 2023-2025 fiscal biennium to reimburse sheriffs

1 utilizing inmate labor pursuant to the provisions of Section 19C.10 of S.L.
2 2021-180.

3
4 **REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL**
5 **EXPENSES**

6 **SECTION 19A.3.** Notwithstanding G.S. 143C-6-9, the Department of Adult
7 Correction may use funds available to the Department for the 2023-2025 fiscal biennium to
8 reimburse counties for the cost of housing convicted inmates, parolees, and post-release
9 supervisees awaiting transfer to the State prison system, as provided in G.S. 148-29. The
10 reimbursement may not exceed forty dollars (\$40.00) per day per prisoner awaiting transfer.
11 Beginning October 1, 2023, the Department shall report quarterly to the chairs of the Joint
12 Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of
13 Representatives Appropriations Committee on Justice and Public Safety and the Senate
14 Appropriations Committee on Justice and Public Safety on the expenditure of funds to reimburse
15 counties for prisoners awaiting transfer.

16
17 **REQUIRE REPORTING ON REMOTE WORK POLICIES AND PARTICIPATION**

18 **SECTION 19A.4.(a)** The Department of Adult Correction shall maintain and shall
19 furnish upon request a remote work policy.

20 **SECTION 19A.4.(b)** The remote work policies required by subsection (a) of this
21 section shall, at a minimum, require that all employees utilizing the remote work policy shall
22 sign an agreement to be retained in the employee's file that records the employee's assent to
23 adhere to the remote work policy.

24 **SECTION 19A.4.(c)** The Department of Adult Correction shall report all of the
25 following to the Joint Legislative Oversight Committee on Justice and Public Safety no later than
26 March 1 of each year:

- 27 (1) The remote work policy currently in place for its employees.
- 28 (2) Any remote work policy previously in place for its employees that was not a
29 part of the most recent report required by this subsection.
- 30 (3) The total number of employees utilizing its remote work policy.
- 31 (4) The total number of employees utilizing its remote work policy, delineated by
32 division, section, and any other organizational category.

33 **SECTION 19A.4.(d)** This section becomes effective October 1, 2023.

34
35 **PART XIX-B. PRISONS**

36
37 **CENTER FOR COMMUNITY TRANSITIONS/CONTRACT AND REPORT**

38 **SECTION 19B.1.** The Department of Adult Correction may continue to contract
39 with The Center for Community Transitions, Inc., a nonprofit corporation, for the purchase of
40 prison beds for minimum security female inmates during the 2023-2025 fiscal biennium. The
41 Center for Community Transitions, Inc., shall report by February 1 of each year to the chairs of
42 the House of Representatives Appropriations Committee on Justice and Public Safety and the
43 Senate Appropriations Committee on Justice and Public Safety on the annual cost per inmate and
44 the average daily inmate population compared to bed capacity using the same methodology as
45 that used by the Department of Adult Correction.

46
47 **NURSE STAFFING AT STATE PRISONS REPORT**

48 **SECTION 19B.2.(a)** The Department of Adult Correction shall report the following
49 information to the Joint Legislative Oversight Committee on Justice and Public Safety by
50 February 1, 2024, and by February 1, 2025:

- 1 (1) The total number of permanent nursing positions allocated to the Department,
2 the number of filled positions, the number of positions that have been vacant
3 for more than six months, and information regarding the location of both filled
4 and vacant positions.
- 5 (2) The extent to which temporary contract services are being used to staff vacant
6 nursing positions, the method for funding the contract services, and any cost
7 differences between the use of permanent employees versus contract
8 employees.
- 9 (3) A progress report on the implementation of its plan to (i) reduce the use of
10 contract services to provide nursing in State prisons and (ii) attract and retain
11 qualified nurses for employment in permanent positions in State prisons.

12 **SECTION 19B.2.(b)** Notwithstanding any other provision of law, the Department
13 of Adult Correction may, in its discretion and subject to the approval of the Office of State Budget
14 and Management, convert funds appropriated for contractual nursing services to permanent
15 nursing positions when it is determined to promote security, generate cost savings, and improve
16 health care quality. The Department shall report on any such conversions to the Fiscal Research
17 Division.

18 **DEPARTMENT REPORT ON PRISON PERSONNEL MATTERS**

19 **SECTION 19B.3.** The Department of Adult Correction shall report the following
20 information to the Joint Legislative Oversight Committee on Justice and Public Safety by
21 February 1, 2024, and by February 1, 2025:

- 22 (1) The number of Department employees charged with the commission of a
23 criminal offense committed in a State prison and during the employee's work
24 hours. The information shall be provided by State facility and shall specify the
25 offense charged and the outcome of the charge.
- 26 (2) The number of employees disciplined, demoted, or separated from service due
27 to personal misconduct. To the extent it does not disclose confidential
28 personnel records, the information shall be organized by type of misconduct,
29 nature of corrective action taken, and outcome of the corrective action.
- 30 (3) The hiring and screening process, including any required credentials or skills,
31 criminal background checks, and personality assessments. The information
32 shall also include the process the Department uses to verify the information
33 provided by an applicant.

34 **DOT CONTRACT OF INMATE LITTER CREW**

35 **SECTION 19B.4.(a)** After the issuance of a request for information (RFI) and
36 receipt of bids by the Department of Transportation for litter pickup on State highways and roads,
37 the Department of Transportation shall first offer the contract to the Department of Adult
38 Correction upon the same terms and conditions as the most favorable bid received by the
39 Department of Transportation from a suitable contractor. The Department of Adult Correction
40 shall have 30 days to accept or decline the offered contract.

41 **SECTION 19B.4.(b)** It is the policy of the General Assembly that the Department
42 of Transportation shall utilize inmate litter crews for litter pickup on State highways and roads
43 as often as is necessary and practicable.

44 **REQUEST FOR PROPOSALS FOR PRISON TECHNOLOGY**

45 **SECTION 19B.5.(a)** Section 19C.11(b) of S.L. 2021-180 reads as rewritten:

46 **"SECTION 19C.11.(b)** The Department of ~~Public Safety~~ Adult Correction shall, in
47 consultation with the vendor, report on the expenditure of the funds awarded pursuant to
48 subsection (a) of this section to the Joint Legislative Oversight Committee on Justice and Public
49
50
51

1 Safety no later than October 1, 2022, in an interim report and no later than October 1, 2023, in a
2 final report.1 of each year in which the funds are expended, provided that if the funds are
3 exhausted after a report has already been submitted for that year, a final report shall be submitted
4 no later than May 1 of the following year."

5 **SECTION 19B.5.(b)** This section is effective when it becomes law.
6

7 **TECHNICAL CORRECTION FOR INMATE WELFARE FUND**

8 **SECTION 19B.6.(a)** G.S. 148-2(c) reads as rewritten:

9 "(c) Notwithstanding G.S. 147-77, Article 6A of Chapter 147 of the General Statutes, or
10 any other provision of law, the Division of Prisons of the Department of Adult Correction may
11 deposit revenue from prison canteens in local banks. The profits from prison canteens shall be
12 deposited with the State Treasurer on a monthly basis in a fund denominated as the ~~Correction~~
13 Inmate Welfare Fund. Once the operating budget for the ~~Correction~~-Inmate Welfare Fund has
14 been met, an amount equal to the funds allocated to each prison unit on a per inmate per year
15 basis shall be credited to the Crime Victims Compensation Fund established in G.S. 15B-23G as
16 soon as practicable after the total amount paid to each unit per inmate per year has been
17 determined."

18 **SECTION 19B.6.(b)** This section is effective when it becomes law.
19

20 **TECHNICAL CORRECTION RELATED TO NEW DEPARTMENT OF ADULT** 21 **CORRECTION**

22 **SECTION 19B.7.(a)** G.S. 148-32.1(b2) reads as rewritten:

23 "(b2) The Statewide Misdemeanant Confinement Program is established. The Program
24 shall provide for the housing of misdemeanants from all counties serving sentences imposed for
25 a period of more than 90 days and for all sentences imposed for impaired driving under
26 G.S. 20-138.1, regardless of length. Those misdemeanants shall be confined in local confinement
27 facilities except as provided in subsections (b3) and (b4) of this section. The Program shall
28 address methods for the placement and transportation of inmates and reimbursement to counties
29 for the housing of those inmates. Any county that voluntarily agrees to house misdemeanants
30 from that county or from other counties pursuant to the Program may enter into a written
31 agreement with the Division of ~~Adult Correction and Juvenile Justice Prisons~~ to do so.

32 The North Carolina Sheriffs' Association shall:

33"

34 **SECTION 19B.7.(b)** This section is effective when it becomes law.
35

36 **PART XIX-C. COMMUNITY SUPERVISION**

37 38 **INTERSTATE COMPACT FEES TO SUPPORT TRAINING PROGRAMS AND** 39 **EQUIPMENT PURCHASES SECTIONS**

40 **SECTION 19C.1.(a)** Notwithstanding the provisions of G.S. 148-65.7, fees
41 collected for the Interstate Compact Fund during the 2023-2025 fiscal biennium may be used by
42 the Department of Adult Correction during the 2023-2025 fiscal biennium to provide training
43 programs and equipment purchases for the Division of Community Supervision and Reentry, but
44 only to the extent sufficient funds remain available in the Fund to support the mission of the
45 Interstate Compact Program.

46 **SECTION 19C.1.(b)** No later than October 1 of each fiscal year, the Department of
47 Adult Correction shall report to the Joint Legislative Oversight Committee on Justice and Public
48 Safety on the amount of funds used pursuant to this section and for what purposes the funds were
49 used.
50

MAKE DRUG AND ALCOHOL SCREENING A REGULAR CONDITION OF PROBATION

SECTION 19C.2.(a) G.S. 15A-1343(b) reads as rewritten:

"(b) Regular Conditions. – As regular conditions of probation, a defendant must:

...

(16) ~~Supply a breath, urine, or blood specimen~~ Submit to drug and alcohol screening for analysis of the possible presence of prohibited drugs or alcohol when instructed by the defendant's probation officer for purposes directly related to the probation supervision. If the results of the analysis are positive, the probationer may be required to reimburse the Division of Community Supervision and Reentry of the Department of Adult Correction for the actual costs of drug or alcohol screening and testing.

...

In addition to these regular conditions of probation, a defendant required to serve an active term of imprisonment as a condition of special probation pursuant to G.S. 15A-1344(e) or G.S. 15A-1351(a) shall, as additional regular conditions of probation, obey the rules and regulations of the Division of Prisons of the Department of Adult Correction and, if applicable, the Division of Juvenile Justice of the Department of Public Safety, governing the conduct of inmates while imprisoned and report to a probation officer in the State of North Carolina within 72 hours of his discharge from the active term of imprisonment.

Regular conditions of probation apply to each defendant placed on supervised probation unless the presiding judge specifically exempts the defendant from one or more of the conditions in open court and in the judgment of the court. It is not necessary for the presiding judge to state each regular condition of probation in open court, but the conditions must be set forth in the judgment of the court.

Defendants placed on unsupervised probation are subject to the provisions of this subsection, except that defendants placed on unsupervised probation are not subject to the regular conditions contained in subdivisions (2), (3), (6), (8), (13), (14), (15), (16) and (17) of this subsection."

SECTION 19C.2.(b) This section becomes effective August 1, 2023, and applies to drug and alcohol screening performed on or after that date.

PART XIX-D. REHABILITATION AND REENTRY [RESERVED]**PART XIX-E. PUBLIC SAFETY [RESERVED]****PART XIX-F. DEPARTMENT OF PUBLIC SAFETY ADMINISTRATION****NO TRANSFER OF POSITIONS TO OTHER STATE AGENCIES**

SECTION 19F.1.(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 2023-2025 fiscal biennium unless the transfer was included in the base budget for one or both fiscal years of the biennium.

SECTION 19F.1.(b) This section shall not apply to consolidation of information technology positions into the Department of Information Technology pursuant to G.S. 143B-1325.

ALLOCATION OF GRANT FUNDS TO VARIOUS SHERIFFS' OFFICES AND POLICE DEPARTMENTS

SECTION 19F.2.(a) Of the funds appropriated in this act to the Department of Public Safety in each year of the 2023-2025 fiscal biennium to be used to provide direct grant

1 funds to local law enforcement agencies, nine million dollars (\$9,000,000) of the funds shall be
2 allocated in equal amounts to sheriffs' offices located in counties with a population of fewer than
3 230,000, based upon the 2021 Certified County Population Estimates from the State
4 Demographer in the Office of State Budget and Management as of July 1, 2021.

5 **SECTION 19F.2.(b)** Of the funds appropriated in this act to the Department of
6 Public Safety in each year of the 2023-2025 fiscal biennium to be used to provide direct grant
7 funds to local law enforcement agencies, nine million dollars (\$9,000,000) of the funds shall be
8 allocated in equal amounts to municipal police departments employing at least one, but fewer
9 than 80, full-time sworn law enforcement officers, based upon the data provided by the Criminal
10 Justice Standards Division as of March 10, 2023.

11 **SECTION 19F.2.(c)** Funds provided to local law enforcement agencies pursuant to
12 this section shall be used for one or more of the following:

- 13 (1) Workforce development.
- 14 (2) Officer health.
- 15 (3) Officer safety.

16 **SECTION 19F.2.(d)** Funds provided to local law enforcement agencies pursuant to
17 this section shall be supplemental to and shall not supplant local funding for sheriffs' offices or
18 police departments.

19 20 **COMPETITIVE GRANTS TO SHERIFFS' OFFICES FOR ADDICTION TREATMENT** 21 **IN JAILS**

22 **SECTION 19F.3.(a)** Section 19A.10(f) of S.L. 2021-180 reads as rewritten:

23 **"SECTION 19A.10.(f)** The working group created under subsection (e) of this section shall
24 establish the operational criteria and application process for the grant program created by this
25 section and shall communicate information regarding the grant program to all sheriffs' offices in
26 the State. The working group shall evaluate applications for each of the categories under
27 subsection (b) of this section and may award lower amounts than requested to individual sheriffs'
28 offices in order to assure broader access to funds. The working group may establish protocols for
29 the allotment of funds to assure that funds can be expended efficiently. The working group shall
30 ensure all Federal Drug Administration (FDA)-approved drugs for the treatment of opioid
31 dependence through Medication-Assisted Treatment (MAT) in jails be considered as options for
32 treatment, including, but not limited to, long-acting, injectable medication regimes."

33 **SECTION 19F.3.(b)** This section is effective when it becomes law.

34 35 **MAKE STATE BUREAU OF INVESTIGATION INDEPENDENT DEPARTMENT**

36 **SECTION 19F.4.(a)** The State Bureau of Investigation is established in this section
37 as a single, unified cabinet-level department.

38 **SECTION 19F.4.(b)** G.S. 143B-2 reads as rewritten:

39 **"§ 143B-2. Interim applicability of the Executive Organization Act of 1973.**

40 The Executive Organization Act of 1973 shall be applicable only to the following named
41 departments:

42 ...

43 (13) State Bureau of Investigation."

44 **SECTION 19F.4.(c)** G.S. 143B-6 reads as rewritten:

45 **"§ 143B-6. Principal departments.**

46 In addition to the principal departments enumerated in the Executive Organization Act of
47 1971, all executive and administrative powers, duties, and functions not including those of the
48 General Assembly and its agencies, the General Court of Justice and the administrative agencies
49 created pursuant to Article IV of the Constitution of North Carolina, and higher education
50 previously vested by law in the several State agencies, are vested in the following principal
51 departments:

1 ...
 2 (15) State Bureau of Investigation.
 3 **SECTION 19F.4.(c1)** G.S. 126-5(c1) is amended by adding a new subdivision to
 4 read:

5 "(39) Employees of the State Bureau of Investigation, that the Director of the State
 6 Bureau of Investigation, at any time, in the Director of the State Bureau of
 7 Investigation's discretion, exempts from the application of this Chapter by
 8 means of a letter to the Director of the Office of State Human Resources
 9 designating these employees. The Director of the State Bureau of
 10 Investigation may exempt no more than 10 employees under the authorization
 11 set forth in this subdivision."

12 **SECTION 19F.4.(d)** Chapter 143B of the General Statutes is amended by adding a
 13 new Article to read:

14 "Article 13A.
 15 "State Bureau of Investigation."

16 **SECTION 19F.4.(e)** Article 13A of Chapter 143B of the General Statutes, as enacted
 17 by subsection (d) of this section, is amended by adding a new Part to read:

18 "Part 1. General Provisions."

19 **SECTION 19F.4.(f)** Subpart C of Part 4 of Article 13 of Chapter 143B of the General
 20 Statutes is recodified as Part 1 of Article 13A of Chapter 143B of the General Statutes, as enacted
 21 by subsection (e) of this section, as follows:

<u>Former Citation</u>	<u>Recodified Citation</u>
22 143B-915	143B-1208.1
23 143B-916	143B-1208.2
24 143B-917	143B-1208.3
25 143B-918	143B-1208.4
26 143B-919	143B-1208.5
27 143B-920	143B-1208.6
28 143B-921	143B-1208.7
29 143B-922	143B-1208.8
30 143B-923	143B-1208.9
31 143B-924	143B-1208.10
32 143B-925	143B-1208.11
33 143B-926	143B-1208.12
34 143B-927	143B-1208.13
35 143B-929	143B-1208.14

36 **SECTION 19F.4.(g)** Part 1 of Article 13A of Chapter 143B of the General Statutes,
 37 as enacted by subsections (d) and (e) of this section, reads as rewritten:

38 "Article 13A.
 39 "State Bureau of Investigation.
 40 "Part 1. General Provisions.

41 **"§ 143B-1208.1. Bureau of Investigation created; powers and duties.**

42 In order to secure a more effective administration of the criminal laws of the State, to prevent
 43 crime, and to procure the speedy apprehension of criminals, there is established the State Bureau
 44 of Investigation, which shall be administratively located in the Department of Public Safety. The
 45 Bureau shall be an independent agency under the direction and supervision of Investigation. The
 46 head of the Bureau is the Director, who shall serve as chief executive officer of the Bureau and
 47 shall be solely responsible for all management functions. Notwithstanding any provisions to the
 48 contrary, the Director shall have such authority as is necessary to direct and oversee the Bureau,
 49 and may delegate any duties and responsibilities necessary to ensure the proper management of
 50 the Bureau. The Department of Public Safety shall provide administrative support to the Bureau.
 51

1 The State Bureau of Investigation shall have charge of and administer the agencies and activities
2 herein set up for the identification of criminals, for their apprehension, and investigation and
3 preparation of evidence to be used in criminal courts; and the said Bureau shall have charge of
4 investigation of criminal matters herein especially mentioned, and of such other crimes and
5 criminal procedure as the Governor may direct.

6 In the personnel of the Bureau shall be included a sufficient number of persons of training
7 and skill in the investigation of crime and in the preparation of evidence as to be of service to
8 local enforcement officers, under the direction of the Governor, in criminal matters of major
9 importance.

10 ...

11 **"§ 143B-1208.4. Transfer of personnel.**

12 The Director of the State Bureau of Investigation shall have authority to transfer members of
13 the Bureau from one locality in the State to another as ~~he~~the Director may deem necessary. When
14 any member of the State Bureau of Investigation is transferred from one point to another for the
15 convenience of the State, or otherwise than upon the request of the employee, the Bureau shall
16 be responsible for transporting the household goods, furniture, and personal effects of the
17 employee and members of his household.

18 **"§ 143B-1208.5. Investigations of lynchings, election frauds, etc.; services subject to call of
19 Governor; witness fees and mileage for employees.**

20 (a) The Bureau shall, upon request of the Governor, investigate and prepare evidence in
21 the event of any lynching or mob violence in the State; shall investigate all cases arising from
22 frauds in connection with elections when requested to do so by the Board of Elections, and when
23 so directed by the Governor. Such investigation, however, shall in nowise interfere with the
24 power of the Attorney General to make such investigation as the Attorney General is authorized
25 to make under the laws of the State. The Bureau is authorized further, at the request of the
26 Governor, to investigate cases of frauds arising under the Social Security Laws of the State, of
27 violations of the gaming laws, and lottery laws, and matters of similar kind when called upon by
28 the Governor so to do. In all such cases it shall be the duty of the ~~Department~~Bureau to keep
29 such records as may be necessary and to prepare evidence in the cases investigated, for the use
30 of enforcement officers and for the trial of causes. The services of employees of the Bureau may
31 be required by the Governor in connection with the investigation of any crime committed
32 anywhere in the State when called upon by the enforcement officers of the State, and when, in
33 the judgment of the Governor, such services may be rendered with advantage to the enforcement
34 of the criminal law. The State Bureau of Investigation is hereby authorized to investigate without
35 request the attempted arson of, or arson of, damage of, theft from, or theft of, or misuse of, any
36 State-owned personal property, buildings, or other real property or any assault upon or threats
37 against any legislative officer named in G.S. 147-2(1), (2), or (3), any executive officer named
38 in G.S. 147-3(c), or any court officer as defined in G.S. 14-16.10(1).

39 ...

40 **"§ 143B-1208.12. Appointment and term of the Director of the State Bureau of
41 Investigation.**

42 ...

43 (b) The Director may be removed from office ~~only~~by the Governor~~Governor, or upon a~~
44 three-fifths vote of the membership of the Senate and House of Representatives present and
45 voting, and solely for the grounds set forth in G.S. 143B-13(b), (c), and (d). In case of a vacancy
46 in the office of the Director of the State Bureau of Investigation for any reason prior to the
47 expiration of the Director's term of office, the name of the Director's successor shall be submitted
48 by the Governor to the General Assembly not later than 60 days after the vacancy arises. If a
49 vacancy arises in the office when the General Assembly is not in session, an acting Director shall
50 be appointed by the Governor to serve pending confirmation by the General Assembly. However,
51 in no event shall an acting Director serve (i) for more than 12 months without General Assembly

1 confirmation or (ii) after a bill that would confirm the appointment of the person as Director fails
 2 a reading in either chamber of the General Assembly.

3 **"§ 143B-1208.13. Personnel of the State Bureau of Investigation.**

4 The Director of the State Bureau of Investigation may appoint a sufficient number of
 5 assistants who shall be competent and qualified to do the work of the Bureau. The Director shall
 6 be responsible for making all hiring and personnel decisions of the Bureau. ~~Notwithstanding the~~
 7 ~~provisions of this Chapter or Chapter 143A of the General Statutes, the Director may hire or fire~~
 8 ~~personnel and transfer personnel within the Bureau.~~

9 **"§ 143B-1208.14. Operation and management of Information Sharing and Analysis Center.**

10 The State Bureau of Investigation shall operate and manage the Information Sharing and
 11 Analysis Center, and its operation and management shall be under the sole direction and control
 12 of the Director of the State Bureau of Investigation. The Information Sharing and Analysis Center
 13 is authorized to analyze information related to any threat of violence to the safety of any
 14 individual associated with (i) an educational property as defined in G.S. 14-269.2 or (ii) a place
 15 of worship as defined in G.S. 14-54.1. The Information Sharing and Analysis Center shall
 16 promptly notify the sheriff and local law enforcement agency with jurisdiction if (i) a threat is
 17 determined to be credible and (ii) the location of the educational property or place of worship
 18 associated with the threat, or the location of any individual suspected of creating the threat, is
 19 ascertained. The Director of the State Bureau of Investigation and other sworn law enforcement
 20 officers of the State Bureau of Investigation may give assistance to sheriffs and police officers
 21 when called upon by them and so directed, as provided in ~~G.S. 143B-917~~ G.S. 143B-1208.3."

22 **SECTION 19F.4.(h)** Article 13A of Chapter 143B of the General Statutes, as
 23 enacted by subsection (d) of this section, is amended by adding a new Part to read:

24 "Part 3. Criminal History Record Checks."

25 **SECTION 19F.4.(i)** Subpart D of Part 4 of Article 13 of Chapter 143B of the General
 26 Statutes is recodified as Part 3 of Article 13A of Chapter 143B of the General Statutes, as enacted
 27 by subsection (e) of this section, as follows:

<u>Former Citation</u>	<u>Recodified Citation</u>
28 143B-930	143B-1209.10
29 143B-931	143B-1209.11
30 143B-932	143B-1209.12
31 143B-933	143B-1209.13
32 143B-934	143B-1209.14
33 143B-935	143B-1209.15
34 143B-935.1	143B-1209.16
35 143B-936	143B-1209.17
36 143B-937	143B-1209.18
37 143B-938	143B-1209.19
38 143B-939	143B-1209.20
39 143B-940	143B-1209.21
40 143B-941	143B-1209.22
41 143B-942	143B-1209.23
42 143B-943	143B-1209.24
43 143B-944	143B-1209.25
44 143B-945	143B-1209.26
45 143B-946	143B-1209.27
46 143B-947	143B-1209.28
47 143B-948	143B-1209.29
48 143B-949	143B-1209.30
49 143B-950	143B-1209.31
50 143B-951	143B-1209.32

1	143B-952	143B-1209.33
2	143B-953	143B-1209.34
3	143B-954	143B-1209.35
4	143B-955	143B-1209.36
5	143B-956	143B-1209.37
6	143B-957	143B-1209.38
7	143B-958	143B-1209.39
8	143B-959	143B-1209.40
9	143B-960	143B-1209.41
10	143B-961	143B-1209.42
11	143B-962	143B-1209.43
12	143B-963	143B-1209.44
13	143B-964	143B-1209.45
14	143B-965	143B-1209.46
15	143B-966	143B-1209.47
16	143B-967	143B-1209.48
17	143B-968	143B-1209.49
18	143B-969	143B-1209.50
19	143B-970	143B-1209.51
20	143B-971	143B-1209.52
21	143B-972	143B-1209.53
22	143B-972.1	143B-1209.54
23	143B-973	143B-1209.55
24	143B-974	143B-1209.56
25	143B-976	143B-1209.57
26	143B-981	143B-1209.58

27 **SECTION 19F.4.(j)** Part 3 of Article 13A of Chapter 143B of the General Statutes,
 28 as enacted by subsections (d) and (h) of this section, reads as rewritten:

29 "Part 3. Criminal History Record Checks.

30 **"§ 143B-1209.09. Definition.**

31 For purposes of this Part, the term "Bureau" means the State Bureau of Investigation.

32 **"§ 143B-1209.10. Criminal history background investigations; fees.**

33 (a) When the ~~Department of Public Safety~~ State Bureau of Investigation determines that
 34 any person is entitled by law to receive information, including criminal records, from the ~~State~~
 35 ~~Bureau of Investigation, Bureau,~~ for any purpose other than the administration of criminal justice,
 36 the ~~State Bureau of Investigation~~ shall charge the recipient of such information a reasonable fee
 37 for retrieving such information. The fee authorized by this section shall not exceed the actual cost
 38 of storing, maintaining, locating, editing, researching and retrieving the information, and ~~may~~
 39 shall be budgeted for the support of the State Bureau of Investigation. Bureau.

40 ...

41 (c) In providing criminal history record checks, the ~~Department of Public Safety~~ Bureau
 42 shall process requests in the following priority order:

- 43 (1) Administration of criminal justice record checks,
- 44 (2) Mandatory noncriminal justice criminal history record checks,
- 45 (3) Voluntary noncriminal justice criminal history record checks.

46 (d) Nothing in this section shall be construed as enlarging any right to receive any record
 47 of the ~~State Bureau of Investigation. Bureau.~~ Such rights are and shall be controlled by
 48 ~~G.S. 143B-919, 143B-906, G.S. 143B-906, 143B-1208.5, 120-19.4A,~~ and other applicable
 49 statutes.

50 **"§ 143B-1209.11. Criminal record checks of school personnel.**

1 (a) The ~~Department of Public Safety~~ State Bureau of Investigation may provide a
2 criminal record check to the local board of education of a person who is employed in a public
3 school in that local school district or of a person who has applied for employment in a public
4 school in that local school district, if the employee or applicant consents to the record check. The
5 ~~Department Bureau~~ may also provide a criminal record check of school personnel as defined in
6 G.S. 115C-332 by fingerprint card to the local board of education from National Repositories of
7 Criminal Histories, in accordance with G.S. 115C-332. The information shall be kept
8 confidential by the local board of education as provided in Article 21A of Chapter 115C of the
9 General Statutes.

10 (b) The ~~Department of Public Safety~~ Bureau may provide a criminal history record check
11 to the board of directors of a regional school of a person who is employed at a regional school or
12 of a person who has applied for employment at a regional school if the employee or applicant
13 consents to the record check. The ~~Department Bureau~~ may also provide a criminal history record
14 check of school personnel as defined in G.S. 115C-238.73 by fingerprint card to the board of
15 directors of the regional school from the National Repositories of Criminal Histories, in
16 accordance with G.S. 115C-238.73. The information shall be kept confidential by the board of
17 directors of the regional school as provided in G.S. 115C-238.73.

18 (b1) The ~~Department of Public Safety~~ Bureau may provide a criminal history record check
19 to the chancellor operating a University of North Carolina laboratory school of a person who is
20 employed at a laboratory school or of a person who has applied for employment at a laboratory
21 school if the employee or applicant consents to the record check. The ~~Department Bureau~~ may
22 also provide a criminal history record check of school personnel, as defined in G.S. 116-239.12,
23 by fingerprint card to the chancellor operating the laboratory school from the National
24 Repositories of Criminal Histories, in accordance with G.S. 116-239.12. The information shall
25 be kept confidential by the chancellor operating the laboratory school as provided in
26 G.S. 116-239.12.

27 (c) The ~~Department of Public Safety~~ Bureau may provide a criminal record check to the
28 employer of a person who is employed in a nonpublic school or of a person who has applied for
29 employment in a nonpublic school, if the employee or applicant consents to the record check.
30 For purposes of this subsection, the term nonpublic school is one that is subject to the provisions
31 of Article 39 of Chapter 115C of the General Statutes, but does not include a home school as
32 defined in that Article.

33 (d) The ~~Department of Public Safety~~ Bureau shall charge a reasonable fee for conducting
34 a criminal record check under this section. The fee shall not exceed the actual cost of locating,
35 editing, researching, and retrieving the information.

36 (e) The ~~Department of Public Safety~~ Bureau may provide a criminal record check to the
37 schools within the Department of Health and Human Services of a person who is employed,
38 applies for employment, or applies to be selected as a volunteer, if the employee or applicant
39 consents to the record check. The Department of Health and Human Services shall keep all
40 information pursuant to this subsection confidential, as provided in Article 7 of Chapter 126 of
41 the General Statutes.

42 (f) The ~~Department of Public Safety~~ Bureau shall adopt rules to implement this section.

43 **"§ 143B-1209.12. Criminal record checks of providers of treatment for or services to**
44 **children, the elderly, mental health patients, the sick, and the disabled.**

45 (a) Authority. – The ~~Department of Public Safety~~ State Bureau of Investigation may
46 provide to any of the following entities a criminal record check of an individual who is employed
47 by that entity, has applied for employment with that entity, or has volunteered to provide direct
48 care on behalf of that entity:

- 49 (1) Hospitals licensed under Chapter 131E of the General Statutes.
- 50 (2) Hospices licensed under Chapter 131E of the General Statutes.
- 51 (3) Child placing agencies licensed under Chapter 131D of the General Statutes.

- 1 (4) Residential child care facilities licensed under Chapter 131D of the General
2 Statutes.
3 (5) Hospitals licensed under Chapter 122C of the General Statutes.
4 (6) Licensed child care facilities and nonlicensed child care homes regulated by
5 the State.
6 (7) Any other organization or corporation, whether for profit or nonprofit, that
7 provides direct care or services to children, the sick, the disabled, or the
8 elderly.

9 (b) Procedure. – A criminal record check may be conducted by using an individual's
10 fingerprint or any information required by the ~~Department of Public Safety Bureau~~ to identify
11 that individual. A criminal record check shall be provided only if the individual whose record is
12 checked consents to the record check. The information shall be kept confidential by the entity
13 that receives the information. Upon the disclosure of confidential information under this section
14 by the entity, the ~~Department Bureau~~ may refuse to provide further criminal record checks to that
15 entity.

16 (c) Foster or Adoptive Parent. – The ~~Department of Public Safety Bureau~~, at the request
17 of a child placing agency licensed under Chapter 131D of the General Statutes or a local
18 department of social services, may provide a criminal record check of a prospective foster care
19 or adoptive parent if the prospective parent consents to the record check. The information shall
20 be kept confidential and upon the disclosure of confidential information under this section by the
21 agency or department, the ~~Department Bureau~~ may refuse to provide further criminal record
22 checks to that agency or department.

23 (d) Fee. – The ~~Department Bureau~~ may charge a fee to offset the cost incurred by it to
24 conduct a criminal record check under this section. The fee may not exceed fourteen dollars
25 (\$14.00).

26 **"§ 143B-1209.13. Criminal record checks for foster care.**

27 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the Division
28 of Social Services, Department of Health and Human Services, the criminal history from the
29 State and National Repositories of Criminal Histories as defined in G.S. 131D-10.2(6a). The
30 Division shall provide to the ~~Department of Public Safety Bureau~~, along with the request, the
31 fingerprints of the individual to be checked, any additional information required by the
32 ~~Department of Public Safety Bureau~~, and a form consenting to the check of the criminal record
33 and to the use of fingerprints and other identifying information required by the State or National
34 Repositories signed by the individual to be checked. The fingerprints of the individual shall be
35 ~~forwarded to the State Bureau of Investigation used~~ for a search of the State's criminal history
36 record file, and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal
37 Bureau of Investigation for a national criminal history record check. The Division shall keep all
38 information pursuant to this section privileged, as provided in G.S. 131D-10.3A(g). The
39 ~~Department of Public Safety Bureau~~ shall charge a reasonable fee only for conducting the checks
40 of the national criminal history records authorized by this section.

41 **"§ 143B-1209.14. Criminal record checks of child care providers.**

42 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the Division
43 of Child Development, Department of Health and Human Services, the criminal history from the
44 State and National Repositories of Criminal Histories in accordance with G.S. 110-90.2, of any
45 child care provider, as defined in G.S. 110-90.2. The Division shall provide to the ~~Department~~
46 Bureau of Public Safety, along with the request, the fingerprints of the provider to be checked,
47 any additional information required by the ~~Department of Public Safety Bureau~~, and a form
48 consenting to the check of the criminal record and to the use of fingerprints and other identifying
49 information required by the State or National Repositories signed by the child care provider to
50 be checked. The Division shall keep all information pursuant to this section privileged, as
51 provided in G.S. 110-90.2(e). The ~~Department of Public Safety Bureau~~ shall charge a reasonable

1 fee only for conducting the checks of the national criminal history records authorized by this
2 section.

3 **"§ 143B-1209.15. Criminal history record checks of employees of and applicants for**
4 **employment with the Department of Health and Human Services, and the**
5 **Division of Juvenile Justice of the Department of Public Safety.**

6 (a) Definitions. – As used in this section, the term:

7 (1) "Covered person" means any of the following:

- 8 a. An applicant for employment or a current employee in a position in
9 the Division of Juvenile Justice of the Department of Public Safety
10 who provides direct care for a client, patient, student, resident or ward
11 of the Division.
12 b. A person who supervises positions in the Division of Juvenile Justice
13 of the Department of Public Safety providing direct care for a client,
14 patient, student, resident or ward of the Division.
15 c. An applicant for employment or a current employee in a position in
16 the Department of Health and Human Services.
17 d. An independent contractor or an employee of an independent
18 contractor that has contracted to provide services to the Department of
19 Health and Human Services.
20 e. A person who has been approved to perform volunteer services for the
21 Department of Health and Human Services.
22 f. An independent contractor or an employee of an independent
23 contractor who has contracted with the Division of Juvenile Justice of
24 the Department of Public Safety to provide direct care for a client,
25 patient, student, resident, or ward of the Division.
26 g. A person who has been approved to perform volunteer services in or
27 for the Division of Juvenile Justice of the Department of Public Safety
28 to provide direct care for a client, patient, student, resident, or ward of
29 the Division.

30 (2) "Criminal history" means a State or federal history of conviction of a crime,
31 whether a misdemeanor or felony, that bears upon a covered person's fitness
32 for employment in the Department of Health and Human Services or the
33 Division of Juvenile Justice of the Department of Public Safety. The crimes
34 include, but are not limited to, criminal offenses as set forth in any of the
35 following Articles of Chapter 14 of the General Statutes: Article 5,
36 Counterfeiting and Issuing Monetary Substitutes; Article 5A, Endangering
37 Executive and Legislative Officers; Article 6, Homicide; Article 7B, Rape and
38 Other Sex Offenses; Article 8, Assaults; Article 10, Kidnapping and
39 Abduction; Article 13, Malicious Injury or Damage by Use of Explosive or
40 Incendiary Device or Material; Article 14, Burglary and Other
41 Housebreakings; Article 15, Arson and Other Burnings; Article 16, Larceny;
42 Article 17, Robbery; Article 18, Embezzlement; Article 19, False Pretenses
43 and Cheats; Article 19A, Obtaining Property or Services by False or
44 Fraudulent Use of Credit Device or Other Means; Article 19B, Financial
45 Transaction Card Crime Act; Article 20, Frauds; Article 21, Forgery; Article
46 26, Offenses Against Public Morality and Decency; Article 26A, Adult
47 Establishments; Article 27, Prostitution; Article 28, Perjury; Article 29,
48 Bribery; Article 31, Misconduct in Public Office; Article 35, Offenses Against
49 the Public Peace; Article 36A, Riots, Civil Disorders, and Emergencies;
50 Article 39, Protection of Minors; Article 40, Protection of the Family; Article
51 59, Public Intoxication; and Article 60, Computer-Related Crime. The crimes

1 also include possession or sale of drugs in violation of the North Carolina
2 Controlled Substances Act, Article 5 of Chapter 90 of the General Statutes,
3 and alcohol-related offenses such as sale to underage persons in violation of
4 G.S. 18B-302, or driving while impaired in violation of G.S. 20-138.1 through
5 G.S. 20-138.5.

6 (b) When requested by the Department of Health and Human Services or the Division of
7 Juvenile Justice of the Department of Public Safety, the ~~North Carolina Department of Public~~
8 ~~Safety State Bureau of Investigation~~ may provide to the requesting department or division a
9 covered person's criminal history from the State Repository of Criminal Histories. Such requests
10 shall not be due to a person's age, sex, race, color, national origin, religion, creed, political
11 affiliation, or handicapping condition as defined by G.S. 168A-3. For requests for a State
12 criminal history record check only, the requesting department or division shall provide to the
13 ~~Department of Public Safety Bureau~~ a form consenting to the check signed by the covered person
14 to be checked and any additional information required by the ~~Department of Public Safety-~~
15 ~~Bureau~~ National criminal record checks are authorized for covered applicants who have not
16 resided in the State of North Carolina during the past five years. For national checks the
17 Department of Health and Human Services or the Division of Juvenile Justice of the Department
18 of Public Safety shall provide to the ~~North Carolina Department of Public Safety Bureau~~ the
19 fingerprints of the covered person to be checked, any additional information required by the
20 ~~Department of Public Safety, Bureau,~~ and a form signed by the covered person to be checked
21 consenting to the check of the criminal record and to the use of fingerprints and other identifying
22 information required by the State or National Repositories. The fingerprints of the individual
23 shall be ~~forwarded to the State Bureau of Investigation used~~ for a search of the State criminal
24 history record file and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the
25 Federal Bureau of Investigation for a national criminal history record check. The Department of
26 Health and Human Services and the Division of Juvenile Justice of the Department of Public
27 Safety shall keep all information pursuant to this section confidential. The ~~Department of Public~~
28 ~~Safety Bureau~~ shall charge a reasonable fee for conducting the checks of the criminal history
29 records authorized by this section.

30 (c) All releases of criminal history information to the Department of Health and Human
31 Services or the Division of Juvenile Justice of the Department of Public Safety shall be subject
32 to, and in compliance with, rules governing the dissemination of criminal history record checks
33 as adopted by the ~~North Carolina Department of Public Safety Bureau~~. All of the information
34 either department receives through the checking of the criminal history is privileged information
35 and for the exclusive use of that department.

36 ...
37 **"§ 143B-1209.16. Criminal record checks of applicants and current employees who access**
38 **federal tax information.**

39 (a) The ~~Department of Public Safety State Bureau of Investigation~~ may, upon request,
40 provide to the Division of Social Services or Division of Health Benefits within the Department
41 of Health and Human Services or a county agency the criminal history from the State and
42 National Repositories of Criminal Histories of the following individuals if the individual is
43 permitted, or will be permitted, to access federal tax information:

- 44 (1) An applicant for employment.
- 45 (2) A current employee.
- 46 (3) A contractual employee or applicant.
- 47 (4) An employee of a contractor.

48 (b) Along with the request, the requesting agency shall provide the following to the
49 ~~Department of Public Safety Bureau~~:

- 50 (1) The fingerprints of the person who is the subject of the record check.

- 1 (2) A form signed by the person who is the subject of the record check consenting
2 to:
3 a. The criminal record check.
4 b. The use of fingerprints.
5 c. Any other identifying information required by the State and National
6 Repositories.
7 d. Any additional information required by the Department of Public
8 Safety.

9 (c) The fingerprints shall be ~~forwarded to the State Bureau of Investigation used~~ for a
10 search of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall
11 forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history
12 record check.

13 (d) The requesting agency shall keep all information obtained pursuant to this section
14 confidential.

15 (e) The ~~Department of Public Safety Bureau~~ may charge a fee to offset the cost incurred
16 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
17 cost of locating, editing, researching, and retrieving the information.

18 **"§ 143B-1209.17. Criminal record checks required prior to placement for adoption of a**
19 **minor who is in the custody or placement responsibility of a county department**
20 **of social services.**

21 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the Division
22 of Social Services, Department of Health and Human Services, the criminal history from the
23 State and National Repositories of Criminal Histories as defined in G.S. 48-1-101(5a). The
24 Division shall provide to the ~~Department of Public Safety Bureau~~, along with the request, the
25 fingerprints of any individual to be checked, any additional information required by the
26 ~~Department of Public Safety Bureau~~, and a form consenting to the check of the criminal record
27 and to the use of fingerprints and other identifying information required by the State or National
28 Repositories signed by the individual to be checked. The fingerprints of the individual shall be
29 ~~forwarded to the State Bureau of Investigation used~~ for a search of the State's criminal history
30 record file, and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal
31 Bureau of Investigation for a national criminal history record check. The Division shall keep all
32 information pursuant to this section privileged, as provided in G.S. 48-3-309(f). The ~~Department~~
33 ~~of Public Safety Bureau~~ shall charge a reasonable fee only for conducting the checks of the
34 national criminal history records authorized by this section.

35 **"§ 143B-1209.18. Criminal record checks of applicants for auctioneer, apprentice**
36 **auctioneer, or auction firm license.**

37 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the North
38 Carolina Auctioneers Commission from the State and National Repositories of Criminal
39 Histories the criminal history of any applicant for an auctioneer's license under Chapter 85B of
40 the General Statutes. Along with the request, the Commission shall provide to the ~~Department of~~
41 ~~Public Safety Bureau~~ the fingerprints of the applicant, a form signed by the applicant consenting
42 to the criminal record check and the use of fingerprints and other identifying information required
43 by the State or National Repositories, and any additional information required by the ~~Department~~
44 ~~of Public Safety Bureau~~. The applicant's fingerprints shall be ~~forwarded to the State Bureau of~~
45 ~~Investigation used~~ for a check of the State's criminal history record file, and the ~~State Bureau of~~
46 ~~Investigation~~ shall forward a set of fingerprints to the Federal Bureau of Investigation for a
47 national criminal history record check. The Commission shall keep all information obtained
48 pursuant to this section confidential. ~~Department of Public Safety The Bureau~~ may charge a fee
49 to offset the cost incurred by it to conduct a criminal record check under this section. The fee
50 shall not exceed the actual cost of locating, editing, researching, and retrieving the information.

51 **"§ 143B-1209.19. Criminal record checks of McGruff House Program volunteers.**

1 (a) Authority. – The ~~Department of Public Safety~~ State Bureau of Investigation and the
2 Federal Bureau of Investigation may provide to any local law enforcement agency a criminal
3 record check of any individual who applies as a volunteer for the McGruff House Program in
4 that community and a criminal record check of all persons 18 years of age or older who live in
5 the applying household. The North Carolina criminal record check may also be done by a
6 certified DCI operator within the local law enforcement agency.

7 (b) Procedure. – A criminal record check must be conducted by using an individual's
8 fingerprints and all identification information required by the ~~Department of Public Safety~~ State
9 Bureau of Investigation to identify that individual. A criminal record check shall be provided
10 only if: (i) the individual whose record is checked consents to the record check, and (ii) every
11 individual who is 18 years of age or older who lives in the household also consents to the record
12 check. Refusal to give consent is considered withdrawal of the application. The information shall
13 be kept confidential by the local law enforcement agency that receives the information. If the
14 confidential information is disclosed under this section, the ~~Department~~ State Bureau of
15 Investigation may refuse to provide further criminal record checks to that local law enforcement
16 agency.

17 **"§ 143B-1209.20. Criminal record checks for adult care homes, nursing homes, home care**
18 **agencies, and providers of mental health, developmental disabilities, and**
19 **substance abuse services.**

20 The ~~Department of Public Safety~~ State Bureau of Investigation may provide to the following
21 entities the criminal history from the State and National Repositories of Criminal Histories:

- 22 (1) Nursing homes or combination homes licensed under Chapter 131E of the
23 General Statutes.
- 24 (2) Adult care homes licensed under Chapter 131D of the General Statutes.
- 25 (3) Home care agencies licensed under Chapter 131E of the General Statutes.
- 26 (4) Providers licensed under Chapter 122C of the General Statutes, including a
27 contract agency of a provider that is subject to the provisions of Article 4 of
28 that Chapter.

29 The criminal history shall be provided to nursing homes and home care agencies in
30 accordance with G.S. 131E-265, to adult care homes in accordance with G.S. 131D-40, and to a
31 provider in accordance with G.S. 122C-80. The requesting entity shall provide to the ~~Department~~
32 ~~of Public Safety, Bureau,~~ along with the request, the fingerprints of the individual to be checked
33 if a national criminal history record check is required, any additional information required by the
34 ~~Department of Public Safety, Bureau,~~ and a form signed by the individual to be checked
35 consenting to the check of the criminal record and to the use of fingerprints and other identifying
36 information required by the State or National Repositories of Criminal Histories. If a national
37 criminal history record check is required, the fingerprints of the individual shall be ~~forwarded to~~
38 ~~the State Bureau of Investigation~~ used for a search of the State's criminal history record file, and
39 the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal Bureau of
40 Investigation for a national criminal history record check. All information received by the entity
41 shall be kept confidential in accordance with G.S. 131E-265, 131D-40, and 122C-80, as
42 applicable. The ~~Department of Public Safety Bureau~~ shall charge a reasonable fee for conducting
43 the checks authorized by this section. The fee for the State check may not exceed fourteen dollars
44 (\$14.00).

45 **"§ 143B-1209.21. Criminal record checks of applicants for licensure as registered nurses**
46 **or licensed practical nurses.**

47 The ~~Department of Public Safety~~ State Bureau of Investigation may provide to the North
48 Carolina Board of Nursing from the State and National Repositories of Criminal Histories the
49 criminal history of any applicant for licensure as a registered nurse or licensed practical nurse
50 under Article 9A of Chapter 90 of the General Statutes. Along with the request, the Board shall
51 provide to the ~~Department of Public Safety~~ Bureau the fingerprints of the applicant, a form signed

1 by the applicant consenting to the criminal record check and use of fingerprints and other
2 identifying information required by the State and National Repositories, and any additional
3 information required by the ~~Department of Public Safety Bureau~~. The applicant's fingerprints
4 shall be ~~forwarded to the State Bureau of Investigation~~ used for a search of the State's criminal
5 history record file and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the
6 Federal Bureau of Investigation for a national criminal history record check. The Board shall
7 keep all information obtained pursuant to this section confidential. The ~~Department of Public~~
8 ~~Safety Bureau~~ may charge a fee to offset the cost incurred by it to conduct a criminal record
9 check under this section. The fee shall not exceed the actual cost of locating, editing, researching,
10 and retrieving the information.

11 **"§ 143B-1209.22. Criminal record checks of applicants for registration, certification, or**
12 **licensure as a substance abuse professional.**

13 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the North
14 Carolina Substance Abuse Professional Practice Board from the State and National Repositories
15 of Criminal Histories the criminal history of any applicant for registration, certification, or
16 licensure pursuant to Article 5C of Chapter 90 of the General Statutes. Along with the request,
17 the Board shall provide to the ~~Department of Public Safety Bureau~~ the fingerprints of the
18 applicant, a form signed by the applicant consenting to the criminal record check and use of
19 fingerprints and other identifying information required by the State and National Repositories,
20 and any additional information required by the ~~Department of Public Safety Bureau~~. The
21 applicant's fingerprints shall be ~~forwarded to the State Bureau of Investigation~~ used for a search
22 of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall forward a
23 set of fingerprints to the Federal Bureau of Investigation for a national criminal history record
24 check. The Board shall keep all information obtained pursuant to this section confidential. The
25 ~~Department of Public Safety Bureau~~ may charge a fee to offset the cost incurred by it to conduct
26 a criminal record check under this section. The fee shall not exceed the actual cost of locating,
27 editing, researching, and retrieving the information.

28 **"§ 143B-1209.23. Criminal record checks of applicants for licensure as massage and**
29 **bodywork therapists.**

30 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the North
31 Carolina Board of Massage and Bodywork Therapy from the State and National Repositories of
32 Criminal Histories the criminal history of any applicant for licensure pursuant to Article 36 of
33 Chapter 90 of the General Statutes. Along with the request, the Board shall provide to the
34 ~~Department of Public Safety Bureau~~ the fingerprints of the applicant, a form signed by the
35 applicant consenting to the criminal record check and use of fingerprints and other identifying
36 information required by the State and National Repositories, and any additional information
37 required by the ~~Department of Public Safety Bureau~~. The applicant's fingerprints shall be
38 ~~forwarded to the State Bureau of Investigation~~ used for a search of the State's criminal history
39 record file, and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal
40 Bureau of Investigation for a national criminal history record check. The Board shall keep all
41 information obtained pursuant to this section confidential. ~~Department of Public Safety The~~
42 ~~Bureau~~ may charge a fee to offset the cost incurred by it to conduct a criminal record check under
43 this section. The fee shall not exceed the actual cost of locating, editing, researching, and
44 retrieving the information.

45 **"§ 143B-1209.24. Criminal history record checks of applicants to and current members of**
46 **fire departments and emergency medical services.**

47 (a) Definitions. – The following definitions apply in this section:

- 48 (1) Applicant. – A person who applies for a paid or volunteer position with a fire
49 department or an emergency medical service.
50 (2) Criminal history. – A State or federal history of conviction of a crime, whether
51 a misdemeanor or felony, that bears upon a covered person's fitness for

1 holding a paid or volunteer position with a fire department. The crimes
2 include, but are not limited to, criminal offenses as set forth in any of the
3 following Articles of Chapter 14 of the General Statutes: Article 5,
4 Counterfeiting and Issuing Monetary Substitutes; Article 5A, Endangering
5 Executive, Legislative, and Court Officers; Article 6, Homicide; Article 7B,
6 Rape and Other Sex Offenses; Article 8, Assaults; Article 10, Kidnapping and
7 Abduction; Article 13, Malicious Injury or Damage by Use of Explosive or
8 Incendiary Device or Material; Article 14, Burglary and Other
9 Housebreakings; Article 15, Arson and Other Burnings; Article 16, Larceny;
10 Article 17, Robbery; Article 18, Embezzlement; Article 19, False Pretenses
11 and Cheats; Article 19A, Obtaining Property or Services by False or
12 Fraudulent Use of Credit Device or Other Means; Article 19B, Financial
13 Transaction Card Crime Act; Article 20, Frauds; Article 21, Forgery; Article
14 22, Damages and Other Offenses to Land and Fixtures; Article 26, Offenses
15 Against Public Morality and Decency; Article 26A, Adult Establishments;
16 Article 27, Prostitution; Article 28, Perjury; Article 29, Bribery; Article 31,
17 Misconduct in Public Office; Article 35, Offenses Against the Public Peace;
18 Article 36A, Riots, Civil Disorders, and Emergencies; Article 39, Protection
19 of Minors; Article 40, Protection of the Family; Article 59, Public
20 Intoxication; and Article 60, Computer-Related Crime. The crimes also
21 include possession or sale of drugs in violation of the North Carolina
22 Controlled Substances Act, Article 5 of Chapter 90 of the General Statutes,
23 and alcohol-related offenses such as sale to underage persons in violation of
24 G.S. 18B-302, or driving while impaired in violation of G.S. 20-138.1 through
25 G.S. 20-138.5.

26 (3) Current member. – A person who serves in a paid or volunteer position with
27 a fire department or an emergency medical service.

28 (b) When requested by a designated local Homeland Security director, a local fire chief
29 of a rated fire department, a county fire marshal, an emergency services director, or if there is no
30 designated local Homeland Security director, local fire chief of a rated fire department, county
31 fire marshal, or emergency services director, when requested by a local law enforcement agency,
32 ~~the North Carolina Department of Public Safety~~ State Bureau of Investigation may provide to the
33 requesting director, chief, marshal, or agency an applicant's or current member's criminal history
34 from the State and National Repositories of Criminal Histories. The local Homeland Security
35 director, local fire chief, marshal, director, or local law enforcement agency shall provide to the
36 ~~North Carolina Department of Public Safety~~ Bureau the fingerprints of the applicant to be
37 checked, any additional information required by the ~~Department of Public Safety,~~ Bureau, and a
38 form signed by the applicant to be checked consenting to the (i) check of the criminal record and
39 (ii) use of fingerprints and other identifying information required by the State or National
40 Repositories. The fingerprints of the individual shall be ~~forwarded to the State Bureau of~~
41 ~~Investigation~~ used for a search of the State criminal history record file, and the ~~State Bureau of~~
42 ~~Investigation~~ shall forward a set of fingerprints to the Federal Bureau of Investigation for a
43 national criminal history record check. The local Homeland Security director, local fire chief,
44 county fire marshal, emergency services director, or local law enforcement agency shall keep all
45 information pursuant to this section confidential. The ~~Department of Public Safety~~ Bureau shall
46 charge a reasonable fee for conducting the checks of the criminal history records authorized by
47 this section. The requesting local Homeland Security director, local fire chief, county fire
48 marshal, or local law enforcement agency may charge an applicant or current member the fee
49 amount charged by the ~~Department of Public Safety~~ Bureau for the criminal history record check
50 of the applicant or current member.

1 (c) All releases of criminal history information to the local Homeland Security director,
2 local fire chief, county fire marshal, emergency services director, or local law enforcement
3 agency shall be subject to, and in compliance with, rules governing the dissemination of criminal
4 history record checks as adopted by the ~~North Carolina Department of Public Safety Bureau~~. All
5 of the information the local Homeland Security director, local fire chief, county fire marshal,
6 emergency services director, or local law enforcement agency receives through the checking of
7 the criminal history is privileged information and for the exclusive use of that director, chief,
8 marshal, or agency.

9 ...
10 **"§ 143B-1209.25. Criminal record checks of applicants for manufactured home
11 manufacturer, dealer, salesperson, or set-up contractor licensure.**

12 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the North
13 Carolina Manufactured Housing Board from the State and National Repositories of Criminal
14 Histories the criminal history of any applicant for licensure as a manufactured home
15 manufacturer, dealer, salesperson, or set-up contractor under Article 9A of Chapter 143 of the
16 General Statutes. Along with the request, the Board shall provide to the ~~Department of Public
17 Safety Bureau~~ the fingerprints of the applicant, a form signed by the applicant consenting to the
18 criminal record check, and use of fingerprints and other identifying information required by the
19 State and National Repositories, and any additional information required by the ~~Department of
20 Public Safety Bureau~~. The applicant's fingerprints shall be ~~forwarded to the State Bureau of
21 Investigation used~~ for a search of the State's criminal history record file, and the ~~State Bureau of
22 Investigation~~ shall forward a set of fingerprints to the Federal Bureau of Investigation for a
23 national criminal history record check. The Board shall keep all information obtained pursuant
24 to this section confidential. The ~~Department of Public Safety Bureau~~ may charge a fee to offset
25 the cost incurred by it to conduct a criminal record check under this section. The fee shall not
26 exceed the actual cost of locating, editing, researching, and retrieving the information.

27 **"§ 143B-1209.26. Criminal record checks for municipalities and county governments.**

28 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to a city or
29 county from the State and National Repositories of Criminal Histories the criminal history of any
30 person who applies for employment with the city or county. The city or county shall provide to
31 the ~~Department of Public Safety Bureau~~, along with the request, the fingerprints of the applicant,
32 a form signed by the applicant consenting to the criminal record check and use of fingerprints
33 and other identifying information required by the State and National Repositories, and any
34 additional information required by the ~~Department of Public Safety Bureau~~. The applicant's
35 fingerprints shall be ~~forwarded to the State Bureau of Investigation used~~ for a search of the State's
36 criminal history record file, and the ~~State Bureau of Investigation~~ shall forward a set of
37 fingerprints to the Federal Bureau of Investigation for a national criminal history record check.
38 The city or county shall keep all information obtained pursuant to this section confidential. The
39 ~~Department of Public Safety Bureau~~ may charge a fee to offset the cost incurred by it to conduct
40 a criminal record check under this section. The fee shall not exceed the actual cost of locating,
41 editing, researching, and retrieving the information.

42 **"§ 143B-1209.27. Criminal record checks of applicants for locksmith licensure or
43 apprentice designation.**

44 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the North
45 Carolina Locksmith Licensing Board from the State and National Repositories of Criminal
46 Histories the criminal history of any applicant for licensure as a locksmith or an apprentice under
47 Chapter 74F of the General Statutes. Along with the request, the Board shall provide to the
48 ~~Department of Public Safety Bureau~~ the fingerprints of the applicant, a form signed by the
49 applicant consenting to the criminal record check and use of fingerprints and other identifying
50 information required by the State and National Repositories, and any additional information
51 required by the ~~Department of Public Safety Bureau~~. The applicant's fingerprints shall be

1 forwarded to the ~~State Bureau of Investigation~~ used for a search of the State's criminal history
2 record file, and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal
3 Bureau of Investigation for a national criminal history record check. The Board shall keep all
4 information obtained pursuant to this section confidential. The ~~Department of Public Safety~~
5 ~~Bureau~~ may charge a fee to offset the cost incurred by it to conduct a criminal record check under
6 this section. The fee shall not exceed the actual cost of locating, editing, researching, and
7 retrieving the information.

8 **"§ 143B-1209.28. Criminal record checks for the North Carolina State Lottery Commission**
9 **and its Director.**

10 The ~~Department of Public Safety~~ State Bureau of Investigation may provide to the North
11 Carolina State Lottery Commission and to its Director from the State and National Repositories
12 of Criminal Histories the criminal history of any prospective employee of the Commission and
13 any potential contractor. The North Carolina State Lottery Commission or its Director shall
14 provide to the ~~Department of Public Safety~~, Bureau, along with the request, the fingerprints of
15 the prospective employee of the Commission, or of the potential contractor, a form signed by the
16 prospective employee of the Commission, or of the potential contractor consenting to the criminal
17 record check and use of fingerprints and other identifying information required by the State and
18 National Repositories, and any additional information required by the ~~Department of Public~~
19 ~~Safety~~. Bureau. The fingerprints of the prospective employee of the Commission, or potential
20 contractor, shall be forwarded to the ~~State Bureau of Investigation~~ used for a search of the State's
21 criminal history record file, and the ~~State Bureau of Investigation~~ shall forward a set of
22 fingerprints to the Federal Bureau of Investigation for a national criminal history record check.
23 The North Carolina State Lottery Commission and its Director shall remit any fingerprint
24 information retained by the Commission to alcohol law enforcement agents appointed under
25 Article 5 of Chapter 18B of the General Statutes and shall keep all information obtained pursuant
26 to this section confidential. The ~~Department of Public Safety~~ Bureau shall charge a reasonable
27 fee only for conducting the checks of the criminal history records authorized by this section.

28 **"§ 143B-1209.29. Criminal record checks of applicants for permit or license to conduct**
29 **exploration, recovery, or salvage operations and archaeological investigations.**

30 The ~~Department of Public Safety~~ State Bureau of Investigation may provide to the
31 Department of Natural and Cultural Resources from the State and National Repositories of
32 Criminal Histories the criminal history of any applicant for a permit or license under Article 3 of
33 Chapter 121 of the General Statutes or Article 2 of Chapter 70 of the General Statutes. Along
34 with the request, the Department of Natural and Cultural Resources shall provide to the
35 ~~Department of Public Safety~~ Bureau the fingerprints of the applicant, a form signed by the
36 applicant consenting to the criminal history record check and use of fingerprints and other
37 identifying information required by the State and National Repositories, and any additional
38 information required by the ~~Department of Public Safety~~. Bureau. The applicant's fingerprints
39 shall be forwarded to the ~~State Bureau of Investigation~~ used for a search of the State's criminal
40 history record file, and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the
41 Federal Bureau of Investigation for a national criminal history record check. The Department of
42 Natural and Cultural Resources shall keep all information obtained under this section
43 confidential. The ~~Department of Public Safety~~ Bureau may charge a fee to offset the cost incurred
44 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
45 cost of locating, editing, researching, and retrieving the information.

46 **"§ 143B-1209.30. Criminal record checks of applicants for licensure and licensees.**

47 The ~~Department of Public Safety~~ State Bureau of Investigation may provide to the North
48 Carolina Psychology Board from the State and National Repositories of Criminal Histories the
49 criminal history of any applicant for licensure or reinstatement of a license to practice psychology
50 or a licensed psychologist or psychological associate under Article 18A of Chapter 90 of the
51 General Statutes. Along with the request, the Board shall provide to the ~~Department of Public~~

1 ~~Safety Bureau~~ the fingerprints of the applicant or licensee, a form signed by the applicant or
2 licensee consenting to the criminal record check and use of fingerprints and other identifying
3 information required by the State and National Repositories, and any additional information
4 required by the ~~Department of Public Safety-Bureau~~. The applicant's or licensee's fingerprints
5 shall be ~~forwarded to the State Bureau of Investigation-used~~ for a search of the State's criminal
6 history record file, and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the
7 Federal Bureau of Investigation for a national criminal history record check. The Board shall
8 keep all information obtained pursuant to this section confidential. The ~~Department of Public~~
9 ~~Safety Bureau~~ may charge each applicant or licensee a fee to offset the cost incurred by it to
10 conduct a criminal record check under this section. The fee shall not exceed the actual cost of
11 locating, editing, researching, and retrieving the information.

12 **"§ 143B-1209.31. Criminal record checks for the Judicial Department.**

13 (a) The ~~Department of Public Safety-State Bureau of Investigation~~ may provide to the
14 Judicial Department from the State and National Repositories of Criminal Histories the criminal
15 history of any current or prospective employee, volunteer, or contractor of the Judicial
16 Department. The Judicial Department shall provide to the ~~Department of Public Safety-Bureau~~,
17 along with the request, the fingerprints of the current or prospective employee, volunteer, or
18 contractor, a form signed by the current or prospective employee, volunteer, or contractor
19 consenting to the criminal record check and use of fingerprints and other identifying information
20 required by the State and National Repositories, and any additional information required by the
21 ~~Department of Public Safety-Bureau~~. The fingerprints of the current or prospective employee,
22 volunteer, or contractor shall be ~~forwarded to the State Bureau of Investigation-used~~ for a search
23 of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall forward a
24 set of fingerprints to the Federal Bureau of Investigation for a national criminal history record
25 check. The Judicial Department shall keep all information obtained pursuant to this section
26 confidential.

27 (b) The ~~Department of Public Safety-Bureau~~ may charge a fee to offset the cost incurred
28 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
29 cost of locating, editing, researching, and retrieving the information.

30 **"§ 143B-1209.32. Criminal record checks for the Department of Information Technology.**

31 (a) The ~~Department of Public Safety-State Bureau of Investigation~~ may provide to the
32 Department of Information Technology from the State and National Repositories of Criminal
33 Histories the criminal history of any current or prospective employee, volunteer, or contractor of
34 the Department of Information Technology. The Department of Information Technology shall
35 provide to the ~~Department of Public Safety-Bureau~~, along with the request, the fingerprints of
36 the current or prospective employee, volunteer, or contractor, a form signed by the current or
37 prospective employee, volunteer, or contractor consenting to the criminal record check and use
38 of fingerprints and other identifying information required by the State and National Repositories,
39 and any additional information required by the ~~Department of Public Safety-Bureau~~. The
40 fingerprints of the current or prospective employee, volunteer, or contractor shall be ~~forwarded~~
41 ~~to the State Bureau of Investigation-used~~ for a search of the State's criminal history record file,
42 and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal Bureau of
43 Investigation for a national criminal history record check. The Department of Information
44 Technology shall keep all information obtained pursuant to this section confidential.

45 (b) The ~~Department of Public Safety-Bureau~~ may charge a fee to offset the cost incurred
46 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
47 cost of locating, editing, researching, and retrieving the information.

48 **"§ 143B-1209.33. Criminal record checks of EMS personnel.**

49 The ~~Department of Public Safety-State Bureau of Investigation~~ may provide to the
50 Department of Health and Human Services the criminal history from the State and National
51 Repositories of Criminal Histories of an individual who applies for EMS credentials, seeks to

1 renew EMS credentials, or holds EMS credentials, when the criminal history is requested by the
2 Department. The Department of Health and Human Services shall provide to the ~~Department of~~
3 ~~Public Safety Bureau~~ the request for the criminal history, the fingerprints of the individual to be
4 checked, any additional information required by the ~~Department of Public Safety, Bureau,~~ and a
5 form consenting to the check of the criminal record and to the use of fingerprints and other
6 identifying information required by the State or National Repositories signed by the individual
7 to be checked. The Department of Health and Human Services and Emergency Medical Services
8 Disciplinary Committee, established by G.S. 143-519, shall keep all information obtained
9 pursuant to this section confidential. The ~~Department of Public Safety Bureau~~ shall charge a
10 reasonable fee to offset the costs incurred by it to conduct the checks of criminal history records
11 authorized by this section.

12 **"§ 143B-1209.34. Criminal record checks of applicants for licensure as chiropractic**
13 **physicians.**

14 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the State
15 Board of Chiropractic Examiners from the State and National Repositories of Criminal Histories
16 the criminal history of any applicant for licensure pursuant to Article 8 of Chapter 90 of the
17 General Statutes. Along with the request, the Board shall provide to the ~~Department of Public~~
18 ~~Safety Bureau~~ the fingerprints of the applicant, a form signed by the applicant consenting to the
19 criminal record check and use of fingerprints and other identifying information required by the
20 State and National Repositories, and any additional information required by the ~~Department of~~
21 ~~Public Safety, Bureau.~~ The applicant's fingerprints shall be ~~forwarded to the State Bureau of~~
22 ~~Investigation used~~ for a search of the State's criminal history record file, and the ~~State Bureau of~~
23 ~~Investigation~~ shall forward a set of fingerprints to the Federal Bureau of Investigation for a
24 national criminal history record check. The Board shall keep all information obtained pursuant
25 to this section confidential. The ~~Department of Public Safety Bureau~~ may charge a fee to offset
26 the cost incurred by it to conduct a criminal record check under this section. The fee shall not
27 exceed the actual cost of locating, editing, researching, and retrieving the information.

28 **"§ 143B-1209.35. Criminal history record checks of employees of and applicants for**
29 **employment with the Department of Public Instruction.**

30 (a) Definitions. – As used in this section, the term:

31 (1) "Covered person" means any of the following:

- 32 a. An applicant for employment or a current employee in a position in
33 the Department of Public Instruction.
34 b. An independent contractor or an employee of an independent
35 contractor that has contracted to provide services to the Department of
36 Public Instruction.

37 (2) "Criminal history" means a State or federal history of conviction of a crime,
38 whether a misdemeanor or felony, that bears upon a covered person's fitness
39 for employment in the Department of Public Instruction. The crimes include,
40 but are not limited to, criminal offenses as set forth in any of the following
41 Articles of Chapter 14 of the General Statutes: Article 5, Counterfeiting and
42 Issuing Monetary Substitutes; Article 5A, Endangering Executive and
43 Legislative Officers; Article 6, Homicide; Article 7B, Rape and Other Sex
44 Offenses; Article 8, Assaults; Article 10, Kidnapping and Abduction; Article
45 13, Malicious Injury or Damage by Use of Explosive or Incendiary Device or
46 Material; Article 14, Burglary and Other Housebreakings; Article 15, Arson
47 and Other Burnings; Article 16, Larceny; Article 17, Robbery; Article 18,
48 Embezzlement; Article 19, False Pretenses and Cheats; Article 19A,
49 Obtaining Property or Services by False or Fraudulent Use of Credit Device
50 or Other Means; Article 19B, Financial Transaction Card Crime Act; Article
51 20, Frauds; Article 21, Forgery; Article 26, Offenses Against Public Morality

1 and Decency; Article 26A, Adult Establishments; Article 27, Prostitution;
2 Article 28, Perjury; Article 29, Bribery; Article 31, Misconduct in Public
3 Office; Article 35, Offenses Against the Public Peace; Article 36A, Riots,
4 Civil Disorders, and Emergencies; Article 39, Protection of Minors; Article
5 40, Protection of the Family; Article 59, Public Intoxication; and Article 60,
6 Computer-Related Crime. The crimes also include possession or sale of drugs
7 in violation of the North Carolina Controlled Substances Act, Article 5 of
8 Chapter 90 of the General Statutes, and alcohol-related offenses such as sale
9 to underage persons in violation of G.S. 18B-302, or driving while impaired
10 violation of G.S. 20-138.1 through G.S. 20-138.5.

11 (b) When requested by the Department of Public Instruction, the ~~North Carolina~~
12 ~~Department of Public Safety~~ State Bureau of Investigation may provide to the requesting
13 department a covered person's criminal history from the State Repository of Criminal Histories.
14 Such request shall not be due to a person's age, sex, race, color, national origin, religion, creed,
15 political affiliation, or handicapping condition as defined by G.S. 168A-3. For requests for a State
16 criminal history record check only, the requesting department shall provide to the ~~Department of~~
17 ~~Public Safety~~ Bureau a form consenting to the check, signed by the covered person to be checked
18 and any additional information required by the ~~Department of Public Safety~~ Bureau. National
19 criminal record checks are authorized for covered applicants who have not resided in the State
20 of North Carolina during the past five years. For national checks the Department of Public
21 Instruction shall provide to the ~~North Carolina Department of Public Safety~~ Bureau the
22 fingerprints of the covered person to be checked, any additional information required by the
23 ~~Department of Public Safety~~ Bureau, and a form signed by the covered person to be checked,
24 consenting to the check of the criminal record and to the use of fingerprints and other identifying
25 information required by the State or National Repositories. The fingerprints of the individual
26 shall be ~~forwarded to the State Bureau of Investigation~~ used for a search of the State criminal
27 history record file and forwarded to the Federal Bureau of Investigation for a national criminal
28 history record check. The Department of Public Instruction shall keep all information pursuant
29 to this section confidential. The ~~Department of Public Safety~~ Bureau shall charge a reasonable
30 fee for conducting the checks of the criminal history records authorized by this section.

31 (c) All releases of criminal history information to the Department of Public Instruction
32 shall be subject to, and in compliance with, rules governing the dissemination of criminal history
33 record checks as adopted by the ~~North Carolina Department of Public Safety~~ Bureau. All of the
34 information the department receives through the checking of the criminal history is privileged
35 information and for the exclusive use of the department.

36 ...

37 **"§ 143B-1209.36. Criminal record checks of applicants and of current employees who are**
38 **involved in the manufacture or production of drivers licenses and identification**
39 **cards.**

40 (a) The ~~Department of Public Safety~~ State Bureau of Investigation may, upon request,
41 provide to the Department of Transportation, Division of Motor Vehicles, the criminal history
42 from the State and National Repositories of Criminal Histories of the following individuals if the
43 individual (i) is or will be involved in the manufacture or production of drivers licenses and
44 identification cards, or (ii) has or will have the ability to affect the identity information that
45 appears on drivers licenses or identification cards:

- 46 (1) An applicant for employment.
- 47 (2) A current employee.
- 48 (3) A contractual employee or applicant.
- 49 (4) An employee of a contractor.

50 (b) Along with the request, the Division of Motor Vehicles shall provide the following to
51 the ~~Department of Public Safety~~ Bureau:

- 1 (1) The fingerprints of the person who is the subject of the record check.
2 (2) A form signed by the person who is the subject of the record check consenting
3 to:
4 a. The criminal record check.
5 b. The use of fingerprints.
6 c. Any other identifying information required by the State and National
7 Repositories.
8 d. Any additional information required by the Department of Public
9 Safety.

10 (c) The fingerprints shall be ~~forwarded to the State Bureau of Investigation~~ used for a
11 search of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall
12 forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history
13 record check.

14 (d) The Division of Motor Vehicles shall keep all information obtained pursuant to this
15 section confidential.

16 (e) The ~~Department of Public Safety Bureau~~ may charge a fee to offset the cost incurred
17 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
18 cost of locating, editing, researching, and retrieving the information.

19 **"§ 143B-1209.37. Criminal history record checks of applicants for licensure as nursing**
20 **home administrators.**

21 (a) The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the
22 North Carolina State Board of Examiners for Nursing Home Administrators from the State and
23 National Repositories of Criminal Histories the criminal history of any applicant for licensure as
24 a nursing home administrator under Article 20 of Chapter 90 of the General Statutes. Along with
25 the request, the Board shall provide to the ~~Department of Public Safety Bureau~~ the fingerprints
26 of the applicant, a form signed by the applicant consenting to the criminal history record check
27 and use of fingerprints and other identifying information required by the State and National
28 Repositories, and any additional information required by the ~~Department of Public Safety~~
29 ~~Bureau~~. The applicant's fingerprints shall be ~~forwarded to the State Bureau of Investigation~~ used
30 for a search of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall
31 forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history
32 record check. The Board shall keep all information obtained pursuant to this section confidential.

33 (b) The ~~Department of Public Safety Bureau~~ may charge a fee to offset the cost incurred
34 by it to conduct a criminal history record check under this section. The fee shall not exceed the
35 actual cost of locating, editing, researching, and retrieving the information.

36 **"§ 143B-1209.38. Criminal record checks of applicants for licensure as clinical mental**
37 **health counselors.**

38 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the North
39 Carolina Board of Licensed Clinical Mental Health Counselors from the State and National
40 Repositories of Criminal Histories the criminal history of any applicant for licensure or
41 reinstatement of a license or licensee under Article 24 of Chapter 90 of the General Statutes.
42 Along with the request, the Board shall provide to the ~~Department of Public Safety Bureau~~ the
43 fingerprints of the applicant or licensee, a form signed by the applicant or licensee consenting to
44 the criminal record check and use of fingerprints and other identifying information required by
45 the State and National Repositories, and any additional information required by the ~~Department~~
46 ~~of Public Safety Bureau~~. The applicant or licensee's fingerprints shall be ~~forwarded to the State~~
47 ~~Bureau of Investigation~~ used for a search of the State's criminal history record file, and the ~~State~~
48 ~~Bureau of Investigation~~ shall forward a set of fingerprints to the Federal Bureau of Investigation
49 for a national criminal history record check. The Board shall keep all information obtained
50 pursuant to this section confidential. The ~~Department of Public Safety Bureau~~ may charge a fee

1 to offset the cost incurred by it to conduct a criminal record check under this section. The fee
2 shall not exceed the actual cost of locating, editing, researching, and retrieving the information.

3 **"§ 143B-1209.39. Criminal history record checks of applicants for licensure as marriage**
4 **and family therapists and marriage and family therapy associates.**

5 The ~~Department of Public Safety~~ State Bureau of Investigation may provide to the North
6 Carolina Marriage and Family Therapy Licensure Board from the State and National
7 Repositories of Criminal Histories the criminal history of any applicant for licensure or
8 reinstatement of a license or licensee under Article 18C of Chapter 90 of the General Statutes.
9 Along with the request, the Board shall provide to the ~~Department of Public Safety~~ Bureau the
10 fingerprints of the applicant or licensee, a form signed by the applicant or licensee consenting to
11 the criminal history record check and use of fingerprints and other identifying information
12 required by the State and National Repositories, and any additional information required by the
13 ~~Department of Public Safety~~ Bureau. The applicant's or licensee's fingerprints shall be ~~forwarded~~
14 ~~to the State Bureau of Investigation~~ used for a search of the State's criminal history record file,
15 and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal Bureau of
16 Investigation for a national criminal history record check. The Board shall keep all information
17 obtained pursuant to this section confidential. The ~~Department of Public Safety~~ Bureau may
18 charge a fee to offset the cost incurred by the Department to conduct a criminal history record
19 check under this section. The fee shall not exceed the actual cost of locating, editing, researching,
20 and retrieving the information.

21 **"§ 143B-1209.40. Criminal record checks of petitioners for restoration of firearms rights.**

22 (a) A person who petitions the court to have the person's firearms rights restored shall
23 submit a full set of the petitioner's fingerprints, to be administered by the sheriff. The petitioner
24 shall also submit to the sheriff a form signed by the petitioner consenting to the criminal record
25 check and use of fingerprints and other identifying information required by the State and National
26 Repositories, and any additional information required by the State Bureau of Investigation or the
27 Federal Bureau of Investigation. The sheriff shall forward the set of fingerprints and the signed
28 consent form to the State Bureau of Investigation for a records check of State and national
29 databases.

30 (b) Upon receipt of the fingerprints and consent form forwarded by the sheriff pursuant
31 to subsection (a) of this section, the State Bureau of Investigation shall conduct a search of the
32 State criminal history record file and shall forward a set of the fingerprints and a copy of the
33 signed consent form to the Federal Bureau of Investigation for a national criminal history record
34 check.

35 (c) The State Bureau of Investigation shall provide a copy of the information obtained
36 pursuant to this section to the clerk of superior court, which shall be kept confidential in the court
37 file for the petition for restoration of firearms rights.

38 (d) The ~~Department of Public Safety~~ Bureau may charge a fee to offset the cost incurred
39 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
40 cost of locating, editing, researching, and retrieving the information.

41 **"§ 143B-1209.41. Criminal record checks of applicants for certification by the Department**
42 **of Agriculture and Consumer Services as euthanasia technicians.**

43 The ~~Department of Public Safety~~ State Bureau of Investigation may provide a criminal record
44 check to the Department of Agriculture and Consumer Services for a person who has applied for
45 a new or renewal certification as a euthanasia technician. The Department of Agriculture and
46 Consumer Services shall provide the ~~Department of Public Safety~~ Bureau a request for the
47 criminal record check, the fingerprints of the individual to be checked, any additional information
48 required by the ~~Department of Public Safety~~ Bureau, and a form signed by the person seeking
49 certification consenting to the check of the criminal record. The fingerprints shall be ~~forwarded~~
50 ~~to the State Bureau of Investigation~~ used for a search of the State's criminal history record file,
51 and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal Bureau of

1 Investigation for a national criminal history record check. The Department of Agriculture and
2 Consumer Services shall keep all information pursuant to this section privileged, in accordance
3 with applicable State law and federal guidelines, and the information shall be confidential and
4 shall not be a public record under Chapter 132 of the General Statutes. The ~~Department of Public~~
5 ~~Safety Bureau~~ may charge each applicant a fee for conducting the checks of criminal history
6 records authorized by this section.

7 **"§ 143B-1209.42. Criminal history record checks of applicants for trainee registration,**
8 **appraiser licensure, appraiser certification, or registrants for registration as real**
9 **estate appraisal management companies.**

10 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the North
11 Carolina Appraisal Board from the State and National Repositories of Criminal Histories the
12 criminal history of any applicant or registrant for registration under Article 1 and Article 2 of
13 Chapter 93E of the General Statutes. Along with the request, the Board shall provide to the
14 ~~Department of Public Safety Bureau~~ the fingerprints of the applicant or registrant, a form signed
15 by the applicant or registrant consenting to the criminal history record check and use of
16 fingerprints and other identifying information required by the State and National Repositories,
17 and any additional information required by the ~~Department of Public Safety Bureau~~. The
18 applicant's or registrant's fingerprints shall be ~~forwarded to the State Bureau of Investigation used~~
19 for a search of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall
20 forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history
21 record check. The Board shall keep all information obtained pursuant to this section confidential.
22 The ~~Department of Public Safety Bureau~~ may charge a fee to offset the cost incurred by the
23 ~~Department Bureau~~ to conduct a criminal history record check under this section. The fee shall
24 not exceed the actual cost of locating, editing, researching, and retrieving the information.

25 **"§ 143B-1209.43. Criminal history record checks of applicants for a restoration of a**
26 **revoked drivers license.**

27 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the Division
28 of Motor Vehicles, from the State and National Repositories of Criminal Histories, the criminal
29 history record of any applicant for a restoration of a revoked drivers license. Along with the
30 request, the Division shall provide to the ~~Department of Public Safety Bureau~~ the fingerprints of
31 the applicant, a form signed by the applicant consenting to the criminal history record check and
32 use of fingerprints, other identifying information required by the State and National Repositories,
33 and any additional information required by the ~~Department of Public Safety Bureau~~. The
34 applicant's fingerprints shall be ~~forwarded to the State Bureau of Investigation used~~ for a search
35 of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall forward a
36 set of fingerprints to the Federal Bureau of Investigation for a national criminal history record
37 check. The Division shall keep all information obtained pursuant to this section confidential. The
38 ~~Department of Public Safety Bureau~~ may charge a fee to offset the cost incurred by it to conduct
39 a criminal history record check under this section. The fee shall not exceed the actual cost of
40 locating, editing, researching, and retrieving the information. Fees and other costs incurred by
41 the Division under this statute may be charged to the applicant.

42 **"§ 143B-1209.44. Criminal history record checks of applicants for and current holders of**
43 **certificate to transport household goods.**

44 (a) The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the
45 Utilities Commission from the State and National Repositories of Criminal Histories the criminal
46 history of any applicant for or current holder of a certificate to transport household goods. Along
47 with the request, the Commission shall provide to the ~~Department of Public Safety Bureau~~ the
48 fingerprints of the applicant or current holder, a form signed by the applicant or current holder
49 consenting to the criminal history record check and use of fingerprints and other identifying
50 information required by the State and National Repositories of Criminal Histories, and any
51 additional information required by the ~~Department of Public Safety Bureau~~. The applicant's or

1 current holder's fingerprints shall be forwarded to the ~~State Bureau of Investigation~~ used for a
2 search of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall
3 forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history
4 record check. The Utilities Commission shall keep all information obtained pursuant to this
5 section confidential. The ~~Department of Public Safety Bureau~~ may charge a fee to offset the cost
6 incurred by it to conduct a criminal history record check under this section. The fee shall not
7 exceed the actual cost of locating, editing, researching, and retrieving the information. The
8 ~~Department of Public Safety Bureau~~ shall send a copy of the results of the criminal history record
9 checks directly to the Utilities Commission Chief Clerk.

10 ...

11 **"§ 143B-1209.45. Criminal history record checks of applicants for licensure as physical**
12 **therapists or physical therapist assistants.**

13 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the North
14 Carolina Board of Physical Therapy Examiners a criminal history record from the State and
15 National Repositories of Criminal Histories for applicants for licensure by the Board. Along with
16 a request for criminal history records, the Board shall provide to the ~~Department of Public Safety~~
17 ~~Bureau~~ the fingerprints of the applicant or subject, a form signed by the applicant consenting to
18 the criminal history record check and use of the fingerprints and other identifying information
19 required by the Repositories, and any additional information required by the ~~Department Bureau~~.
20 The fingerprints shall be forwarded to the ~~State Bureau of Investigation~~ used for a search of the
21 State's criminal history record file, and the ~~State Bureau of Investigation~~ shall forward a set of
22 fingerprints to the Federal Bureau of Investigation for a national criminal history record check.
23 The Board shall keep all information obtained pursuant to this section confidential. The
24 ~~Department of Public Safety Bureau~~ may charge a fee to offset the cost incurred by the
25 ~~Department of Public Safety Bureau~~ to conduct a criminal history record check under this section,
26 but the fee shall not exceed the actual cost of locating, editing, researching, and retrieving the
27 information.

28 **"§ 143B-1209.46. Criminal record checks of applicants and recipients of programs of public**
29 **assistance.**

30 (a) Upon receipt of a request from a county department of social services pursuant to
31 G.S. 108A-26.1, the ~~Department of Public Safety State Bureau of Investigation~~ shall, to the
32 extent allowed by federal law, provide to the county department of social services the criminal
33 history from the State or National Repositories of Criminal Histories of an applicant for, or
34 recipient of, program assistance under Part 2 or Part 5 of Article 2 of Chapter 108A of the General
35 Statutes.

36 (b) The county department of social services shall provide to the ~~Department of Public~~
37 ~~Safety Bureau~~, along with the request, any information required by the ~~Department of Public~~
38 ~~Safety Bureau~~ and a form signed by the individual to be checked consenting to the check of the
39 criminal record and to the use of any necessary identifying information required by the State or
40 National Repositories. The county department of social services shall keep all information
41 pursuant to this section confidential and privileged, except as provided in G.S. 108A-26.1.

42 (c) The ~~Department of Public Safety Bureau~~ may charge a reasonable fee only for
43 conducting the checks of the criminal history records authorized by this section.

44 **"§ 143B-1209.47. Criminal record checks for the Office of State Controller.**

45 The ~~Department of Public Safety State Bureau of Investigation~~ may provide to the Office of
46 State Controller from the State and National Repositories of Criminal Histories the criminal
47 history of any current or prospective employee, volunteer, or contractor of the Office of State
48 Controller. The Office of State Controller shall provide to the ~~Department of Public Safety~~,
49 ~~Bureau~~, along with the request, the fingerprints of the current or prospective employee, volunteer,
50 or contractor, a form signed by the current or prospective employee, volunteer, or contractor
51 consenting to the criminal record check and use of fingerprints and other identifying information

1 required by the State and National Repositories, and any additional information required by the
2 ~~Department of Public Safety-Bureau~~. The fingerprints of the current or prospective employee,
3 volunteer, or contractor shall be ~~forwarded to the State Bureau of Investigation~~ used for a search
4 of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall forward a
5 set of fingerprints to the Federal Bureau of Investigation for a national criminal history record
6 check. The Office of State Controller shall keep all information obtained pursuant to this section
7 confidential. The ~~Department of Public Safety-Bureau~~ may charge a fee to offset the cost incurred
8 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
9 cost of locating, editing, researching, and retrieving the information.

10 **"§ 143B-1209.48. Criminal record checks for the Department of Revenue.**

11 (a) The ~~Department of Public Safety~~ State Bureau of Investigation shall, upon request,
12 provide to the Department of Revenue from the State and National Repositories of Criminal
13 Histories the criminal history of any of the following individuals:

- 14 (1) A current or prospective permanent or temporary employee.
- 15 (2) A contractor with the Department.
- 16 (3) An employee or agent of a contractor with the Department.
- 17 (4) Any other individual otherwise engaged by the Department who will have
18 access to federal tax information.

19 (b) Along with the request, the Department of Revenue shall provide to the ~~Department~~
20 ~~of Public Safety-Bureau~~ the fingerprints of the individual whose record is being sought, a form
21 signed by the individual consenting to the criminal record check and use of fingerprints and other
22 identifying information required by the State and National Repositories, and any additional
23 information required by the ~~Department of Public Safety-Bureau~~. The individual's fingerprints
24 shall be ~~forwarded to the State Bureau of Investigation~~ used for a search of the State's criminal
25 history record file, and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the
26 Federal Bureau of Investigation for a national criminal history record check. The Department of
27 Revenue shall keep all information obtained pursuant to this section confidential.

28 (c) The ~~Department of Public Safety-Bureau~~ may charge a fee to offset the cost incurred
29 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
30 cost of locating, editing, researching, and retrieving the information.

31 **"§ 143B-1209.49. Criminal record checks for the Office of State Human Resources.**

32 (a) The ~~Department of Public Safety~~ State Bureau of Investigation may provide to the
33 Office of State Human Resources from the State and National Repositories of Criminal Histories
34 the criminal history of any prospective temporary employee of a State agency or department if a
35 criminal record check is a requirement for employment by the agency or department with which
36 the individual would be temporarily assigned. The Office of State Human Resources shall
37 provide to the ~~Department of Public Safety-Bureau~~, along with the request, the fingerprints of
38 the prospective temporary employee, a form signed by the prospective temporary employee
39 consenting to the criminal record check and use of fingerprints and other identifying information
40 required by the State and National Repositories, and any additional information required by the
41 ~~Department of Public Safety-Bureau~~. The fingerprints of the prospective employee shall be
42 ~~forwarded to the State Bureau of Investigation~~ used for a search of the State's criminal history
43 record file, and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal
44 Bureau of Investigation for a national criminal history record check. The Office of State Human
45 Resources shall keep all information obtained pursuant to this section confidential.

46 (b) The ~~Department of Public Safety-Bureau~~ may charge a fee to offset the cost incurred
47 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
48 cost of locating, editing, researching, and retrieving the information. If the ~~Department of Public~~
49 ~~Safety-Bureau~~ charges the Office of State Human Resources a fee for conducting the criminal
50 record check, the agency or department with which the individual would be temporarily assigned
51 shall reimburse the Office of State Human Resources for the fee charged.

1 **"§ 143B-1209.50. Criminal record checks for employees and contractors of the State Board**
2 **of Elections and county directors of elections.**

3 (a) As used in this section, the term:

4 (1) "Current or prospective employee" means any of the following:

- 5 a. A current or prospective permanent or temporary employee of the
6 State Board or a current or prospective county director of elections.
7 b. A current or prospective contractor with the State Board.
8 c. An employee or agent of a current or prospective contractor with the
9 State Board.
10 d. Any other individual otherwise engaged by the State Board who has
11 or will have the capability to update, modify, or change elections
12 systems or confidential elections or ethics data.

13 (2) "State Board" means the State Board of Elections.

14 (b) ~~The Department of Public Safety~~ State Bureau of Investigation may provide to the
15 Executive Director of the State Board a current or prospective employee's criminal history from
16 the State and National Repositories of Criminal Histories. The Executive Director shall provide
17 to the ~~Department of Public Safety, Bureau,~~ along with the request, the fingerprints of the current
18 or prospective employee, a form signed by the current or prospective employee consenting to the
19 criminal record check and use of fingerprints and other identifying information required by the
20 State and National Repositories, and any additional information required by the ~~Department of~~
21 ~~Public Safety, Bureau.~~ The fingerprints of the current or prospective employee shall be forwarded
22 ~~to the State Bureau of Investigation used~~ for a search of the State's criminal history record file,
23 and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal Bureau of
24 Investigation for a national criminal history record check.

25 (c) ~~The Department of Public Safety Bureau~~ may charge a fee to offset the cost incurred
26 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
27 cost of locating, editing, researching, and retrieving the information.

28 ...

29 **"§ 143B-1209.51. Criminal record checks for employees of county boards of elections.**

30 (a) As used in this section, the term:

31 (1) "Current or prospective employee" means a current or prospective permanent
32 or temporary employee of a county board of elections.

33 (2) "State Board" means the State Board of Elections.

34 (b) ~~The Department of Public Safety~~ State Bureau of Investigation may provide to a
35 county board of elections a current or prospective employee's criminal history from the State and
36 National Repositories of Criminal Histories. The county board of elections shall provide to the
37 ~~Department of Public Safety, Bureau,~~ along with the request, the fingerprints of the current or
38 prospective employee, a form signed by the current or prospective employee consenting to the
39 criminal record check and use of fingerprints and other identifying information required by the
40 State and National Repositories, and any additional information required by the ~~Department of~~
41 ~~Public Safety, Bureau.~~ The fingerprints of the current or prospective employee shall be forwarded
42 ~~to the State Bureau of Investigation used~~ for a search of the State's criminal history record file,
43 and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal Bureau of
44 Investigation for a national criminal history record check.

45 (c) ~~The Department of Public Safety Bureau~~ may charge a fee to offset the cost incurred
46 by it to conduct a criminal record check under this section. The fee shall not exceed the actual
47 cost of locating, editing, researching, and retrieving the information.

48 ...

49 **"§ 143B-1209.52. Criminal record checks of applicants for licensure as**
50 **dietitian/nutritionists or nutritionists.**

1 The ~~Department of Public Safety~~ State Bureau of Investigation may provide to the North
2 Carolina Board of Dietetics/Nutrition a criminal history record from the State and National
3 Repositories of Criminal Histories for applicants for licensure by the Board. Along with a request
4 for criminal history records, the Board shall provide to the ~~Department of Public Safety~~ Bureau
5 the fingerprints of the applicant or subject, a form signed by the applicant consenting to the
6 criminal history record check and use of the fingerprints and other identifying information
7 required by the Repositories, and any additional information required by the ~~Department~~ Bureau.
8 The fingerprints shall be ~~forwarded to the State Bureau of Investigation~~ used for a search of the
9 State's criminal history record file, and the ~~State Bureau of Investigation~~ shall forward a set of
10 fingerprints to the Federal Bureau of Investigation for a national criminal history record check.
11 The Board shall keep all information obtained pursuant to this section confidential. The
12 ~~Department of Public Safety~~ Bureau may charge a fee to offset the cost incurred by the
13 ~~Department of Public Safety~~ Bureau to conduct a criminal history record check under this section,
14 but the fee shall not exceed the actual cost of locating, editing, researching, and retrieving the
15 information.

16 **"§ 143B-1209.53. National criminal record checks for child care institutions.**

17 The ~~Department of Public Safety~~ State Bureau of Investigation shall provide to the
18 Department of Health and Human Services, Criminal Records Check Unit, in accordance with
19 G.S. 108A-150, the criminal history of any current or prospective employee or volunteer in a
20 child care institution as defined by Title IV-E of the Social Security Act, including individuals
21 working with a contract agency in a child care institution. The Department of Health and Human
22 Services, Criminal Records Check Unit, shall provide to the ~~Department of Public Safety~~ Bureau,
23 Bureau, along with the request, the fingerprints of the individual to be checked, any additional
24 information required by the ~~Department of Public Safety~~ Bureau, and a form signed by the
25 individual to be checked consenting to the check of the criminal record and to the use of
26 fingerprints and other identifying information required by the State or National Repositories of
27 Criminal Histories. The fingerprints of the individual shall be ~~forwarded to the State Bureau of~~
28 ~~Investigation~~ used for a search of the State's criminal history record file, and the ~~State Bureau of~~
29 ~~Investigation~~ shall forward a set of fingerprints to the Federal Bureau of Investigation for a
30 national criminal history record check. All information received by the Department of Health and
31 Human Services, Criminal Records Check Unit, shall be kept confidential in accordance with
32 G.S. 108A-150. The ~~Department of Public Safety~~ Bureau may charge a reasonable fee to conduct
33 a criminal record check under this section.

34 ...

35 **"§ 143B-1209.55. Criminal record checks for the Legislative Services Commission.**

36 The ~~Department of Public Safety~~ State Bureau of Investigation may provide to the Legislative
37 Services Officer from the State and National Repositories of Criminal Histories the criminal
38 history of any prospective employee, volunteer, or contractor of the General Assembly. The
39 Legislative Services Officer shall provide to the ~~Department of Public Safety~~ Bureau, along with
40 the request, the fingerprints of the prospective employee, volunteer, or contractor, a form signed
41 by the prospective employee, volunteer, or contractor consenting to the criminal record check
42 and use of fingerprints and other identifying information required by the State and National
43 Repositories and any additional information required by the ~~Department of Public Safety~~ Bureau.
44 Bureau. The fingerprints of the prospective employee, volunteer, or contractor shall be ~~forwarded~~
45 ~~to the State Bureau of Investigation~~ used for a search of the State's criminal history record file,
46 and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal Bureau of
47 Investigation for a national criminal history record check. The Legislative Services Officer shall
48 keep all information obtained pursuant to this section confidential. The ~~Department of Public~~
49 ~~Safety~~ Bureau may charge a fee to offset the cost incurred by it to conduct a criminal record
50 check under this section. The fee shall not exceed the actual cost of locating, editing, researching,
51 and retrieving the information.

"§ 143B-1209.56. Criminal record checks for sheriffs.

(a) ~~The Department of Public Safety~~ State Bureau of Investigation may provide to the North Carolina Sheriffs' Education and Training Standards Commission a criminal history from the State and National Repositories of Criminal Histories for any person filing a notice of candidacy, or any potential appointee to fill a vacancy, to the office of sheriff. The North Carolina Sheriffs' Education and Training Standards Commission shall provide to the ~~Department of Public Safety, Bureau,~~ along with the request, the fingerprints of the person filing a notice of candidacy, or any potential appointee to fill a vacancy, to the office of sheriff; a form signed by the individual consenting to the criminal record check and use of fingerprints and other identifying information required by the State and National Repositories; and any additional information required by the ~~Department of Public Safety, Bureau.~~ The fingerprints of the individual shall be ~~forwarded to the State Bureau of Investigation~~ used for a search of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check.

...

"§ 143B-1209.57. Criminal record check for platform licensees.

(a) ~~The Department of Public Safety~~ State Bureau of Investigation may provide to the Secretary of State a criminal history from the State and National Repositories of Criminal Histories for any applicant seeking a platform license. The Secretary shall provide to the ~~Department of Public Safety, Bureau,~~ along with the request, the fingerprints of the applicant and its key persons; a form signed by the individual consenting to the criminal record check and use of fingerprints and other identifying information required by the State and National Repositories; and any additional information required by the ~~Department of Public Safety, Bureau.~~ The fingerprints of the individual shall be ~~forwarded to the State Bureau of Investigation~~ used for a search of the State's criminal history record file, and the ~~State Bureau of Investigation~~ shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check.

...

"§ 143B-1209.58. The National Crime Prevention and Privacy Compact.

The National Crime Prevention and Privacy Compact is enacted into law and entered into with all jurisdictions legally joining in the compact in the form substantially as set forth in this section, as follows:

Preamble.

Whereas, it is in the interest of the State to facilitate the dissemination of criminal history records from other states for use in North Carolina as authorized by State law; and

Whereas, the National Crime Prevention and Privacy Compact creates a legal framework for the cooperative exchange of criminal history records for noncriminal justice purposes; and

Whereas, the compact provides for the organization of an electronic information-sharing system among the federal government and the states to exchange criminal history records for noncriminal justice purposes authorized by federal or state law, such as background checks for governmental licensing and employment; and

Whereas, under the compact, the FBI and the party states agree to maintain detailed databases of their respective criminal history records, including arrests and dispositions, and to make them available to the federal government and party states for authorized purposes; and

Whereas, the FBI shall manage the federal data facilities that provide a significant part of the infrastructure for the system; and

Whereas, entering into the compact would facilitate the interstate and federal-state exchange of criminal history information to streamline the processing of background checks for noncriminal justice purposes; and

1 Whereas, release and use of information obtained through the system for noncriminal
2 justice purposes would be governed by the laws of the receiving state; and

3 Whereas, entering into the compact will provide a mechanism for establishing and
4 enforcing uniform standards for record accuracy and for the confidentiality and privacy interests
5 of record subjects.

6 Article I.
7 Definitions.

8 As used in this compact, the following definitions apply:

9 ...

10 (4) "Criminal history record repository" means the ~~Department of Public~~
11 ~~Safety~~State Bureau of Investigation.

12 "

13 **SECTION 19F.4.(k)** G.S. 143B-600(b)(2) is repealed.

14 **SECTION 19F.4.(l)** G.S. 14-16.9 reads as rewritten:

15 **"§ 14-16.9. Officers-elect to be covered.**

16 Any person who has been elected to any office covered by this Article but has not yet taken
17 the oath of office shall be considered to hold the office for the purpose of this Article and
18 ~~G.S. 143B-919.~~G.S. 143B-1208.5."

19 **SECTION 19F.4.(m)** G.S. 113-172(a) reads as rewritten:

20 "(a) The Secretary shall designate license agents for the Department. The Division and
21 license agents designated by the Secretary under this section shall issue licenses authorized under
22 this Article in accordance with this Article and the rules of the Commission. The Secretary may
23 require license agents to enter into a contract that provides for their duties and compensation,
24 post a bond, and submit to reasonable inspections and audits. If a license agent violates any
25 provision of this Article, the rules of the Commission, or the terms of the contract, the Secretary
26 may initiate proceedings for the forfeiture of the license agent's bond and may summarily
27 suspend, revoke, or refuse to renew a designation as a license agent and may impound or require
28 the return of all licenses, moneys, record books, reports, license forms and other documents,
29 ledgers, and materials pertinent or apparently pertinent to the license agency. The Secretary shall
30 report evidence or misuse of State property, including license fees, by a license agent to the State
31 Bureau of Investigation as provided by ~~G.S. 143B-920.~~G.S. 143B-1208.6."

32 **SECTION 19F.4.(n)** G.S. 164-44(a) reads as rewritten:

33 "(a) The Commission shall have the secondary duty of collecting, developing, and
34 maintaining statistical data relating to sentencing, corrections, and juvenile justice so that the
35 primary duties of the Commission will be formulated using data that is valid, accurate, and
36 relevant to this State. All State agencies shall provide data as it is requested by the Commission.
37 For the purposes of ~~G.S. 143B-930.~~G.S. 143B-1209.10, the Commission shall be considered to
38 be engaged in the administration of criminal justice. All meetings of the Commission shall be
39 open to the public and the information presented to the Commission shall be available to any
40 State agency or member of the General Assembly."

41 **SECTION 19F.4.(o)** G.S. 110-90.2(g) reads as rewritten:

42 "(g) The child care provider shall pay the cost of the fingerprinting and the federal criminal
43 history record check in accordance with ~~G.S. 143B-934.~~G.S. 143B-1209.14. The ~~Department of~~
44 ~~Public Safety~~State Bureau of Investigation shall perform the State criminal history record check.
45 The Department of Health and Human Services shall pay for and conduct the county criminal
46 history record check. Child care providers who reside outside the State bear the cost of the county
47 criminal history record check and shall provide the county criminal history record check to the
48 Division of Child Development as required by this section."

49 **SECTION 19F.4.(p)** G.S. 18C-151(a)(3) reads as rewritten:

50 "(3) All proposals shall be accompanied by a bond or letter of credit in an amount
51 equal to not less than five percent (5%) of the proposal and the fee to cover

1 the cost of the criminal record check conducted under
2 ~~G.S. 143B-935~~.G.S. 143B-1209.15."

3 **SECTION 19F.4.(q)** G.S. 122C-80 reads as rewritten:

4 **"§ 122C-80. Criminal history record check required for certain applicants for employment.**

5 ...

6 (b) Requirement. – An offer of employment by a provider licensed under this Chapter to
7 an applicant to fill a position that does not require the applicant to have an occupational license
8 is conditioned on consent to a State and national criminal history record check of the applicant.
9 If the applicant has been a resident of this State for less than five years, then the offer of
10 employment is conditioned on consent to a State and national criminal history record check of
11 the applicant. The national criminal history record check shall include a check of the applicant's
12 fingerprints. If the applicant has been a resident of this State for five years or more, then the offer
13 is conditioned on consent to a State criminal history record check of the applicant. A provider
14 shall not employ an applicant who refuses to consent to a criminal history record check required
15 by this section. Except as otherwise provided in this subsection, within five business days of
16 making the conditional offer of employment, a provider shall submit a request to the ~~Department~~
17 ~~of Public Safety~~ State Bureau of Investigation under ~~G.S. 143B-939~~ G.S. 143B-1209.20 to
18 conduct a criminal history record check required by this section or shall submit a request to a
19 private entity to conduct a State criminal history record check required by this section.
20 Notwithstanding ~~G.S. 143B-939~~, G.S. 143B-1209.20, the ~~Department of Public Safety~~ State
21 Bureau of Investigation shall return the results of national criminal history record checks for
22 employment positions not covered by Public Law 105-277 to the Department of Health and
23 Human Services, Criminal Records Check Unit. Within five business days of receipt of the
24 national criminal history of the person, the Department of Health and Human Services, Criminal
25 Records Check Unit, shall notify the provider as to whether the information received may affect
26 the employability of the applicant. In no case shall the results of the national criminal history
27 record check be shared with the provider. Providers shall make available upon request
28 verification that a criminal history check has been completed on any staff covered by this section.
29 A county that has adopted an appropriate local ordinance and has access to the ~~Department of~~
30 ~~Public Safety~~ State Bureau of Investigation data bank may conduct on behalf of a provider a State
31 criminal history record check required by this section without the provider having to submit a
32 request to the ~~Department of Justice~~ State Bureau of Investigation. In such a case, the county
33 shall commence with the State criminal history record check required by this section within five
34 business days of the conditional offer of employment by the provider. All criminal history
35 information received by the provider is confidential and may not be disclosed, except to the
36 applicant as provided in subsection (c) of this section. For purposes of this subsection, the term
37 "private entity" means a business regularly engaged in conducting criminal history record checks
38 utilizing public records obtained from a State agency.

39 ...

40 (g) Conditional Employment. – A provider may employ an applicant conditionally prior
41 to obtaining the results of a criminal history record check regarding the applicant if both of the
42 following requirements are met:

- 43 (1) The provider shall not employ an applicant prior to obtaining the applicant's
44 consent for criminal history record check as required in subsection (b) of this
45 section or the completed fingerprint cards as required in
46 ~~G.S. 143B-939~~.G.S. 143B-1209.20.
- 47 (2) The provider shall submit the request for a criminal history record check not
48 later than five business days after the individual begins conditional
49 employment."

50 **SECTION 19F.4.(r)** G.S. 131D-40 reads as rewritten:

1 "§ 131D-40. Criminal history record checks required for certain applicants for
2 employment.

3 (a) Requirement; Adult Care Home. – An offer of employment by an adult care home
4 licensed under this Chapter to an applicant to fill a position that does not require the applicant to
5 have an occupational license is conditioned on consent to a criminal history record check of the
6 applicant. If the applicant has been a resident of this State for less than five years, then the offer
7 of employment is conditioned on consent to a State and national criminal history record check of
8 the applicant. The national criminal history record check shall include a check of the applicant's
9 fingerprints. If the applicant has been a resident of this State for five years or more, then the offer
10 is conditioned on consent to a State criminal history record check of the applicant. An adult care
11 home shall not employ an applicant who refuses to consent to a criminal history record check
12 required by this section. Within five business days of making the conditional offer of
13 employment, an adult care home shall submit a request to the ~~Department of Public Safety State~~
14 ~~Bureau of Investigation~~ under ~~G.S. 143B-939~~ G.S. 143B-1209.20 to conduct a State or national
15 criminal history record check required by this section, or shall submit a request to a private entity
16 to conduct a State criminal history record check required by this section. Notwithstanding
17 ~~G.S. 143B-939~~, G.S. 143B-1209.20, the ~~Department of Public Safety State Bureau of~~
18 ~~Investigation~~ shall return the results of national criminal history record checks for employment
19 positions not covered by Public Law 105-277 to the Department of Health and Human Services,
20 Criminal Records Check Unit. Within five business days of receipt of the national criminal
21 history of the person, the Department of Health and Human Services, Criminal Records Check
22 Unit, shall notify the adult care home as to whether the information received may affect the
23 employability of the applicant. In no case shall the results of the national criminal history record
24 check be shared with the adult care home. Adult care homes shall make available upon request
25 verification that a criminal history check has been completed on any staff covered by this section.
26 All criminal history information received by the home is confidential and may not be disclosed,
27 except to the applicant as provided in subsection (b) of this section.

28 (a1) Requirement; Contract Agency of Adult Care Home. – An offer of employment by a
29 contract agency of an adult care home licensed under this Chapter to an applicant to fill a position
30 that does not require the applicant to have an occupational license is conditioned upon consent
31 to a criminal history record check of the applicant. If the applicant has been a resident of this
32 State for less than five years, then the offer of employment is conditioned on consent to a State
33 and national criminal history record check of the applicant. The national criminal history record
34 check shall include a check of the applicant's fingerprints. If the applicant has been a resident of
35 this State for five years or more, then the offer is conditioned on consent to a State criminal
36 history record check of the applicant. A contract agency of an adult care home shall not employ
37 an applicant who refuses to consent to a criminal history record check required by this section.
38 Within five business days of making the conditional offer of employment, a contract agency of
39 an adult care home shall submit a request to the ~~Department of Public Safety State Bureau of~~
40 ~~Investigation~~ under ~~G.S. 143B-939~~ G.S. 143B-1209.20 to conduct a State or national criminal
41 history record check required by this section, or shall submit a request to a private entity to
42 conduct a State criminal history record check required by this section. Notwithstanding
43 ~~G.S. 143B-939~~, G.S. 143B-1209.20, the ~~Department of Public Safety State Bureau of~~
44 ~~Investigation~~ shall return the results of national criminal history record checks for employment
45 positions not covered by Public Law 105-277 to the Department of Health and Human Services,
46 Criminal Records Check Unit. Within five business days of receipt of the national criminal
47 history of the person, the Department of Health and Human Services, Criminal Records Check
48 Unit, shall notify the contract agency of the adult care home as to whether the information
49 received may affect the employability of the applicant. In no case shall the results of the national
50 criminal history record check be shared with the contract agency of the adult care home. Contract
51 agencies of adult care homes shall make available upon request verification that a criminal history

1 check has been completed on any staff covered by this section. All criminal history information
2 received by the contract agency is confidential and may not be disclosed, except to the applicant
3 as provided by subsection (b) of this section.

4 ...

5 (f) Conditional Employment. – An adult care home may employ an applicant
6 conditionally prior to obtaining the results of a criminal history record check regarding the
7 applicant if both of the following requirements are met:

8 (1) The adult care home shall not employ an applicant prior to obtaining the
9 applicant's consent for a criminal history record check as required in
10 subsection (a) of this section or the completed fingerprint cards as required in
11 ~~G.S. 143B-939~~G.S. 143B-1209.20.

12 (2) The adult care home shall submit the request for a criminal history record
13 check not later than five business days after the individual begins conditional
14 employment.

15"

16 **SECTION 19F.4.(s)** G.S. 131E-265 reads as rewritten:

17 "**§ 131E-265. Criminal history record checks required for certain applicants for**
18 **employment.**

19 (a) Requirement; Nursing Home or Home Care Agency. – An offer of employment by a
20 nursing home licensed under this Chapter to an applicant to fill a position that does not require
21 the applicant to have an occupational license is conditioned on consent to a criminal history
22 record check of the applicant. If the applicant has been a resident of this State for less than five
23 years, then the offer of employment is conditioned on consent to a State and national criminal
24 history record check of the applicant. The national criminal history record check shall include a
25 check of the applicant's fingerprints. If the applicant has been a resident of this State for five
26 years or more, then the offer is conditioned on consent to a State criminal history record check
27 of the applicant. An offer of employment by a home care agency licensed under this Chapter to
28 an applicant to fill a position that requires entering the patient's home is conditioned on consent
29 to a criminal history record check of the applicant. In addition, employment status change of a
30 current employee of a home care agency licensed under this Chapter from a position that does
31 not require entering the patient's home to a position that requires entering the patient's home shall
32 be conditioned on consent to a criminal history record check of that current employee. If the
33 applicant for employment or if the current employee who is changing employment status has
34 been a resident of this State for less than five years, then the offer of employment or change in
35 employment status is conditioned on consent to a State and national criminal history record
36 check. The national criminal history record check shall include a check of the applicant's or
37 current employee's fingerprints. If the applicant or current employee has been a resident of this
38 State for five years or more, then the offer is conditioned on consent to a State criminal history
39 record check of the applicant or current employee applying for a change in employment status.
40 A nursing home or a home care agency shall not employ an applicant who refuses to consent to
41 a criminal history record check required by this section. In addition, a home care agency shall
42 not change a current employee's employment status from a position that does not require entering
43 the patient's home to a position that requires entering the patient's home who refuses to consent
44 to a criminal history record check required by this section. Within five business days of making
45 the conditional offer of employment, a nursing home or home care agency shall submit a request
46 to the ~~Department of Public Safety State Bureau of Investigation~~ under ~~G.S. 143B-939~~
47 G.S. 143B-1209.20 to conduct a State or national criminal history record check required by this
48 section, or shall submit a request to a private entity to conduct a State criminal history record
49 check required by this section. Notwithstanding ~~G.S. 143B-939~~, G.S. 143B-1209.20, the
50 ~~Department of Public Safety State Bureau of Investigation~~ shall return the results of national
51 criminal history record checks for employment positions not covered by Public Law 105-277 to

1 the Department of Health and Human Services, Criminal Records Check Unit. Within five
2 business days of receipt of the national criminal history of the person, the Department of Health
3 and Human Services, Criminal Records Check Unit, shall notify the nursing home or home care
4 agency as to whether the information received may affect the employability of the applicant. In
5 no case shall the results of the national criminal history record check be shared with the nursing
6 home or home care agency. Nursing homes and home care agencies shall make available upon
7 request verification that a criminal history check has been completed on any staff covered by this
8 section. All criminal history information received by the home or agency is confidential and may
9 not be disclosed, except to the applicant as provided in subsection (b) of this section.

10 (a1) Requirement; Contract Agency of Nursing Home or Home Care Agency. – An offer
11 of employment by a contract agency of a nursing home or home care agency licensed under this
12 Chapter to an applicant to fill a position that does not require the applicant to have an occupational
13 license is conditioned upon consent to a criminal history record check of the applicant. If the
14 applicant has been a resident of this State for less than five years, then the offer of employment
15 is conditioned on consent to a State and national criminal history record check of the applicant.
16 The national criminal history record check shall include a check of the applicant's fingerprints.
17 If the applicant has been a resident of this State for five years or more, then the offer is
18 conditioned on consent to a State criminal history record check of the applicant. A contract
19 agency of a nursing home or home care agency shall not employ an applicant who refuses to
20 consent to a criminal history record check required by this section. Within five business days of
21 making the conditional offer of employment, a contract agency of a nursing home or home care
22 agency shall submit a request to the ~~Department of Public Safety~~ State Bureau of Investigation
23 ~~under G.S. 143B-939~~ G.S. 143B-1209.20 to conduct a State or national criminal history record
24 check required by this section, or shall submit a request to a private entity to conduct a State
25 criminal history record check required by this section. Notwithstanding ~~G.S. 143B-939~~,
26 G.S. 143B-1209.20, the ~~Department of Public Safety~~ State Bureau of Investigation shall return
27 the results of national criminal history record checks for employment positions not covered by
28 Public Law 105-277 to the Department of Health and Human Services, Criminal Records Check
29 Unit. Within five business days of receipt of the national criminal history of the person, the
30 Department of Health and Human Services, Criminal Records Check Unit, shall notify the
31 contract agency of the nursing home or home care agency as to whether the information received
32 may affect the employability of the applicant. In no case shall the results of the national criminal
33 history record check be shared with the contract agency of the nursing home or home care agency.
34 Contract agencies of nursing homes and home care agencies shall make available upon request
35 verification that a criminal history check has been completed on any staff covered by this section.
36 All criminal history information received by the contract agency is confidential and may not be
37 disclosed, except to the applicant as provided by subsection (b) of this section.

38 ...

39 (f) Conditional Employment. – A nursing home or home care agency may employ an
40 applicant conditionally prior to obtaining the results of a criminal history record check regarding
41 the applicant if both of the following requirements are met:

- 42 (1) The nursing home or home care agency shall not employ an applicant prior to
43 obtaining the applicant's consent for a criminal history record check as
44 required in subsection (a) of this section or the completed fingerprint cards as
45 required in ~~G.S. 143B-939~~ G.S. 143B-1209.20.
- 46 (2) The nursing home or home care agency shall submit the request for a criminal
47 history record check not later than five business days after the individual
48 begins conditional employment.

49"

50 **SECTION 19F.4.(t)** G.S. 90-171.23(b)(19) reads as rewritten:

1 "(19) Request that the Department of Public Safety conduct criminal history record
2 checks of applicants for licensure pursuant to
3 ~~G.S. 143B-940~~G.S. 143B-1209.21."

4 **SECTION 19F.4.(u)** G.S. 90-113.33(10) reads as rewritten:

5 "(10) Request that the Department of Public Safety conduct criminal history record
6 checks of applicants for registration, certification, or licensure pursuant to
7 ~~G.S. 143B-941~~G.S. 143B-1209.22."

8 **SECTION 19F.4.(v)** The following statutes are amended by deleting the language
9 "G.S. 143B-943" wherever it appears and substituting "G.S. 143B-1209.23": G.S. 153A-233,
10 153A-234, and 160A-292.

11 **SECTION 19F.4.(w)** G.S. 143-143.10(b)(6) reads as rewritten:

12 "(6) To request that the ~~Department of Public Safety~~State Bureau of Investigation
13 conduct criminal history checks of applicants for licensure pursuant to
14 ~~G.S. 143B-944~~G.S. 143B-1209.24."

15 **SECTION 19F.4.(x)** G.S. 153A-94.2 reads as rewritten:

16 "**§ 153A-94.2. Criminal history record checks of employees permitted.**

17 The board of commissioners may adopt or provide for rules and regulations or ordinances
18 concerning a requirement that any applicant for employment be subject to a criminal history
19 record check of State and National Repositories of Criminal Histories conducted by the
20 ~~Department of Public Safety~~State Bureau of Investigation in accordance with ~~G.S. 143B-945~~
21 G.S. 143B-1209.25. The local or regional public employer may consider the results of these
22 criminal history record checks in its hiring decisions."

23 **SECTION 19F.4.(y)** G.S. 160A-164.2 reads as rewritten:

24 "**§ 160A-164.2. Criminal history record check of employees permitted.**

25 The council may adopt or provide for rules and regulations or ordinances concerning a
26 requirement that any applicant for employment be subject to a criminal history record check of
27 State and National Repositories of Criminal Histories conducted by the ~~Department of Public~~
28 ~~Safety~~State Bureau of Investigation in accordance with ~~G.S. 143B-945~~G.S. 143B-1209.25. The
29 city may consider the results of these criminal history record checks in its hiring decisions."

30 **SECTION 19F.4.(z)** G.S. 74F-6(16) reads as rewritten:

31 "(16) Request that the ~~Department of Public Safety~~State Bureau of Investigation
32 conduct criminal history record checks of applicants for licensure and
33 apprenticeships pursuant to ~~G.S. 143B-946~~G.S. 143B-1209.26."

34 **SECTION 19F.4.(aa)** G.S. 7A-349 reads as rewritten:

35 "**§ 7A-349. Criminal history record check; denial of employment, contract, or volunteer**
36 **opportunity.**

37 The Judicial Department may deny employment, a contract, or a volunteer opportunity to any
38 person who refuses to consent to a criminal history check authorized under ~~G.S. 143B-950~~
39 G.S. 143B-1209.31 and may dismiss a current employee, terminate a contractor, or terminate a
40 volunteer relationship if that employee, contractor, or volunteer refuses to consent to a criminal
41 history record check authorized under ~~G.S. 143B-950~~G.S. 143B-1209.31."

42 **SECTION 19F.4.(bb)** G.S. 131E-159(g) reads as rewritten:

43 "(g) An individual who applies for EMS credentials, seeks to renew EMS credentials, or
44 holds EMS credentials is subject to a criminal background review by the Department. At the
45 request of the Department, the Emergency Medical Services Disciplinary Committee, established
46 by G.S. 143-519, shall review criminal background information and make a recommendation
47 regarding the eligibility of an individual to obtain initial EMS credentials, renew EMS
48 credentials, or maintain EMS credentials. The Department and the Emergency Medical Services
49 Disciplinary Committee shall keep all information obtained pursuant to this subsection
50 confidential. The Medical Care Commission shall adopt rules to implement the provisions of this

1 subsection, including rules to establish a reasonable fee to offset the actual costs of criminal
2 history information obtained pursuant to ~~G.S. 143B-952~~. G.S. 143B-1209.33."

3 **SECTION 19F.4.(cc)** G.S. 90-345(b) reads as rewritten:

4 "(b) The Board may request that an applicant for licensure, an applicant seeking
5 reinstatement of a license, or a licensee under investigation by the Board for alleged criminal
6 offenses in violation of this Article consent to a criminal history record check. Refusal to consent
7 to a criminal history record check may constitute grounds for the Board to deny licensure to an
8 applicant, deny reinstatement of a license to an applicant, or revoke the license of a licensee. The
9 Board shall ensure that the State and national criminal history of an applicant is checked. The
10 Board shall be responsible for providing to the ~~North Carolina Department of Public Safety State~~
11 Bureau of Investigation the fingerprints of the applicant or licensee to be checked, a form signed
12 by the applicant or licensee consenting to the criminal record check and the use of fingerprints
13 and other identifying information required by the State or National Repositories of Criminal
14 Histories, and any additional information required by the ~~Department of Public Safety State~~
15 Bureau of Investigation in accordance with ~~G.S. 143B-957~~. G.S. 143B-1209.38. The Board shall
16 keep all information obtained pursuant to this section confidential. The Board shall collect any
17 fees required by the ~~Department of Public Safety State Bureau of Investigation~~ and shall remit
18 the fees to the ~~Department of Public Safety State Bureau of Investigation~~ for expenses associated
19 with conducting the criminal history record check."

20 **SECTION 19F.4.(dd)** G.S. 90-270.63(b) reads as rewritten:

21 "(b) The Board may request that an applicant for licensure, an applicant seeking
22 reinstatement of a license, or a licensee under investigation by the Board for alleged criminal
23 offenses in violation of this Article consent to a criminal history record check. Refusal to consent
24 to a criminal history record check may constitute grounds for the Board to deny licensure to an
25 applicant, deny reinstatement of a license to an applicant, or revoke the license of a licensee. The
26 Board shall ensure that the State and national criminal history of an applicant is checked. The
27 Board shall be responsible for providing to the ~~North Carolina Department of Public Safety State~~
28 Bureau of Investigation the fingerprints of the applicant or licensee to be checked, a form signed
29 by the applicant or licensee consenting to the criminal history record check and the use of
30 fingerprints and other identifying information required by the State or National Repositories of
31 Criminal Histories, and any additional information required by the ~~Department of Public Safety~~
32 State Bureau of Investigation in accordance with ~~G.S. 143B-958~~. G.S. 143B-1209.39. The Board
33 shall keep all information obtained pursuant to this section confidential. The Board shall collect
34 any fees required by the ~~Department of Public Safety State Bureau of Investigation~~ and shall
35 remit the fees to the ~~Department of Public Safety State Bureau of Investigation~~ for expenses
36 associated with conducting the criminal history record check."

37 **SECTION 19F.4.(ee)** G.S. 14-415.4(d)(5) reads as rewritten:

38 (5) The petitioner submits his or her fingerprints to the sheriff of the county in
39 which the petitioner resides for a criminal background check pursuant to
40 ~~G.S. 143B-959~~. G.S. 143B-1209.40."

41 **SECTION 19F.4.(ff)** G.S. 93E-1-6(c1) reads as rewritten:

42 "(c1) The Board shall also make an investigation as it deems necessary into the background
43 of the applicant to determine the applicant's qualifications with due regard to the paramount
44 interest of the public as to the applicant's competency, honesty, truthfulness, and integrity. All
45 applicants shall consent to a criminal history record check. Refusal to consent to a criminal
46 history record check may constitute grounds for the Board to deny an application. The Board
47 shall ensure that the State and national criminal history of an applicant is checked. The Board
48 shall be responsible for providing to the ~~North Carolina Department of Public Safety State Bureau~~
49 of Investigation the fingerprints of the applicant to be checked, a form signed by the applicant
50 consenting to the criminal history record check, and the use of fingerprints and other identifying
51 information required by the State or National Repositories of Criminal Histories and any

1 additional information required by the ~~Department of Public Safety State Bureau of Investigation~~
2 in accordance with ~~G.S. 143B-961.~~ G.S. 143B-1209.42. The Board shall keep all information
3 obtained pursuant to this section confidential. The Board shall collect any fees required by the
4 ~~Department of Public Safety State Bureau of Investigation~~ and shall remit the fees to the
5 ~~Department of Public Safety State Bureau of Investigation~~ for expenses associated with
6 conducting the criminal history record check."

7 **SECTION 19F.4.(gg)** G.S. 93E-2-11(b) reads as rewritten:

8 "(b) The Board may require that an applicant for registration as an appraisal management
9 company or a registrant consent to a criminal history record check. Refusal to consent to a
10 criminal history record check may constitute grounds for the Board to deny registration to an
11 applicant or registrant. The Board shall ensure that the State and national criminal history of an
12 applicant or registrant is checked. The Board shall be responsible for providing to the ~~North~~
13 ~~Carolina Department of Public Safety State Bureau of Investigation~~ the fingerprints of the
14 applicant or registrant to be checked, a form signed by the applicant or registrant consenting to
15 the criminal record check and the use of fingerprints and other identifying information required
16 by the State or National Repositories of Criminal Histories, and any additional information
17 required by the ~~Department of Public Safety State Bureau of Investigation~~ in accordance with
18 ~~G.S. 143B-961.~~ G.S. 143B-1209.42. The Board shall keep all information obtained pursuant to
19 this section confidential. The Board shall collect any fees required by the ~~Department of Public~~
20 ~~Safety State Bureau of Investigation~~ and shall remit the fees to the ~~Department of Public Safety~~
21 ~~State Bureau of Investigation~~ for expenses associated with conducting the criminal history record
22 check."

23 **SECTION 19F.4.(hh)** G.S. 90-356(15) reads as rewritten:

24 "(15) Request that the ~~Department of Public Safety State Bureau of Investigation~~
25 conduct criminal history record checks of applicants for licensure pursuant to
26 ~~G.S. 143B-966.~~ G.S. 143B-1209.47."

27 **SECTION 19F.4.(ii)** G.S. 143B-426.39(18) reads as rewritten:

28 "(18) Require a criminal history record check of any current or prospective
29 employee, volunteer, or contractor, which shall be conducted by the State
30 Bureau of Investigation as provided in ~~G.S. 143B-966.~~ G.S. 143B-1209.47.
31 The criminal history report shall be provided to the State Controller and is not
32 a public record under Chapter 132 of the General Statutes."

33 **SECTION 19F.4.(jj)** G.S. 163-27.2(b) reads as rewritten:

34 "(b) A criminal history record check shall be required of all current or prospective
35 permanent or temporary employees of the State Board and all current or prospective county
36 directors of elections, which shall be conducted by the ~~Department of Public Safety State Bureau~~
37 ~~of Investigation~~ as provided in ~~G.S. 143B-968.~~ G.S. 143B-1209.49. The criminal history report
38 shall be provided to the Executive Director, who shall keep all information obtained pursuant to
39 this section confidential to the State Board, as provided in ~~G.S. 143B-968(d).~~
40 G.S. 143B-1209.49(d). A criminal history report provided under this subsection is not a public
41 record under Chapter 132 of the General Statutes."

42 **SECTION 19F.4.(kk)** G.S. 163-35(b) reads as rewritten:

43 "(b) Appointment, Duties; Termination. – Upon receipt of a nomination from the county
44 board of elections stating that the nominee for director of elections is submitted for appointment
45 upon majority selection by the county board of elections the Executive Director shall issue a
46 letter of appointment of such nominee to the chairman of the county board of elections within 10
47 days after receipt of the nomination, unless good cause exists to decline the appointment. The
48 Executive Director may delay the issuance of appointment for a reasonable time if necessary to
49 obtain a criminal history records check sought under ~~G.S. 143B-968.~~ G.S. 143B-1209.49. The
50 Executive Director shall apply the standards provided in G.S. 163-27.2 in determining whether
51 a nominee with a criminal history shall be selected. If the Executive Director determines a

1 nominee shall not be selected and does not issue a letter of appointment, the decision of the
 2 Executive Director of the State Board shall be final unless the decision is, within 10 days from
 3 the official date on which it was made, deferred by the State Board. If the State Board defers the
 4 decision, then the State Board shall make a final decision on appointment of the director of
 5 elections and may direct the Executive Director to issue a letter of appointment. If an Executive
 6 Director issues a letter of appointment, the county board of elections shall enter in its official
 7 minutes the specified duties, responsibilities and designated authority assigned to the director by
 8 the county board of elections. The specified duties and responsibilities shall include adherence
 9 to the duties delegated to the county board of elections pursuant to G.S. 163-33. A copy of the
 10 specified duties, responsibilities and designated authority assigned to the director shall be filed
 11 with the State Board of Elections. In the event the Executive Director is recused due to an actual
 12 or apparent conflict of interest from rendering a decision under this section, the chair and
 13 vice-chair of the State Board shall designate a member of staff to fulfill those duties."

14 **SECTION 19F.4.(ll)** G.S. 163-37.1(b) reads as rewritten:

15 "(b) The county board of elections shall require a criminal history record check of all
 16 current or prospective employees, which shall be conducted by the ~~Department of Public Safety~~
 17 State Bureau of Investigation as provided in ~~G.S. 143B-969~~. G.S. 143B-1209.50. The criminal
 18 history report shall be provided to the county board of elections. A county board of elections
 19 shall provide the criminal history record of all current or prospective employees required by
 20 G.S. 163-27.2 to the Executive Director and the State Board. The criminal history report shall be
 21 kept confidential as provided in ~~G.S. 143B-969(d)~~ G.S. 143B-1209.50(d) and is not a public
 22 record under Chapter 132 of the General Statutes."

23 **SECTION 19F.4.(mm)** G.S. 108A-150 reads as rewritten:

24 "**§ 108A-150. Criminal history record checks required for child care institutions.**

25 ...

26 (c) Process. – Within five business days of making the conditional offer of employment,
 27 or formally discussing a volunteer opportunity, a child care institution, or a contract agency of a
 28 child care institution, shall submit a request to the ~~Department of Public Safety~~ State Bureau of
 29 Investigation under ~~G.S. 143B-972~~ G.S. 143B-1209.53 to conduct a State and national criminal
 30 history record check as required by this section. The ~~Department of Public Safety~~ State Bureau
 31 of Investigation shall return the results of the national criminal history record check to the
 32 Department of Health and Human Services, Criminal Records Check Unit.

33 ...

34 (g) Conditional Employment. – A child care institution may employ an applicant
 35 conditionally prior to obtaining the results of a criminal history record check regarding the
 36 applicant if both of the following requirements are met:

- 37 (1) The child care institution shall not employ an applicant prior to obtaining the
 38 applicant's consent for a criminal history record check as required in
 39 subsection (b) of this section or the completed fingerprint cards as required in
 40 ~~G.S. 143B-972~~ G.S. 143B-1209.53.
 41 (2) The child care institution shall submit the request for a criminal history record
 42 check not later than five business days after the individual begins conditional
 43 employment.

44"

45 **SECTION 19F.4.(nn)** G.S. 120-32(2a) reads as rewritten:

46 "(2a) Obtain a criminal history record check of a prospective employee, volunteer,
 47 or contractor of the General Assembly. The criminal history record check shall
 48 be conducted by the State Bureau of Investigation as provided in
 49 ~~G.S. 143B-972~~ G.S. 143B-1209.55. The criminal history report shall be
 50 provided to the Legislative Services Officer and is not a public record under
 51 Chapter 132 of the General Statutes."

1 **SECTION 19F.4.(oo)** G.S. 15A-145.4(c)(4) reads as rewritten:

2 "(4) An application on a form approved by the Administrative Office of the Courts
3 requesting and authorizing (i) a State and national criminal history record
4 check by the ~~Department of Public Safety~~ State Bureau of Investigation using
5 any information required by the Administrative Office of the Courts to
6 identify the individual; (ii) a search by the ~~Department of Public Safety~~ State
7 Bureau of Investigation for any outstanding warrants or pending criminal
8 cases; and (iii) a search of the confidential record of expunctions maintained
9 by the Administrative Office of the Courts. The application shall be filed with
10 the clerk of superior court. The clerk of superior court shall forward the
11 application to the ~~Department of Public Safety~~ State Bureau of Investigation
12 and to the Administrative Office of the Courts, which shall conduct the
13 searches and report their findings to the court."

14 **SECTION 19F.4.(pp)** G.S. 15A-145.5(c1)(4) reads as rewritten:

15 "(4) An application on a form approved by the Administrative Office of the Courts
16 requesting and authorizing a name-based State and national criminal history
17 record check by the ~~Department of Public Safety~~ State Bureau of Investigation
18 using any information required by the Administrative Office of the Courts to
19 identify the individual, a search by the ~~Department of Public Safety~~ State
20 Bureau of Investigation for any outstanding warrants on pending criminal
21 cases, and a search of the confidential record of expunctions maintained by
22 the Administrative Office of the Courts. The application shall be filed with the
23 clerk of superior court. The clerk of superior court shall forward the
24 application to the ~~Department of Public Safety~~ State Bureau of Investigation
25 and to the Administrative Office of the Courts, which shall conduct the
26 searches and report their findings to the court."

27 **SECTION 19F.4.(qq)** G.S. 15A-145.6(c)(4) reads as rewritten:

28 "(4) An application on a form approved by the Administrative Office of the Courts
29 requesting and authorizing (i) a State and national criminal history record
30 check by the ~~Department of Public Safety~~ State Bureau of Investigation using
31 any information required by the Administrative Office of the Courts to
32 identify the individual; (ii) a search by the ~~Department of Public Safety~~ State
33 Bureau of Investigation for any outstanding warrants or pending criminal
34 cases; and (iii) a search of the confidential record of expunctions maintained
35 by the Administrative Office of the Courts. The application shall be filed with
36 the clerk of superior court. The clerk of superior court shall forward the
37 application to the ~~Department of Public Safety~~ State Bureau of Investigation
38 and to the Administrative Office of the Courts, which shall conduct the
39 searches and report their findings to the court."

40 **SECTION 19F.4.(rr)** G.S. 48-3-309 reads as rewritten:

41 "**§ 48-3-309. Mandatory preplacement criminal checks of prospective adoptive parents**
42 **seeking to adopt a minor who is in the custody or placement responsibility of a**
43 **county department of social services and mandatory preplacement criminal**
44 **checks of all individuals 18 years of age or older who reside in the prospective**
45 **adoptive home.**

46 ...

47 (c) The ~~Department of Public Safety~~ State Bureau of Investigation shall provide to the
48 Department of Health and Human Services the criminal history of any individual required to be
49 checked under subsection (a) of this section as requested by the Department and obtained from
50 the State and National Repositories of Criminal Histories. The Department shall provide to the
51 ~~Department of Public Safety~~, State Bureau of Investigation, along with the request, the

1 fingerprints of any individual to be checked, any additional information required by the
2 ~~Department of Public Safety, State Bureau of Investigation,~~ and a form consenting to the check
3 of the criminal record and to the use of fingerprints and other identifying information required
4 by the State or National Repositories signed by the individual to be checked. The fingerprints of
5 any individual to be checked shall be ~~forwarded to~~ used by the State Bureau of Investigation for
6 a search of the State's criminal history record file, and the State Bureau of Investigation shall
7 forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history
8 record check.

9 ...

10 (h) The ~~Department of Public Safety~~ State Bureau of Investigation shall perform the State
11 and national criminal history checks on prospective adoptive parents seeking to adopt a minor in
12 the custody or placement responsibility of a county department of social services and all
13 individuals 18 years of age or older who reside in the prospective adoptive home and shall charge
14 the Department of Health and Human Services a reasonable fee only for conducting the checks
15 of the national criminal history records authorized by this section. The Division of Social
16 Services, Department of Health and Human Services, shall bear the costs of implementing this
17 section."

18 **SECTION 19F.4.(ss)** G.S. 53-244.050 reads as rewritten:

19 **"§ 53-244.050. License and registration application; claim of exemption.**

20 ...

21 (d) For the purposes of this section and in order to reduce the points of contact that the
22 Federal Bureau of Investigation may have to maintain for purposes of the criminal information
23 required by this section, the Commissioner may use the Nationwide Mortgage Licensing System
24 and Registry as a channeling agent for requesting information from and distributing information
25 to the ~~Department of Public Safety~~ State Bureau of Investigation or any governmental agency.

26 ...

27 (f) For purposes of this section, the Commissioner may request and the ~~North Carolina~~
28 ~~Department of Public Safety~~ State Bureau of Investigation may provide a criminal record check
29 to the Commissioner for any person who (i) has applied for or holds a mortgage lender, mortgage
30 broker, mortgage servicer, mortgage loan originator, or transitional mortgage loan originator
31 license as provided by this section or (ii) has applied for or holds a registration as a registrant
32 under this section. The Commissioner shall provide the ~~Department of Public Safety, State~~
33 Bureau of Investigation, along with the request, the fingerprints of the person, any additional
34 information required by the ~~Department of Public Safety, State Bureau of Investigation,~~ and a
35 form signed by the person consenting to the check of the criminal record and to the use of the
36 fingerprints and other identifying information required by the State or national repositories. The
37 person's fingerprints shall be ~~forwarded to~~ used by the State Bureau of Investigation for a search
38 of the State's criminal history record file, and the State Bureau of Investigation shall forward a
39 set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check.
40 The ~~Department of Public Safety~~ State Bureau of Investigation may charge a fee for each person
41 for conducting the checks of criminal history records authorized by this section.

42"

43 **SECTION 19F.4.(tt)** G.S. 58-71-51(a) reads as rewritten:

44 "(a) Authorization. – The ~~Department of Public Safety~~ State Bureau of Investigation may
45 provide a criminal history record check to the Commissioner for a person who has applied to the
46 Commissioner for a new or renewal license as a bail bondsman or runner. The Commissioner
47 shall provide to the ~~Department of Public Safety, State Bureau of Investigation,~~ along with the
48 request, the fingerprints of the new or renewal applicant. The applicant shall furnish the
49 Commissioner with a complete set of the applicant's fingerprints in a manner prescribed by the
50 Commissioner. The ~~Department of Public Safety~~ State Bureau of Investigation shall provide a
51 criminal history record check based upon the new or renewal applicant's fingerprints. The

1 Commissioner shall provide any additional information required by the ~~Department of Public~~
2 ~~Safety State Bureau of Investigation~~ and a form signed by the applicant consenting to the check
3 of the criminal record and to the use of the fingerprints and other identifying information required
4 by the State or national repositories. The new or renewal applicant's fingerprints shall be
5 ~~forwarded to used by~~ the State Bureau of Investigation for a search of the State's criminal history
6 record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the
7 Federal Bureau of Investigation for a national criminal history check. The ~~Department of Public~~
8 ~~Safety State Bureau of Investigation~~ may charge each new or renewal applicant a fee for
9 conducting the checks of criminal history records authorized by this subsection."

10 **SECTION 19F.4.(uu)** G.S. 58-89A-60(d) reads as rewritten:

11 "(d) Every applicant shall furnish the Commissioner a complete set of fingerprints of each
12 officer, director, and controlling person in a form prescribed by the Commissioner. Each set of
13 fingerprints shall be certified by an authorized law enforcement officer.

14 Upon request by the Department, the ~~Department of Public Safety State Bureau of~~
15 ~~Investigation~~ shall provide to the Department from the State and National Repositories of
16 Criminal Histories the criminal history of any applicant and the officer, director, and controlling
17 person of any applicant. Along with the request, the Department shall provide to the ~~Department~~
18 ~~of Public Safety State Bureau of Investigation~~ the fingerprints of the person that is the subject of
19 the request, a form signed by the person that is the subject of the request consenting to the
20 criminal record check and use of fingerprints and other identifying information required by the
21 State and National Repositories, and any additional information required by the ~~Department of~~
22 ~~Public Safety State Bureau of Investigation~~. The person's fingerprints shall be ~~forwarded to used~~
23 ~~by~~ the State Bureau of Investigation for a search of the State's criminal history record file, and
24 the State Bureau of Investigation may forward a set of fingerprints to the Federal Bureau of
25 Investigation for a national criminal history record check. The Department shall keep all
26 information obtained pursuant to this subsection confidential. The ~~Department of Public Safety~~
27 ~~State Bureau of Investigation~~ may charge a fee to offset the cost incurred by it to conduct a
28 criminal record check under this section. The fee shall not exceed the actual cost of locating,
29 editing, researching, and retrieving the information.

30 In the event that an applicant has secured a professional employer organization license in
31 another state in which the professional employer organization's controlling persons have
32 completed a criminal background investigation within 12 months of this application, a certified
33 copy of the report from the appropriate authority of that state may satisfy the requirement of this
34 subsection. This subsection also applies to a change in a controlling party of a professional
35 employer organization. For purposes of investigation under this subsection, the Commissioner
36 shall have all the power conferred by G.S. 58-2-50 and other applicable provisions of this
37 Chapter."

38 **SECTION 19F.4.(vv)** G.S. 66-407 reads as rewritten:

39 **"§ 66-407. Permits.**

40 (a) Dealer Permit. – Except as provided in subsection (c) of this section, it is unlawful
41 for any person to engage as a dealer in the business of purchasing precious metals either as a
42 separate business or in connection with other business operations without first obtaining a permit
43 for the business from the local law enforcement agency. The Department of Public Safety shall
44 approve the forms for both the application and the permit. The application shall be given under
45 oath and shall be notarized. A 30-day waiting period from the date of filing of the application is
46 required prior to initial issuance of a permit. A separate permit shall be issued for each location,
47 place, or premises within the jurisdiction of the local law enforcement agency which is used for
48 conducting a precious metals business, and each permit shall designate the location, place or
49 premises to which it applies. No business shall be conducted in a place other than that designated
50 in the permit, or in a mobile home, trailer, camper, or other vehicle, or structure not permanently
51 affixed to the ground or in any room customarily used for lodging in any hotel, motel, tourist

1 court, or tourist home. The permit shall be posted in a prominent place on the designated
2 premises. Permits shall be valid for a period of 12 months from the date issued and may be
3 renewed without a waiting period upon filing of an application and payment of the annual fee.
4 The annual fee for a permit within each jurisdiction is one hundred eighty dollars (\$180.00) to
5 provide for the administrative costs of the local law enforcement agency, including the purchase
6 of required forms and the cost of conducting the criminal history record check of the applicant.
7 The fee is not refundable even if the permits are denied or later suspended or revoked. A permit
8 issued under this section is in addition to and not in lieu of other business licenses and is not
9 transferable. No person other than the dealer named on the permit and that dealer's employees
10 may engage in the business of purchasing precious metals under the authority of the permit.

11 Any dealer applying to the local law enforcement agency for a permit shall furnish the local
12 law enforcement agency with the following information:

- 13 (1) The applicant's full name, and any other names used by the applicant during
14 the preceding five years. In the case of a partnership, association, or
15 corporation, the applicant shall list any partnership, association, or corporate
16 names used during the preceding five years.
- 17 (2) Current address, and all addresses used by the applicant during the preceding
18 five years.
- 19 (3) Physical description.
- 20 (4) Age.
- 21 (5) Driver's license number, if any, and state of issuance.
- 22 (6) Recent photograph.
- 23 (7) Record of felony convictions.
- 24 (8) Record of other convictions during the preceding five years.
- 25 (9) A full set of fingerprints of the applicant.

26 If the applicant for a dealer's permit is a partnership or association, all persons owning a ten
27 percent (10%) or more interest in the partnership or association shall comply with the provisions
28 of this subsection. These permits shall be issued in the name of the partnership or association.

29 If the applicant for a dealer's permit is a corporation, each officer, director and stockholder
30 owning ten percent (10%) or more of the corporation's stock, of any class, shall comply with the
31 provisions of this subsection. These permits shall be issued in the name of the corporation.

32 No permit shall be issued to an applicant who has been convicted of a felony involving a
33 crime of moral turpitude, or larceny, or receiving stolen goods or of similar charges in any federal
34 court or a court of this or any other state, unless the applicant has had his or her rights of
35 citizenship restored pursuant to Chapter 13 of the General Statutes for five years or longer
36 immediately preceding the date of application. In the case of a partnership, association, or
37 corporation, no permit shall be issued to any applicant with an officer, partner, or director who
38 has been convicted of a felony involving a crime of moral turpitude, or larceny, or receiving
39 stolen goods or of similar charges in any federal court or a court of this or any other state, unless
40 that person has had his or her rights of citizenship restored pursuant to Chapter 13 of the General
41 Statutes for five years or longer immediately preceding the date of application.

42 The ~~Department of Public Safety~~ State Bureau of Investigation may provide a criminal
43 history record check to the local law enforcement agency for a person who has applied for a
44 permit through the agency. The agency shall provide to the ~~Department of Public Safety, State~~
45 Bureau of Investigation, along with the request, the fingerprints of the applicant, any additional
46 information required by the ~~Department of Public Safety, State Bureau of Investigation~~, and a
47 form signed by the applicant consenting to the check of the criminal record and to the use of the
48 fingerprints and other identifying information required by the State or national repositories. The
49 applicant's fingerprints shall be ~~forwarded to used by~~ the State Bureau of Investigation for a
50 search of the State's criminal history record file, and the State Bureau of Investigation shall
51 forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal

1 history record check. The agency shall keep all information pursuant to this subsection
2 privileged, in accordance with applicable State law and federal guidelines, and the information
3 shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

4 ~~The Department of Public Safety~~ State Bureau of Investigation may charge each applicant a
5 fee for conducting the checks of criminal history records authorized by this subsection.

6 (b) Employee Requirements. – Every employee engaged in the precious metals
7 purchasing business shall, within two business days of being so engaged, register his or her name
8 and address with the local law enforcement agency and have his or her photograph taken by the
9 agency. The employee also shall consent to a criminal history record check, which shall be
10 performed by the local law enforcement agency. A person who refuses to consent to a criminal
11 history record check shall not be employed by a dealer required to be licensed under this section.
12 A person who has been convicted of a felony involving a crime of moral turpitude, larceny,
13 receiving stolen goods, or of similar charges shall not be employed by a dealer required to be
14 licensed under this section, unless the person has had his or her rights of citizenship restored
15 pursuant to Chapter 13 of the General Statutes for five years or longer immediately preceding the
16 date of registration. The agency shall issue to the employee a certificate of compliance with this
17 section upon the applicant's payment of the sum of ten dollars (\$10.00) to the agency. The
18 certificate shall be renewed annually for a three-dollar (\$3.00) fee and shall be posted in the work
19 area of the registered employee. An employee is not subject to the requirements of this subsection
20 if the employee is engaged in the precious metals purchasing business only incidentally to his or
21 her main job responsibilities, and each precious metals transaction with which the employee is
22 involved is overseen by a licensed dealer or registered employee. All records of transactions must
23 be signed by the licensed dealer or registered employee at the time of the transaction, as required
24 under G.S. 66-410(a).

25 ~~The Department of Public Safety~~ State Bureau of Investigation may provide a criminal
26 history record check to the local law enforcement agency for an employee engaged in the
27 precious metals business. The agency shall provide to the ~~Department of Public Safety, State~~
28 Bureau of Investigation, along with the request, the fingerprints of the employee, any additional
29 information required by the ~~Department of Public Safety, State Bureau of Investigation~~, and a
30 form signed by the employee consenting to the check of the criminal record and to the use of the
31 fingerprints and other identifying information required by the State or national repositories. The
32 employee's fingerprints shall be ~~forwarded to~~ used by the State Bureau of Investigation for a
33 search of the State's criminal history record file, and the State Bureau of Investigation shall
34 forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal
35 history record check. The agency shall keep all information pursuant to this subsection
36 privileged, in accordance with applicable State law and federal guidelines, and the information
37 shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

38 ~~The Department of Public Safety~~ State Bureau of Investigation may charge each employee a
39 fee for conducting the checks of criminal history records authorized by this subsection.

40 (c) Special Occasion Permit. – A special occasion permit authorizes the permittee to
41 purchase precious metals as a dealer participating in any trade shows, antique shows, and crafts
42 shows conducted within the State. A special occasion permit shall be issued by any local law
43 enforcement agency; provided, however, that a permittee under subsection (a) of this section
44 shall apply for a special occasion permit with the local law enforcement agency that issued the
45 dealer's permit. The Department of Public Safety shall approve the forms for both the application
46 and the permit. The application shall be given under oath and notarized. A 30-day waiting period
47 from the date of filing of the application is required prior to initial issuance of a permit.

48 Any dealer applying to a local law enforcement agency for a special occasion permit shall
49 furnish the local law enforcement agency with the information required in an application for a
50 dealer's permit as set forth in subsection (a) of this section. In addition, the applicant shall provide
51 a physical address where any item included in a dealer purchase will be held for the period

1 required under G.S. 66-411. The physical address shall be the location where the purchase was
2 made, unless another physical address within the law enforcement jurisdiction where the
3 purchase was made is approved by the law enforcement agency that issues the permit. The items
4 shall be available at all reasonable times for inspection on the premises by law enforcement
5 agencies.

6 If the applicant for a special occasion permit is a partnership or association, all persons
7 owning a ten percent (10%) or more interest in the partnership or association shall comply with
8 the provisions of this subsection. Any such permits shall be issued in the name of the partnership
9 or association.

10 If the applicant for a special occasion permit is a corporation, each officer, director and
11 stockholder owning ten percent (10%) or more of the corporation's stock, of any class, shall
12 comply with the provisions of this subsection. Any such permits shall be issued in the name of
13 the corporation.

14 No permit shall be issued to an applicant who has been convicted of a felony involving a
15 crime of moral turpitude, or larceny, or receiving stolen goods or of similar charges in any federal
16 court or a court of this or any other state, unless the applicant has had his or her rights of
17 citizenship restored pursuant to Chapter 13 of the General Statutes for five years or longer
18 immediately preceding the date of application. In the case of a partnership, association, or
19 corporation, no permit shall be issued to any applicant with an officer, partner, or director who
20 has been convicted of a felony involving a crime of moral turpitude, or larceny, or receiving
21 stolen goods or of similar charges in any federal court or a court of this or any other state, unless
22 that person has had his or her rights of citizenship restored pursuant to Chapter 13 of the General
23 Statutes for five years or longer immediately preceding the date of application.

24 The ~~Department of Public Safety~~ State Bureau of Investigation may provide a criminal
25 history record check to the local law enforcement agency for a person who has applied for a
26 permit through the agency. The agency shall provide to the ~~Department of Public Safety, State~~
27 Bureau of Investigation, along with the request, the fingerprints of the applicant, any additional
28 information required by the ~~Department of Public Safety, State Bureau of Investigation~~, and a
29 form signed by the applicant consenting to the check of the criminal record and to the use of the
30 fingerprints and other identifying information required by the State or national repositories. The
31 applicant's fingerprints shall be ~~forwarded to used by~~ the State Bureau of Investigation for a
32 search of the State's criminal history record file, and the State Bureau of Investigation shall
33 forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal
34 history record check. The agency shall keep all information pursuant to this subsection
35 privileged, in accordance with applicable State law and federal guidelines, and the information
36 shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

37 The ~~Department of Public Safety~~ State Bureau of Investigation may charge each applicant a
38 fee for conducting the checks of criminal history records authorized by this subsection.

39 The filing fee for a special occasion permit application is one hundred eighty dollars
40 (\$180.00) to provide for the administrative cost of the local law enforcement agency including
41 purchase of required forms and the cost of conducting the criminal history record check of the
42 applicant. The fee is not refundable even if the permit is denied or is later suspended or revoked.
43 A special occasion permit is in addition to and not in lieu of other business licenses and is not
44 transferable. No person other than the dealer named on the permit and that dealer's employees
45 may engage in the business of purchasing precious metals under the authority of the permit.

46 A special occasion permit is valid for 12 months from the date issued, unless earlier
47 surrendered, suspended, or revoked. Application for renewal of a permit for an additional 12
48 months shall be on a form approved by the Department of Public Safety and shall be accompanied
49 by a nonrefundable renewal fee of one hundred eighty dollars (\$180.00).

50 Each special occasion permit shall be posted in a prominent place on the premises of any
51 show at which the permittee purchases precious metals."

1 **SECTION 19F.4.(ww)** G.S. 70-13.1(b) reads as rewritten:

2 "(b) All applicants shall consent to a criminal history record check. Refusal to consent to
3 a criminal history record check or to the use of fingerprints or other identifying information may
4 constitute grounds for the Department of Natural and Cultural Resources to deny a permit or a
5 license to an applicant. The Department of Natural and Cultural Resources shall be responsible
6 for providing to the ~~North Carolina Department of Public Safety~~ State Bureau of Investigation
7 the fingerprints of the applicant to be checked, a form signed by the applicant consenting to the
8 criminal record check and the use of fingerprints and other identifying information required by
9 the State or National Repositories of Criminal Histories, and any additional information required
10 by the ~~Department of Public Safety~~ State Bureau of Investigation. If the applicant is not an
11 individual, the applicant shall provide fingerprints for the principals, officers, directors, and
12 controlling persons of the applicant. Each set of fingerprints shall be certified by an authorized
13 law enforcement officer. The Department of Natural and Cultural Resources shall keep all
14 information obtained under this section confidential."

15 **SECTION 19F.4.(xx)** G.S. 74F-18(b) reads as rewritten:

16 "(b) All applicants for licensure or apprentice designation shall consent to a criminal
17 history record check. Refusal to consent to a criminal history record check may constitute
18 grounds for the Board to deny licensure or apprentice designation to an applicant. The Board
19 shall ensure that the State and national criminal history of an applicant is checked. The Board
20 shall be responsible for providing to the ~~North Carolina Department of Public Safety~~ State Bureau
21 of Investigation the fingerprints of the applicant to be checked, a form signed by the applicant
22 consenting to the criminal record check and the use of fingerprints and other identifying
23 information required by the State or National Repositories of Criminal Histories, and any
24 additional information required by the ~~Department of Public Safety~~ State Bureau of
25 Investigation. The Board shall keep all information obtained pursuant to this section confidential.
26 The Board shall collect any fees required by the ~~Department of Public Safety~~ State Bureau of
27 Investigation and shall remit the fees to the ~~Department of Public Safety~~ State Bureau of
28 Investigation for expenses associated with conducting the criminal history record check."

29 **SECTION 19F.4.(yy)** G.S. 85B-3.2 reads as rewritten:

30 "**§ 85B-3.2. Criminal history record checks of applicants for licensure.**

31 ...

32 (b) The Commission shall ensure that the State criminal history of an applicant is
33 checked. National criminal history checks are authorized for an applicant who has not resided in
34 the State of North Carolina during the past five years. The Commission shall provide to the ~~North~~
35 ~~Carolina Department of Public Safety~~ State Bureau of Investigation the fingerprints of the
36 applicant to be checked, a form signed by the applicant to be checked consenting to the check of
37 the criminal history and to the use of fingerprints and other identifying information required by
38 the State or National Repositories, and any additional information required by the ~~Department of~~
39 ~~Public Safety~~ State Bureau of Investigation.

40 (c) All releases of criminal history information to the Commission are subject to, and
41 shall comply with, rules governing the dissemination of criminal history record checks as adopted
42 by the ~~North Carolina Department of Public Safety~~ State Bureau of Investigation. All of the
43 information the Commission receives through the checking of the criminal history is for the
44 exclusive use of the Commission and shall be kept confidential.

45 ...

46 (g) The Commission shall collect any fees required by the ~~Department of Public Safety~~
47 State Bureau of Investigation and shall remit the fees to the ~~Department of Public Safety~~ State
48 Bureau of Investigation for expenses associated with conducting the criminal history record
49 check."

50 **SECTION 19F.4.(zz)** G.S. 90-113.46A(a) reads as rewritten:

"(a) All applicants for registration, certification, or licensure shall consent to a criminal history record check. Refusal to consent to a criminal history record check may constitute grounds for the Board to deny registration, certification, or licensure to an applicant. The Board shall ensure that the State and national criminal history of an applicant is checked. The Board shall be responsible for providing to the ~~North Carolina Department of Public Safety~~ State Bureau of Investigation the fingerprints of the applicant to be checked, a form signed by the applicant consenting to the criminal history record check and the use of fingerprints and other identifying information required by the State or National Repositories, the fee required by the ~~Department of Public Safety~~ State Bureau of Investigation for providing this service, and any additional information required by the ~~Department of Public Safety~~ State Bureau of Investigation. The Board shall keep all information obtained pursuant to this section confidential."

SECTION 19F.4.(aaa) G.S. 90-171.48 reads as rewritten:

"§ 90-171.48. Criminal history record checks of applicants for licensure.

...

(b) All applicants for licensure shall consent to a criminal history record check. Refusal to consent to a criminal history record check may constitute grounds for the Board to deny licensure to an applicant. The Board shall ensure that the State and national criminal history of an applicant applying for initial licensure as a registered nurse or licensed practical nurse either by examination pursuant to G.S. 90-171.29 or G.S. 90-171.30 or without examination pursuant to G.S. 90-171.32 is checked. The Board may request a criminal history record check for applicants applying for reinstatement of licensure pursuant to G.S.90-171.35 or returning to active status pursuant to G.S. 90-171.36 as a registered nurse or licensed practical nurse.

The Board shall be responsible for providing to the ~~North Carolina Department of Public Safety~~ State Bureau of Investigation the fingerprints of the applicant to be checked, a form signed by the applicant consenting to the criminal record check and the use of fingerprints and other identifying information required by the State or National Repositories, and any additional information required by the ~~Department of Public Safety~~ State Bureau of Investigation. The Board shall keep all information obtained pursuant to this section confidential.

(c) If an applicant's criminal history record check reveals one or more convictions listed under ~~subsection-subdivision~~ (a)(2) of this section, the conviction shall not automatically bar licensure. The Board shall consider all of the following factors regarding the conviction:

- (1) The level of seriousness of the crime.
- (2) The date of the crime.
- (3) The age of the person at the time of the conviction.
- (4) The circumstances surrounding the commission of the crime, if known.
- (5) The nexus between the criminal conduct of the person and the job duties of the position to be filled.
- (6) The person's prison, jail, probation, parole, rehabilitation, and employment records since the date the crime was committed.
- (7) The subsequent commission by the person of a crime listed in subsection (a) of this section.

If, after reviewing the factors, the Board determines that the grounds set forth in G.S. 90-171.37 exist, the Board may deny licensure of the applicant. The Board may disclose to the applicant information contained in the criminal history record check that is relevant to the denial. The Board shall not provide a copy of the criminal history record check to the applicant. The applicant shall have the right to appear before the Board to appeal the Board's decision. However, an appearance before the full Board shall constitute an exhaustion of administrative remedies in accordance with Chapter 150B of the General Statutes.

...."

SECTION 19F.4.(bbb) G.S. 90-270.155(a) reads as rewritten:

1 "(a) The Board may request that an applicant for licensure or reinstatement of a license or
2 that a licensed psychologist or psychological associate currently under investigation by the Board
3 for allegedly violating this Article consent to a criminal history record check. Refusal to consent
4 to a criminal history record check may constitute grounds for the Board to deny licensure or
5 reinstatement of a license to an applicant or take disciplinary action against a licensee, including
6 revocation of a license. The Board shall be responsible for providing to the ~~North Carolina~~
7 ~~Department of Public Safety-State Bureau of Investigation~~ the fingerprints of the applicant or
8 licensee to be checked, a form signed by the applicant or licensee consenting to the criminal
9 record check and the use of fingerprints and other identifying information required by the State
10 or National Repositories, and any additional information required by the ~~Department of Public~~
11 ~~Safety-State Bureau of Investigation~~. The Board shall keep all information obtained pursuant to
12 this section confidential.

13 The Board shall collect any fees required by the ~~Department of Public Safety-State Bureau~~
14 ~~of Investigation~~ and shall remit the fees to the ~~Department of Public Safety-State Bureau of~~
15 ~~Investigation~~ for the cost of conducting the criminal history record check."

16 **SECTION 19F.4.(ccc)** G.S. 90-270.96 reads as rewritten:

17 "**§ 90-270.96. Criminal history record checks of applicants for licensure.**

18 (a) All applicants for licensure shall consent to a criminal history record check. Refusal
19 to consent to a criminal history record check may constitute grounds for the Board to deny
20 licensure to an applicant. The Board shall be responsible for providing to the ~~North Carolina~~
21 ~~Department of Public Safety-State Bureau of Investigation~~ the fingerprints of the applicant to be
22 checked, a form signed by the applicant consenting to the criminal history record check and the
23 use of fingerprints and other identifying information required by the State or National
24 Repositories, and any additional information required by the ~~Department of Public Safety-State~~
25 ~~Bureau of Investigation~~. The Board shall keep all information obtained pursuant to this section
26 confidential.

27 (b) The cost of the criminal history record check and the fingerprinting shall be borne by
28 the applicant. The Board shall collect any fees required by the ~~Department of Public Safety-State~~
29 ~~Bureau of Investigation~~ and shall remit the fees to the ~~Department of Public Safety-State Bureau~~
30 ~~of Investigation~~ for expenses associated with conducting the criminal history record check.

31 "

32 **SECTION 19F.4.(ddd)** G.S. 90-288.01(b) reads as rewritten:

33 "(b) Criminal History Record Check. – The Board shall require a criminal history record
34 check of all applicants for initial licensure and temporary licensure. The Board, in its discretion,
35 may require a criminal history record check of an applicant for license renewal. Refusal to
36 consent to a criminal history record check may constitute grounds for the Board to deny licensure
37 to an applicant. The Board shall provide to the ~~North Carolina Department of Public Safety-State~~
38 ~~Bureau of Investigation~~ the fingerprints of the applicant to be checked, a form signed by the
39 applicant consenting to the criminal history record check and the use of fingerprints and other
40 identifying information required by the State or National Repositories, and any additional
41 information required by the ~~Department of Public Safety-State Bureau of Investigation~~. The
42 Board shall keep all information obtained pursuant to this section confidential. The Board shall
43 collect any fees required by the ~~Department of Public Safety-State Bureau of Investigation~~ and
44 shall remit the fees to the ~~Department of Public Safety-State Bureau of Investigation~~ for expenses
45 associated with conducting the criminal history record check."

46 **SECTION 19F.4.(eee)** G.S. 90-357.6 reads as rewritten:

47 "**§ 90-357.6. Criminal history record checks of applicants for licensure.**

48 (a) All applicants for licensure shall consent to a criminal history record check. The
49 Board may request a criminal history record check of applicants returning to active status as a
50 licensed dietitian/nutritionist or a licensed nutritionist. Refusal to consent to a criminal history
51 record check may constitute grounds for the Board to deny licensure to an applicant. The Board

1 shall ensure that the State and national criminal history of each applicant is checked. The Board
2 shall be responsible for providing to the ~~North Carolina Department of Public Safety~~ State Bureau
3 of Investigation the fingerprints of the applicant to be checked, a form signed by the applicant
4 consenting to the criminal history record check and the use of fingerprints and other identifying
5 information required by the State or National Repositories, the fee required by the ~~Department~~
6 ~~of Public Safety~~ State Bureau of Investigation for providing this service, and any additional
7 information required by the ~~Department of Public Safety~~ State Bureau of Investigation. The
8 Board shall keep all information obtained pursuant to this section confidential.

9 (b) The cost of the criminal history record check and the fingerprinting shall be borne by
10 the applicant. The Board shall collect any fees required by the ~~Department of Public Safety~~ State
11 Bureau of Investigation and shall remit the fees to the ~~Department of Public Safety~~ State Bureau
12 of Investigation for expenses associated with conducting the criminal history record check.

13"

14 **SECTION 19F.4.(fff)** G.S. 90-622(2b) reads as rewritten:

15 "(2b) Criminal history record check. – A report resulting from a request made by
16 the Board to the ~~North Carolina Department of Public Safety~~ State Bureau of
17 Investigation for a history of conviction of a crime, whether a misdemeanor
18 or felony, that bears on an applicant's fitness for licensure to practice massage
19 and bodywork therapy."

20 **SECTION 19F.4.(ggg)** G.S. 90-629(6) reads as rewritten:

21 "(6) Has submitted fingerprint cards in a form acceptable to the Board at the time
22 the license application is filed and consented to a criminal history record check
23 by the ~~North Carolina Department of Public Safety~~ State Bureau of
24 Investigation."

25 **SECTION 19F.4.(hhh)** G.S. 90-629.1(a) reads as rewritten:

26 "(a) All applicants for licensure to practice massage and bodywork therapy or to operate
27 a massage and bodywork therapy establishment shall consent to a criminal history record check.
28 Refusal to consent to a criminal history record check may constitute grounds for the Board to
29 deny licensure to an applicant. The Board shall ensure that the State and national criminal history
30 of an applicant is checked. The Board shall be responsible for providing to the ~~North Carolina~~
31 ~~Department of Public Safety~~ State Bureau of Investigation the fingerprints of the applicant to be
32 checked, a form signed by the applicant consenting to the criminal record check and the use of
33 fingerprints and other identifying information required by the State or National Repositories, and
34 any additional information required by the ~~Department of Public Safety~~ State Bureau of
35 Investigation. The Board shall keep all information obtained pursuant to this section
36 confidential."

37 **SECTION 19F.4.(iii)** G.S. 90-632.11(a)(4) reads as rewritten:

38 "(4) Fingerprint cards submitted in accordance with G.S. 90-629.1 at the time the
39 license application is filed and consented to a criminal history record check
40 by the ~~Department of Public Safety~~ State Bureau of Investigation."

41 **SECTION 19F.4.(jjj)** G.S. 90-652(1) reads as rewritten:

42 "(1) Determine the qualifications and fitness of applicants for licensure, renewal
43 of licensure, and reciprocal licensure. The Board shall, in its discretion,
44 investigate the background of an applicant to determine the applicant's
45 qualifications with due regard given to the applicant's competency, honesty,
46 truthfulness, and integrity. The ~~Department of Public Safety~~ State Bureau of
47 Investigation may provide a criminal record check to the Board for a person
48 who has applied for a license through the Board. The Board shall provide to
49 the ~~Department of Public Safety~~ State Bureau of Investigation, along with the
50 request, the fingerprints of the applicant, any additional information required
51 by the ~~Department of Public Safety~~ State Bureau of Investigation, and a form

1 signed by the applicant consenting to the check of the criminal record and to
2 the use of the fingerprints and other identifying information required by the
3 State or national repositories. The applicant's fingerprints shall be ~~forwarded~~
4 ~~to be used by the State Bureau of Investigation~~ for a search of the State's criminal
5 history record file, and the State Bureau of Investigation shall forward a set of
6 the fingerprints to the Federal Bureau of Investigation for a national criminal
7 history check. The Board shall keep all information pursuant to this
8 subdivision privileged, in accordance with applicable State law and federal
9 guidelines, and the information shall be confidential and shall not be a public
10 record under Chapter 132 of the General Statutes. The Board shall collect any
11 fees required by the ~~Department of Public Safety~~ State Bureau of Investigation
12 and shall remit the fees to the ~~Department of Public Safety~~ State Bureau of
13 Investigation for expenses associated with conducting the criminal history
14 record check."

15 **SECTION 19F.4.(kkk)** G.S. 115C-238.73(c) reads as rewritten:

16 "(c) The board of directors shall require the person to be checked by the ~~Department of~~
17 ~~Public Safety~~ State Bureau of Investigation (i) to be fingerprinted and to provide any additional
18 information required by the ~~Department of Public Safety~~ State Bureau of Investigation to a person
19 designated by the board of directors or to the local sheriff or the municipal police, whichever is
20 more convenient for the person, and (ii) to sign a form consenting to the check of the criminal
21 record and to the use of fingerprints and other identifying information required by the
22 repositories. The board of directors shall consider refusal to consent when making employment
23 decisions and decisions with regard to independent contractors. The fingerprints of the individual
24 shall be ~~forwarded to be used by the State Bureau of Investigation~~ for a search of the State criminal
25 history record file, and the State Bureau of Investigation shall forward a set of fingerprints to the
26 Federal Bureau of Investigation for a national criminal history record check. The ~~Department of~~
27 ~~Public Safety~~ State Bureau of Investigation shall provide to the board of directors the criminal
28 history from the State and National Repositories of Criminal Histories of any school personnel
29 for which the board of directors requires a criminal history record check.

30 The board of directors shall not require school personnel to pay for the fingerprints authorized
31 under this section."

32 **SECTION 19F.4.(lll)** G.S. 115C-332(c) reads as rewritten:

33 "(c) The ~~Department of Public Safety~~ State Bureau of Investigation shall provide to the
34 local board of education the criminal history from the State and National Repositories of Criminal
35 Histories of any applicant for a school personnel position in the local school administrative unit
36 for which a local board of education requires a criminal history check. The local board of
37 education shall require the person to be checked by the ~~Department of Public Safety~~ State Bureau
38 of Investigation to (i) be fingerprinted and to provide any additional information required by the
39 ~~Department of Public Safety~~ State Bureau of Investigation to a person designated by the local
40 board, or to the local sheriff or the municipal police, whichever is more convenient for the person,
41 and (ii) sign a form consenting to the check of the criminal record and to the use of fingerprints
42 and other identifying information required by the repositories. The local board of education shall
43 consider refusal to consent when making employment decisions and decisions with regard to
44 independent contractors.

45 The local board of education shall not require an applicant to pay for being fingerprinted."

46 **SECTION 19F.4.(mmm)** G.S. 116-239.12(c) reads as rewritten:

47 "(c) The chancellor shall require the person to be checked by the ~~Department of Public~~
48 ~~Safety~~ State Bureau of Investigation (i) to be fingerprinted and to provide any additional
49 information required by the ~~Department of Public Safety~~ State Bureau of Investigation to a person
50 designated by the chancellor or to the local sheriff, the campus police department of the
51 constituent institution, or the municipal police, whichever is more convenient for the person and

(ii) to sign a form consenting to the check of the criminal record and to the use of fingerprints and other identifying information required by the repositories. The chancellor shall consider refusal to consent when making employment decisions and decisions with regard to independent contractors. The fingerprints of the individual shall be ~~forwarded to~~ used by the State Bureau of Investigation for a search of the State criminal history record file, and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The ~~Department of Public Safety~~ State Bureau of Investigation shall provide to the chancellor the criminal history from the State and National Repositories of Criminal Histories of any school personnel for which the chancellor requires a criminal history record check.

The chancellor shall not require school personnel to pay for fingerprints authorized under this section."

SECTION 19F.4.(nnn) G.S. 121-25.1(b) reads as rewritten:

"(b) All applicants shall consent to a criminal history record check. Refusal to consent to a criminal history record check or to the use of fingerprints or other identifying information may constitute grounds for the Department of Natural and Cultural Resources to deny a permit or a license to an applicant. The Department of Natural and Cultural Resources shall be responsible for providing to the ~~North Carolina Department of Public Safety~~ State Bureau of Investigation the fingerprints of the applicant to be checked, a form signed by the applicant consenting to the criminal record check and the use of fingerprints and other identifying information required by the State or National Repositories of Criminal Histories, and any additional information required by the ~~Department of Public Safety~~ State Bureau of Investigation. If the applicant is not an individual, the applicant shall provide fingerprints for the principals, officers, directors, and controlling persons of the applicant. Each set of fingerprints shall be certified by an authorized law enforcement officer. The Department of Natural and Cultural Resources shall keep all information obtained under this section confidential."

SECTION 19F.4.(ooo) G.S. 131D-10.3A reads as rewritten:

"§ 131D-10.3A. **Mandatory criminal checks.**

...

(d) The ~~Department of Public Safety~~ State Bureau of Investigation shall provide to the Department the criminal history of the individuals specified in subsection (a) of this section obtained from the State and National Repositories of Criminal Histories as requested by the Department. The Department shall provide to the ~~Department of Public Safety~~ State Bureau of Investigation, along with the request, the fingerprints of the individual to be checked, any additional information required by the ~~Department of Public Safety~~ State Bureau of Investigation, and a form consenting to the check of the criminal record and to the use of fingerprints and other identifying information required by the State or National Repositories signed by the individual to be checked. The fingerprints of the individual to be checked shall be ~~forwarded to~~ used by the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check.

(e) At the time of application, the individual whose criminal history is to be checked shall be furnished with a statement substantially similar to the following:

"NOTICE

MANDATORY CRIMINAL HISTORY CHECK

NORTH CAROLINA LAW REQUIRES THAT A CRIMINAL HISTORY CHECK BE CONDUCTED ON ALL PERSONS 18 YEARS OF AGE OR OLDER WHO RESIDE IN A LICENSED FAMILY FOSTER HOME.

"Criminal history" includes any county, State, and federal conviction of a felony by a court of competent jurisdiction or pending felony indictment of a crime for child abuse or neglect, spousal abuse, a crime against a child, including child

1 pornography, or for a crime involving violence, including rape, sexual assault, or
2 homicide, other than physical assault or battery; a county, State, or federal
3 conviction of a felony by a court of competent jurisdiction or a pending felony
4 indictment for physical assault, battery, or a drug related offense, if the offense
5 was committed within the past five years; or similar crimes under federal law or
6 under the laws of other states. Your fingerprints will be used to check the criminal
7 history records of the State Bureau of Investigation (SBI) and the Federal Bureau
8 of Investigation (FBI).

9 If it is determined, based on your criminal history, that you are unfit to have a
10 foster child reside with you, you shall have the opportunity to complete or
11 challenge the accuracy of the information contained in the SBI or FBI
12 identification records.

13 If licensure is denied or the foster home license is revoked by the Department
14 of Health and Human Services as a result of the criminal history check, if you are
15 a foster parent, or are applying to become a foster parent, you may request a
16 hearing pursuant to Article 3 of Chapter 150B of the General Statutes, the
17 Administrative Procedure Act.

18 Any person who intentionally falsifies any information required to be furnished
19 to conduct the criminal history is guilty of a Class 2 misdemeanor.

20 Refusal to consent to a criminal history check is grounds for the Department to deny or revoke
21 a license to provide foster care. Any person who intentionally falsifies any information required
22 to be furnished to conduct the criminal history is guilty of a Class 2 misdemeanor.

23 ...

24 (i) ~~The Department of Public Safety~~ State Bureau of Investigation shall perform the State
25 and national criminal history checks on individuals required by this section and shall charge the
26 Department a reasonable fee only for conducting the checks of the national criminal history
27 records authorized by this section. The Division of Social Services, Department of Health and
28 Human Services, shall bear the costs of implementing this section."

29 **SECTION 19F.4.(ppp)** G.S. 143-143.10A(b) reads as rewritten:

30 "(b) All applicants for initial licensure shall consent to a criminal history record check.
31 Refusal to consent to a criminal history record check may constitute grounds for the Board to
32 deny licensure to an applicant. The Board shall ensure that the State and national criminal history
33 of an applicant is checked. Applicants shall obtain criminal record reports from one or more
34 reporting services designated by the Board to provide criminal record reports. Each applicant is
35 required to pay the designated service for the cost of the criminal record report. In the alternative,
36 the Board may provide to the ~~North Carolina Department of Public Safety~~ State Bureau of
37 Investigation the fingerprints of the applicant to be checked, a form signed by the applicant
38 consenting to the criminal record check and the use of fingerprints and other identifying
39 information required by the State or National Repositories of Criminal Histories, and any
40 additional information required by the ~~Department of Public Safety~~ State Bureau of
41 Investigation. The Board shall keep all information obtained pursuant to this section
42 confidential."

43 **SECTION 19F.4.(qqq)** The State Bureau of Investigation shall adopt rules, or
44 amend its rules, consistent with the provisions of this section. The Bureau may use the procedure
45 set forth in G.S. 150B-21.1 to adopt or amend any rules as required under this subsection.

46 **SECTION 19F.4.(rrr)** This section becomes effective July 1, 2023.

47 **REQUIRE REPORTING ON REMOTE WORK POLICIES AND PARTICIPATION**

48 **SECTION 19F.5.(a)** The Department of Public Safety shall maintain and shall
49 furnish upon request a remote work policy.
50

1 **SECTION 19F.5.(b)** The remote work policies required by subsection (a) of this
2 section shall, at a minimum, require that all employees utilizing the remote work policy shall
3 sign an agreement to be retained in the employee's file that records the employee's assent to
4 adhere to the remote work policy.

5 **SECTION 19F.5.(c)** The Department of Public Safety shall report all of the
6 following to the Joint Legislative Oversight Committee on Justice and Public Safety no later than
7 March 1 of each year:

- 8 (1) The remote work policy currently in place for its employees.
- 9 (2) Any remote work policy previously in place for its employees that was not a
10 part of the most recent report required by this subsection.
- 11 (3) The total number of employees utilizing its remote work policy.
- 12 (4) The total number of employees utilizing its remote work policy, delineated by
13 division, section, and any other organizational category.

14 **SECTION 19F.5.(d)** This section becomes effective October 1, 2023.

15 16 **CLARIFY USE OF FUNDS**

17 **SECTION 19F.6.** Notwithstanding the Committee Report referenced in Section 43.2
18 of this act or any other provision of law to the contrary, the funds transferred from the ARPA
19 Temporary Savings Fund to the Department of Public Safety for roof renovations and upfit at the
20 Safer Schools Academy shall instead be used for the replacement of the administrative building
21 at the Safer Schools Academy.

22 23 **PART XIX-G. LAW ENFORCEMENT**

24 25 **STATE CAPITOL POLICE/CREATION OF RECEIPT-SUPPORTED POSITIONS**

26 **SECTION 19G.1.(a)** Creation of Receipt-Supported Positions Authorized. – The
27 State Capitol Police may contract with State agencies for the creation of receipt-supported
28 positions to provide security services to the buildings occupied by those agencies.

29 **SECTION 19G.1.(b)** Annual Report Required. – No later than September 1 of each
30 fiscal year, the State Capitol Police shall report to the Joint Legislative Oversight Committee on
31 Justice and Public Safety the following information for the fiscal year in which the report is due:

- 32 (1) A list of all positions in the State Capitol Police. For each position listed, the
33 report shall include at least the following information:
 - 34 a. The position type.
 - 35 b. The agency to which the position is assigned.
 - 36 c. The source of funding for the position.
- 37 (2) For each receipt-supported position listed, the contract and any other terms of
38 the contract.

39 **SECTION 19G.1.(c)** Additional Reporting Required Upon Creation of
40 Receipt-Supported Positions. – In addition to the report required by subsection (b) of this section,
41 the State Capitol Police shall report the creation of any position pursuant to subsection (a) of this
42 section to the chairs of the House of Representatives Appropriations Committee on Justice and
43 Public Safety and the Senate Appropriations Committee on Justice and Public Safety and to the
44 Fiscal Research Division within 30 days of the position's creation. A report submitted pursuant
45 to this section shall include at least all of the following information:

- 46 (1) The position type.
- 47 (2) The agency to which the position is being assigned.
- 48 (3) The position salary.
- 49 (4) The total amount of the contract.
- 50 (5) The terms of the contract.

1 **SECTION 19G.1.(d)** Format of Reports. – Reports submitted pursuant to this section
2 shall be submitted electronically and in accordance with any applicable General Assembly
3 standards.
4

5 **USE OF SEIZED AND FORFEITED PROPERTY**

6 **SECTION 19G.2.(a)** Seized and forfeited assets transferred to the Department of
7 Justice, Department of Public Safety, and Department of Adult Correction during the 2023-2025
8 fiscal biennium pursuant to applicable federal law shall be credited to the budget of the recipient
9 department and shall result in an increase of law enforcement resources for that department. The
10 Department of Justice, Department of Public Safety, and Department of Adult Correction shall
11 each make the following reports to the chairs of the House of Representatives Appropriations
12 Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and
13 Public Safety:

- 14 (1) A report upon receipt of any assets.
- 15 (2) A report that shall be made prior to use of the assets on their intended use and
16 the departmental priorities on which the assets may be expended.
- 17 (3) A report on receipts, expenditures, encumbrances, and availability of these
18 assets for the previous fiscal year, which shall be made no later than
19 September 1 of each year.

20 **SECTION 19G.2.(b)** The General Assembly finds that the use of seized and
21 forfeited assets transferred pursuant to federal law for new personnel positions, new projects,
22 acquisition of real property, repair of buildings where the repair includes structural change, and
23 construction of or additions to buildings may result in additional expenses for the State in future
24 fiscal periods. Therefore, the Department of Justice, Department of Public Safety, and
25 Department of Adult Correction are prohibited from using these assets for such purposes without
26 the prior approval of the General Assembly.

27 **SECTION 19G.2.(c)** Nothing in this section prohibits State law enforcement
28 agencies from receiving funds from the United States Department of Justice, the United States
29 Department of the Treasury, and the United States Department of Health and Human Services.

30 **SECTION 19G.2.(d)** The Joint Legislative Oversight Committee on Justice and
31 Public Safety shall study the impact on State and local law enforcement efforts of the receipt of
32 seized and forfeited assets. The Committee shall report its findings and recommendations prior
33 to the convening of the 2024 Regular Session of the 2023 General Assembly.
34

35 **CREATE MISDEMEANOR CRIME OF DOMESTIC VIOLENCE**

36 **SECTION 19G.3.(a)** Article 8 of Chapter 14 of the General Statutes is amended by
37 adding a new section to read:

38 **"§ 14-32.5. Misdemeanor crime of domestic violence.**

39 A person is guilty of a Class A1 misdemeanor if that person uses or attempts to use physical
40 force, or threatens the use of a deadly weapon, against another person and the person who
41 commits the offense is:

- 42 (1) A current or former spouse, parent, or guardian of the victim.
- 43 (2) A person with whom the victim shares a child in common.
- 44 (3) A person who is cohabitating with or has cohabitated with the victim as a
45 spouse, parent, or guardian.
- 46 (4) A person similarly situated to a spouse, parent, or guardian of the victim."

47 **SECTION 19G.3.(b)** This section becomes effective December 1, 2023, and applies
48 to offenses committed on or after that date.
49

50 **CREATE SEX OFFENSE REGISTRY ANNUAL FEE**

51 **SECTION 19G.4.** G.S. 14-208.7 is amended by adding new subsections to read:

1 "(e) Each person required to register under this section shall pay an annual fee of one
2 hundred fifty dollars (\$150.00) to pay the costs of fulfilling the local and statewide
3 responsibilities required by this Article, including the regular verification of registrants and the
4 retention, maintenance, and dissemination of registrant records. This fee shall be collected each
5 year by the sheriff to whom the registrant returns the registrant's verification following the
6 anniversary of the registrant's initial registration date. Failure to pay this fee shall not affect in
7 any way the registrant's ability to register, verify information, or otherwise comply with the
8 requirements of this Part. For the purposes referenced in this subsection, one hundred dollars
9 (\$100.00) of this fee shall be retained by the sheriff and fifty dollars (\$50.00) shall be remitted
10 to the State Bureau of Investigation on a quarterly basis. No registrant shall be required to pay
11 the fee required by this subsection more than once in a calendar year.

12 (f) If the sheriff required to collect the annual fee under subsection (e) of this section
13 declares a registrant to be indigent, the sheriff may waive the annual fee and shall make written
14 findings as to that determination that shall be kept in the registrant's records. A determination of
15 indigency under this subsection shall be revisited each year and shall require written findings in
16 each instance that a sheriff waives the annual fee pursuant to this subsection.

17 (g) Notwithstanding subsection (f) of this section, a registrant (i) incarcerated or (ii) under
18 the supervision of the Department of Adult Correction, Division of Community Supervision and
19 Reentry, at the time that the fee required by subsection (e) of this section would otherwise be
20 collected shall be deemed indigent and shall not be assessed the fee required by subsection (e) of
21 this section. This determination shall be revisited each year."

22

23 **PAT XIX-H. JUVENILE JUSTICE**

24

25 **LIMIT USE OF COMMUNITY PROGRAM FUNDS**

26 **SECTION 19H.1.(a)** Funds appropriated in this act to the Department of Public
27 Safety for the 2023-2025 fiscal biennium for community program contracts, that are not required
28 for or used for community program contracts, may be used only for the following:

- 29 (1) Other statewide residential programs that provide Level 2 intermediate
30 dispositional alternatives for juveniles.
- 31 (2) Statewide community programs that provide Level 2 intermediate
32 dispositional alternatives for juveniles.
- 33 (3) Regional programs that are collaboratives of two or more Juvenile Crime
34 Prevention Councils which provide Level 2 intermediate dispositional
35 alternatives for juveniles.
- 36 (4) The Juvenile Crime Prevention Council funds to be used for the Level 2
37 intermediate dispositional alternatives for juveniles listed in
38 G.S. 7B-2506(13) through (23).

39 **SECTION 19H.1.(b)** Funds appropriated by this act to the Department of Public
40 Safety for the 2023-2025 fiscal biennium for community programs may not be used for staffing,
41 operations, maintenance, or any other expenses of youth development centers or detention
42 facilities.

43 **SECTION 19H.1.(c)** The Department of Public Safety shall submit an electronic
44 report by October 1 of each year of the 2023-2025 fiscal biennium on all expenditures made in
45 the preceding fiscal year from the miscellaneous contract line in Fund Code 1230 to the chairs of
46 the House of Representatives Appropriations Committee on Justice and Public Safety and the
47 Senate Appropriations Committee on Justice and Public Safety and the Fiscal Research Division.
48 The report shall include all of the following: an itemized list of the contracts that have been
49 executed, the amount of each contract, the date the contract was executed, the purpose of the
50 contract, the number of juveniles that will be served and the manner in which they will be served,

1 the amount of money transferred to the Juvenile Crime Prevention Council fund, and an itemized
2 list of grants allocated from the funds transferred to the Juvenile Crime Prevention Council fund.
3

4 **EXTEND SUNSET DATE FOR USE OF SECURITY GUARDS AT STATE PRISONS**

5 **SECTION 19H.2.(a)** Section 4.15(c) of S.L. 2020-3, as amended by Section 2 of
6 S.L. 2020-15, Section 19D.2 of S.L. 2021-180, and Section 19D.1 of S.L. 2022-74, reads as
7 rewritten:

8 "**SECTION 4.15.(c)** This section is effective when it becomes law and expires upon the
9 earlier of August 1, ~~2023~~, 2024, or the date of completion of the Youth Development Center in
10 Rockingham County."

11 **SECTION 19H.2.(b)** This section is effective when it becomes law.
12

13 **PART XIX-I. EMERGENCY MANAGEMENT AND NATIONAL GUARD [RESERVED]**

14 **PART XX. ADMINISTRATION**

15 **DOA/E-PROCUREMENT TRANSACTION FEES**

16 **SECTION 20.1.** Article 3 of Chapter 143 of the General Statutes is amended by
17 adding a new section to read:

18 **"§ 143-48.3A. Electronic procurement fees.**

19 The Department of Administration shall impose a transaction fee of one and seventy-five
20 hundredths percent (1.75%) on purchase orders for material goods. The Department shall not
21 increase or decrease the transaction fee on purchase orders for material goods or impose a
22 transaction fee on purchase orders for services without the express authorization of the General
23 Assembly."
24
25
26

27 **PART XXI. ADMINISTRATIVE HEARINGS**

28 **INCREASE COMPENSATION FOR RULES REVIEW COMMISSION MEMBERS**

29 **SECTION 21.1.** G.S. 143B-30.1(d) reads as rewritten:

30 "(d) Members of the Commission who are not officers or employees of the State shall
31 receive compensation of ~~two-three~~ hundred dollars (~~\$200.00~~)-(~~\$300.00~~) for each day or part of a
32 day of service plus reimbursement for travel and subsistence expenses at the rates specified in
33 G.S. 138-5. Members of the Commission who are officers or employees of the State shall receive
34 reimbursement for travel and subsistence at the rate set out in G.S. 138-6."
35
36

37 **PART XXII. OFFICE OF STATE AUDITOR [RESERVED]**

38 **PART XXIII. BUDGET AND MANAGEMENT**

39 **NCPRO/EXTENSION OF OPERATIONS**

40 **SECTION 23.1.** Section 4.3(a) of S.L. 2020-4, as amended by Section 3.5 of S.L.
41 2021-1, Section 23.2 of S.L. 2021-180, and Section 6.1 of S.L. 2021-189, reads as rewritten:

42 "**SECTION 4.3.(a)** OSBM shall establish a temporary North Carolina Pandemic Recovery
43 Office (Office) to oversee and coordinate funds made available under COVID-19 Recovery
44 Legislation, as defined in Section 1.2 of S.L. 2020-4, and the American Rescue Plan Act, as
45 defined in Section 1.1 of S.L. 2021-25 and Section 4.9(b) of S.L. 2021-180. This Office shall
46 also provide technical assistance and ensure coordination of federal funds received by State
47 agencies and local governments and ensure proper reporting and accounting of all funds. The
48 authorization set forth in this section expires on ~~June 30, 2023~~, June 30, 2027, and the Office
49 shall cease to operate upon expiration of the authorization."
50
51

1
2 **PART XXIV. BUDGET AND MANAGEMENT – SPECIAL APPROPRIATIONS**

3
4 **NC FUTURE CITY COMPETITION**

5 **SECTION 24.1.** Of the funds appropriated in this act to the Office of State Budget
6 and Management, the sum of two hundred thousand dollars (\$200,000) in recurring funds for
7 each year of the 2023-2025 fiscal biennium shall be used to provide a grant to the Professional
8 Engineers of North Carolina Educational Foundation, a nonprofit organization. These funds may
9 be used by the NC Future City program to hire up to one position to support the program.

10
11 **FUNDS FOR PARKING FACILITY EQUIPPED WITH ELECTRIC VEHICLE**
12 **CHARGING STATIONS**

13 **SECTION 24.2.(a)** Of the funds appropriated in this act to the Office of State Budget
14 and Management, Special Appropriations, the sum of thirty million dollars (\$30,000,000) in
15 nonrecurring funds for the 2023-2024 fiscal year shall be used to provide a directed grant to
16 North Carolina SAVES Green Community Program, Inc. (hereinafter "NC Saves"), a nonprofit
17 corporation established to further sustainability initiatives in the State, for the purpose of
18 developing a new parking facility equipped with fully automated charging stations for electric
19 and/or electric autonomous vehicles. NC Saves shall, through a grant or forgivable loan, provide
20 the funds appropriated as provided in this section to a private partner selected by NC Saves who
21 shall develop the parking facility and automated charging stations as provided in subsection (b)
22 of this section. NC Saves and the private partner shall work together to determine which type of
23 funds, either a grant or forgivable loan, will result in the most efficient and effective use of the
24 grant funds to develop the parking facility and charging stations. The grant or forgivable loan
25 shall be used to pay all costs associated with developing the parking facility and charging stations,
26 including, but not limited to, design, construction, permitting, and land purchase. The private
27 partner may loan the grant funds to affiliated entities to provide maximum leverage for the
28 parking facility development project. NC Saves may use no more than three percent (3%) of the
29 grant funds for administrating the grant or forgivable loan.

30 **SECTION 24.2.(b)** The parking facility, which shall be completed not later than
31 December 31, 2026, shall be used for public parking and, for each parking space therein, shall
32 be equipped to charge electric vehicles and/or electric autonomous vehicles. The parking facility
33 shall be located on a site that meets all of the following criteria:

- 34 (1) Is a designated qualified opportunity zone under sections 1400Z-1 and
35 1400Z-2 of the Internal Revenue Code, as defined in G.S. 105-228.90(b)(7).
36 (2) Is in a city having a population of more than 200,000 according to the
37 population estimates of the United States Census Bureau as of January 1,
38 2023.
39 (3) Is zoned for uses that allow a multistory parking deck.

40 **SECTION 24.2.(c)** Not later than February 15 of each year until the design and
41 construction of the facility has been completed, NC Saves shall submit a written report to the
42 Joint Legislative Oversight Committee on General Government, the House of Representatives
43 Appropriations Committee on General Government, and the Senate Appropriations Committee
44 on General Government and Information Technology on the private partner's progress in
45 designing and constructing the facility and the amount of grant funds expended for those
46 purposes. Beginning February 15, 2027, and not later than February 15 of the next four years
47 thereafter, NC Saves shall submit a written report to the committees named in this subsection
48 detailing the number of electric and/or electric autonomous vehicles that used the facility each
49 year and the energy savings realized each year.
50

1 **BALLPARK FACILITIES/MATCHING GRANT PROGRAM TO MEET NEW MLB**
2 **FACILITY REQUIREMENTS**

3 **SECTION 24.3.(a)** Of the funds appropriated in this act to the Office of State Budget
4 and Management, Special Appropriations, (OSBM) the sum of twenty-five million dollars
5 (\$25,000,000) in nonrecurring funds for the 2023-2024 fiscal year shall be used to establish a
6 matching grant program to support ballpark facilities that serve as the home stadium for minor
7 league baseball teams that have been granted a Professional Development League license with
8 Major League Baseball (MLB). Grant funds shall be used to make necessary upgrades and
9 improvements to ballpark facilities to meet the new facility requirements imposed by MLB on
10 all Professional Development League license holders.

11 **SECTION 24.3.(b)** Grant funds provided pursuant to subsection (a) of this section
12 shall be matched on the basis of one dollar (\$1.00) of non-State funds for every two dollars
13 (\$2.00) of State funds. In awarding grants, OSBM shall give priority to applicants who have (i)
14 made higher investment levels with non-State funds to meet the new facility standards and (ii) to
15 applicants with low gross annual revenues compared to other eligible applicants over the
16 preceding five years. An individual grant may not be more than twenty percent (20%) of the total
17 funds appropriated in subsection (a) of this section.

18 **SECTION 24.3.(c)** All of the following shall apply to the grant program under this
19 section:

- 20 (1) The applicant must be the majority owner of a facility, as that term is described
21 in subsection (a) of this section, that is located in the State of North Carolina.
- 22 (2) Each person applying for a grant shall complete an application, which shall be
23 prepared and made available by OSBM. The grant application shall be
24 received by OSBM not later than October 1, 2023.
- 25 (3) As part of the application required by subdivision (2) of this subsection, the
26 applicant shall:
 - 27 a. Provide proof that the applicant has raised non-State funds from
28 private entities or local governments for the purpose of making
29 necessary upgrades and improvements to the ballpark facility to meet
30 the new facility requirements.
 - 31 b. Submit written documentation that shows the applicant has allocated
32 funds, obligated to commit funds, or entered into a binding financial
33 arrangement for the purpose of making necessary upgrades and
34 improvements to the ballpark facility to meet the new facility
35 requirements.
- 36 (4) Grants shall be awarded in a lump sum.

37 **SECTION 24.3.(d)** Not later than October 1, 2023, OSBM shall submit an interim
38 report to the Joint Legislative Oversight Committee on General Government, the House of
39 Representatives Appropriations Committee on General Government, and the Senate
40 Appropriations Committee on General Government and Information Technology on the
41 implementation of the grant program authorized under this section. Not later than May 1, 2024,
42 OSBM shall submit a final report to the committees described in this subsection which shall
43 include the amount of State funds awarded to each grantee and a description of the types of
44 improvements and/or updates that were made to each ballpark facility using grant funds.

45
46 **OSBM/FUNDS FOR CAROLINAS AGC PROGRAMS**

47 **SECTION 24.4.(a)** Of the funds appropriated in this act to the Office of State Budget
48 and Management, Special Appropriations, the sum of four million dollars (\$4,000,000) in
49 nonrecurring funds for the 2023-2024 fiscal year shall be provided to CAGC Foundation, Inc.
50 (CAGC), a nonprofit organization, to be used as follows:

- 1 (1) \$3,000,000 to establish heavy equipment operator training and certification
2 programs at six community colleges to be selected jointly by the North
3 Carolina Community Colleges System and CAGC, who shall, in making the
4 selections, take into account market demands and the needs of the construction
5 industry.
6 (2) \$500,000 to establish a pilot program to recruit and compensate trained heavy
7 equipment operators from the construction industry to serve as adjunct
8 instructors in the heavy equipment operator training programs at the six
9 community colleges selected as provided in subdivision (1) of this subsection.
10 (3) \$500,000 to establish a program in conjunction with the Department of Public
11 Instruction to recruit students in middle school and high school to pursue
12 careers in technical education.

13 **SECTION 24.4.(b)** Of the funds appropriated in this act to the Office of State Budget
14 and Management, Special Appropriations, the sum of one million three hundred fifty thousand
15 dollars (\$1,350,000) in nonrecurring funds for the 2024-2025 fiscal year shall be provided to
16 CAGC to be used as follows:

- 17 (1) \$600,000 for the heavy equipment operator training and certification
18 programs described in subdivision (1) of subsection (a) of this section.
19 (2) \$750,000 to continue and expand the construction bootcamp programs offered
20 by CAGC.

21 **SECTION 24.4.(c)** Of the funds appropriated in this act to the Office of State Budget
22 and Management, Special Appropriations, the sum of one million dollars (\$1,000,000) in
23 nonrecurring funds for each year of the 2023-2025 fiscal biennium shall be provided to CAGC
24 to expand the building inspection training and certification programs at those community
25 colleges offering the programs to allow for the enrollment of additional trainees identified and
26 recruited by CAGC.

27 **OSBM/GRANT TO NORTH CAROLINA SPORTS LEGACY FOUNDATION**

28 **SECTION 24.5.** Notwithstanding any other provision of law or of the Committee
29 Report referenced in Section 43.2 of this act to the contrary, the funds budgeted for a directed
30 grant to the North Carolina Sports Legacy Foundation in the amount of twenty-two million
31 dollars (\$22,000,000) in nonrecurring funds for the 2023-2024 fiscal year and eight million
32 dollars (\$8,000,000) in nonrecurring funds for the 2024-2025 fiscal year shall be used for a
33 directed grant to the North Carolina Sports Legacy Foundation for capital needs.
34
35

36 **PART XXV. OFFICE OF STATE CONTROLLER**

37 **AUTHORIZE STATE CONTROLLER TO RETAIN PRIVATE COUNSEL, 38 DESIGNATE EXEMPT POSITIONS, AND SET SALARY OF EXEMPT POSITIONS**

39 **SECTION 25.1.(a)** G.S. 143B-426.38 reads as rewritten:

40 "**§ 143B-426.38. Organization and operation of office.**

41 ...
42

43 (d) The State Controller may, subject to the provisions of G.S. 147-64.7(b)(2), obtain the
44 services of independent public accountants, attorneys, qualified management consultants, and
45 other professional persons or experts to carry out his powers and duties. Notwithstanding
46 G.S. 147-17 and G.S. 114-2.3, the State Controller may retain private counsel to represent his or
47 her interests in litigation related to his or her financial management of State appropriations by
48 the General Assembly. Notwithstanding the provisions of G.S. 143C-6-9(b), the State Controller
49 may use lapsed salary savings to retain private counsel to provide litigation services.

1 (e) The State Controller shall have legal custody of all books, papers, documents, email
 2 files, organizational internet domain names, digital files, online website content, and other
 3 records of the office.

4"

5 **SECTION 25.1.(b)** G.S. 126-5 reads as rewritten:

6 "**§ 126-5. Employees subject to Chapter; exemptions.**

7 ...

8 (c14) Notwithstanding any provision of this Chapter to the contrary, each Council of State
 9 agency and the Office of the State Controller has the sole authority to set the salary of its exempt
 10 policymaking and exempt managerial positions within the minimum rates, and the maximum
 11 rates plus ten percent (10%), established by the State Human Resources Commission under
 12 G.S. 126-4(2).

13 ...

14 (d) (1) Exempt Positions in Cabinet Department. – Subject to this Chapter, which is
 15 known as the North Carolina Human Resources Act, the Governor may
 16 designate a total of 425 exempt positions throughout the following
 17 departments and offices:

18 ...

19 (2) Exempt Positions in Council of State Departments and ~~Offices.~~Offices and
 20 the Office of the State Controller. – The Secretary of State, the Auditor, the
 21 Treasurer, the Attorney General, the Superintendent of Public Instruction, the
 22 Commissioner of Agriculture, the Commissioner of Insurance, ~~and the Labor~~
 23 ~~Commissioner~~Commissioner, and the State Controller may designate exempt
 24 positions. The number of exempt policymaking positions in each department
 25 headed by an elected department head listed in this subdivision is limited to
 26 25 exempt policymaking positions or two percent (2%) of the total number of
 27 full-time positions in the department, whichever is greater. The number of
 28 exempt managerial positions is limited to 25 positions or two percent (2%) of
 29 the total number of full-time positions in the department, whichever is greater.
 30 The number of exempt policymaking positions designated by the
 31 Superintendent of Public Instruction is limited to 70 exempt policymaking
 32 positions or two percent (2%) of the total number of full-time positions in the
 33 department, whichever is greater. The number of exempt managerial positions
 34 designated by the Superintendent of Public Instruction is limited to 70 exempt
 35 managerial positions or two percent (2%) of the total number of full-time
 36 positions in the department, whichever is greater. The total number of exempt
 37 positions, policymaking and managerial, designated by the Office of the State
 38 Controller is limited to 10.

39 ...

40 (4) Vacancies. – In the event of a vacancy in the Office of ~~Governor or in~~
 41 Governor, the office of a member of the Council of State, or the Office of the
 42 State Controller, the person who succeeds to or is appointed or elected to fill
 43 the unexpired term shall make designations in a letter to the Director of the
 44 Office of State Human Resources, the Speaker of the House of
 45 Representatives, and the President of the Senate within 180 days after the oath
 46 of office is administered to that person.

47"

48
 49 **OVERPAYMENTS AUDIT**

50 **SECTION 25.2.(a)** During the 2023-2025 fiscal biennium, receipts generated by the
 51 collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors,

1 neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously
2 paid excise taxes, and related errors shall be deposited in Special Reserve Account 24172 as
3 required by G.S. 147-86.22(c).

4 **SECTION 25.2.(b)** Of the funds appropriated in this act from Special Reserve
5 Account 24172, and for each fiscal year of the 2023-2025 fiscal biennium, two hundred fifty
6 thousand dollars (\$250,000) of the funds shall be used by the Office of the State Controller for
7 data processing, debt collection, or e-commerce costs.

8 **SECTION 25.2.(c)** The State Controller shall report annually to the Joint Legislative
9 Commission on Governmental Operations and the Fiscal Research Division on the revenue
10 deposited into Special Reserve Account 24172 and the disbursement of that revenue.

11 12 **PART XXVI. ELECTIONS**

13 14 **SBE/USE OF HELP AMERICA VOTE ACT (HAVA) FUNDS**

15 **SECTION 26.1.** The State Board of Elections shall use federal Help America Vote
16 Act (HAVA) funds appropriated in this act for the 2023-2025 fiscal biennium for the following
17 purposes:

- 18 (1) Maintaining and updating voter lists in coordination with county boards of
19 election.
- 20 (2) Retaining and preserving State election records and papers consistent with the
21 requirements for federal elections as prescribed by Title 52 U.S.C. § 20701.
- 22 (3) Continuing the 10 FTE positions authorized in the 2022-2023 fiscal year
23 budget and adding up to five additional FTE time-limited positions.

24 25 **SBE/POST-ELECTION AUDIT REPORT**

26 **SECTION 26.2.** G.S. 163-182.12A reads as rewritten:

27 **"§ 163-182.12A. Post-election audits.**

28 (a) After conducting a post-election ~~audit~~, audit for each election as required by this
29 Chapter, except for a general election, the State Board shall produce a report which summarizes
30 the audit, including the rationale for and the findings of the audit. ~~The~~ After conducting a
31 post-election audit for a general election, the State Board shall produce a report which shall
32 include all of the following:

- 33 (1) A summary of the types of post-election audits required by law and the
34 requirements for conducting each of the audits.
- 35 (2) A summary of the results of each of the post-election audits described in
36 subdivision (1) of this subsection.
- 37 (3) A detailed description of each of the post-election audits described in
38 subdivision (1) of this subsection, including any issues that could have
39 affected the outcome of the election and the manner in which those issues
40 were resolved.
- 41 (4) A description of any systemic issues that were identified during the
42 post-election audits and any recommendations on the manner in which those
43 issues should be addressed to ensure election security and integrity.
- 44 (5) The ways in which the public were allowed to observe and comment on the
45 conduct of the post-election audits, as authorized by law.
- 46 (6) Any other matters deemed appropriate by the State Board.

47 (b) Each report required by subsection (a) of this section shall be submitted to the Joint
48 Legislative Elections Oversight Committee and the Joint Legislative Oversight Committee on
49 General Government within 10 business days of the date the audit is completed."

50 51 **SBE/PROHIBIT ERIC MEMBERSHIP**

1 **SECTION 26.3.** Section 26.3 of S.L. 2022-74 is repealed.

2 **SECTION 26.3.** The State may not become a member of the Electronic Registration
3 Information Center, Inc. (ERIC).

4
5 **SBE/FUNDS FOR VOTER ID**

6 **SECTION 26.4.(a)** The State Board of Elections shall use the sum of three million
7 five hundred thousand dollars (\$3,500,000) in nonrecurring funds for the 2023-2024 fiscal year
8 to implement the voter ID requirements as provided in S.L. 2018-144, as amended by S.L.
9 2019-22. The State Board of Elections shall use these funds only for the implementation of the
10 voter ID requirements. If the funds are unused or unencumbered on June 30, 2024, the funds shall
11 revert to the General Fund.

12 **SECTION 26.4.(b)** On February 1, 2024, and May 1, 2024, the State Board of
13 Elections shall report to the House Appropriations Committee on General Government, the
14 Senate Appropriations Committee on General Government and Information Technology, the
15 Joint Legislative Oversight Committee on General Government, and the Fiscal Research
16 Division on the use of the funds described in subsection (a) of this section.

17
18 **PROHIBIT PRIVATE MONETARY DONATIONS IN ELECTIONS**

19 **SECTION 26.5.(a)** G.S. 163-22 is amended by adding a new subsection to read:

20 "(s) Nothing in this Chapter shall grant authority to the State Board of Elections to accept
21 private monetary donations, directly or indirectly, for conducting elections, including employing
22 individuals on a temporary basis."

23 **SECTION 26.5.(b)** G.S. 163-33 is amended by adding a new subdivision to read:

24 "(17) Nothing in this Chapter shall grant authority to county boards of elections to
25 accept private monetary donations, directly or indirectly, for conducting
26 elections, including employing individuals on a temporary basis."

27 **SECTION 26.5.(c)** G.S. 163-37 reads as rewritten:

28 **"§ 163-37. Duty of county board of commissioners.**

29 (a) The respective boards of county commissioners shall appropriate reasonable and
30 adequate funds necessary for the legal functions of the county board of elections, including
31 reasonable and just compensation of the director of elections.

32 (b) Nothing in this Chapter shall grant authority to county boards of commissioners to
33 accept private monetary donations, directly or indirectly, for conducting elections, including
34 employing individuals under this Chapter on a temporary basis."

35 **SECTION 26.5.(d)** This section becomes effective July 1, 2023, and applies to
36 private monetary donations for conducting elections received on or after that date.

37
38 **PART XXVII. GENERAL ASSEMBLY**

39
40 **CONTINUING LEGAL EDUCATION EXEMPTION FOR FULL-TIME ATTORNEYS**
41 **FOR GENERAL ASSEMBLY**

42 **SECTION 27.1.(a)** Finding. – The General Assembly finds that licensed attorneys
43 who are full-time employees of the North Carolina General Assembly draft the general and local
44 laws of this State, which requires extensive writing skills and researching capabilities similar to
45 those required of full-time judicial law clerks employed by the judicial branch and full-time law
46 professors. These full-time law clerks and full-time law professors have been granted exemptions
47 from the continuing legal education requirements established by the North Carolina State Bar for
48 any calendar year in which they serve some portion thereof in their capacity as a law clerk or law
49 professor. Further, licensed attorneys who are members of the General Assembly have also been
50 granted an exemption from continuing legal education requirements for any calendar year in
51 which they serve some portion thereof as a member of the General Assembly. The General

1 Assembly finds that given the similarities of the professional skills and abilities required by
2 licensed attorneys who are full-time judicial law clerks, full-time law professors, and full-time
3 employees of the General Assembly to perform their duties, there is ample justification for
4 providing that licensed attorneys who are full-time employees of the General Assembly should
5 be granted an exemption from the continuing legal education requirements established by the
6 North Carolina State Bar for any calendar year in which they serve some portion thereof in their
7 capacity as full-time employees of the General Assembly.

8 **SECTION 27.1.(b)** Full-Time Attorneys for General Assembly. – Notwithstanding
9 any other provision of law or rule, the North Carolina State Bar Council shall adopt rules in
10 accordance with Article 4 of Chapter 84 of the General Statutes to provide that full-time
11 employees of the North Carolina General Assembly are exempt from the continuing legal
12 education requirements established by the North Carolina State Bar for any calendar year in
13 which they serve some portion thereof in their capacity as full-time employees of the North
14 Carolina General Assembly. Rules adopted pursuant to this section are not subject to Part 3 of
15 Article 2A of Chapter 150B of the General Statutes. Until such time that the Bar Council adopts
16 rules as required by this section, full-time employees of the North Carolina General Assembly
17 shall be exempt from the continuing legal education requirements established by the North
18 Carolina State Bar for any calendar year in which they serve some portion thereof in their
19 capacity as full-time employees of the North Carolina General Assembly.

20 **SECTION 27.1.(c)** This section is effective when it becomes law.

21 **PART XXVIII. GOVERNOR [RESERVED]**

22 **PART XXIX. HOUSING FINANCE AGENCY**

23 **REPORTING REQUIREMENTS**

24 **SECTION 29.1.(a)** Sub-subdivision e. of subdivision (7) of Section 3 of S.L.
25 2017-119 is repealed.

26 **SECTION 29.1.(b)** G.S. 122A-16 reads as rewritten:

27 **"§ 122A-16. Oversight by committees of General Assembly; annual reports-report; audit;**
28 **construction of Chapter.**

29 (a) Oversight. – ~~The Finance Committee of the House of Representatives and~~
30 ~~Representatives, the Finance Committee of the Senate-Senate, and the Joint Legislative Oversight~~
31 ~~Committee on General Government shall exercise continuing oversight of the Agency in order~~
32 ~~to assure that the Agency is effectively fulfilling its statutory purpose; provided, however, that~~
33 ~~nothing in this Chapter shall be construed as required by the Agency to receive legislative~~
34 ~~approval for the exercise of any of the powers granted by this Chapter.purpose.~~

35 (b) Comprehensive Report. – ~~The Agency shall, promptly following the close of each~~
36 ~~fiscal year, on or before February 15 of each year, submit an annual comprehensive report of its~~
37 ~~activities for the preceding year to the Governor, the Office of State Budget and Management,~~
38 ~~State Auditor, the aforementioned committees of the General Assembly and the Local~~
39 ~~Government Commission. Each such Commission, the Joint Legislative Oversight Committee~~
40 ~~on General Government, and the Fiscal Research Division. The comprehensive report required~~
41 ~~under this subsection shall set forth a complete operating and financial statement of the Agency~~
42 ~~during such year.include at least all of the following:~~

43 (1) The goals and objectives of each program administered by the Agency.

44 (2) The number and types of activities funded by the Agency.

45 (3) The number of individuals or families served for each program administered
46 by the Agency.

47 (4) The information required under G.S. 45-104, 122A-5.15, and Section 20.1 of
48 S.L. 2005-276.

1 (c) Audit. – The Agency shall cause an audit of its books and accounts to be made at least
2 once in each year by an independent certified public accountant and the cost thereof may be paid
3 from any available moneys of the Agency. ~~The Agency shall on January 1 and July 1 of each~~
4 ~~year submit a written report of its activities to the Joint Legislative Commission on Governmental~~
5 ~~Operations. The Agency shall also at the end of each fiscal year submit a written report of its~~
6 ~~budget expenditures by line item to the Joint Legislative Commission on Governmental~~
7 ~~Operations.~~

8 (d) Construction. – Nothing in this Chapter shall be construed as requiring the Agency to
9 receive legislative approval for the exercise of any of the powers granted by this Chapter."

10 **SECTION 29.1.(c)** Section 20.1(a) of S.L. 2005-276 reads as rewritten:

11 "**SECTION 20.1.(a)** Funds appropriated in this act to the Housing Finance Agency for the
12 federal HOME Program shall be used to match federal funds appropriated for the HOME
13 Program. In allocating State funds appropriated to match federal HOME Program funds, the
14 Agency shall give priority to HOME Program projects, as follows:

- 15 (1) First priority to projects that are located in counties designated as Tier One,
16 Tier Two, or Tier Three Enterprise Counties under G.S. 105-129.3; and
- 17 (2) Second priority to projects that benefit persons and families whose incomes
18 are fifty percent (50%) or less of the median family income for the local area,
19 with adjustments for family size, according to the latest figures available from
20 the United States Department of Housing and Urban Development.

21 ~~The~~ As part of the report required under G.S. 122A-16, the Housing Finance Agency shall
22 report ~~to the Joint Legislative Commission on Governmental Operations by April 1 of each year~~
23 ~~concerning~~ on the status of the HOME Program and shall include in the report information on
24 priorities met, types of activities funded, and types of activities not funded."

25 **SECTION 29.1.(d)** G.S. 45-104(f) reads as rewritten:

26 "(f) ~~The~~ As part of the report required under G.S. 122A-16, the Housing Finance Agency
27 shall report ~~to the General Assembly describing~~ on the operation of the program established by
28 this act ~~not later than May 1 of each year~~ until the funds are completely disbursed from the State
29 Home Foreclosure Prevention Trust Fund. Information in the report shall be presented in
30 aggregate form and may include the number of clients helped, the effectiveness of the funds in
31 preventing home foreclosure, recommendations for further efforts needed to reduce foreclosures,
32 and provide any other aggregated information the Housing Finance Agency determines is
33 pertinent or that the General Assembly requests."

34 **SECTION 29.1.(e)** G.S. 122A-5.14(d) is repealed.

35 **SECTION 29.1.(f)** G.S. 122A-5.15(d) reads as rewritten:

36 "(d) ~~By February 1 of each year, the~~ As part of the report required under G.S. 122A-16,
37 the Agency shall report ~~to the Joint Legislative Commission on Governmental Operations and~~
38 ~~the Fiscal Research Division~~ on the number of loans made under this section, the amount of each
39 loan, and whether the low-income housing development is located in a low-, moderate-, or
40 high-income county, as designated by the Agency."

41 **SECTION 29.1.(g)** Subsections (b) and (c) of G.S. 122A-16, as amended by
42 subsection (b) of this section, and subsections (c), (d), and (f) of this section become effective
43 July 1, 2023, and apply to reports due on or after that date. The remainder of this section becomes
44 effective July 1, 2023.

45
46 **PART XXIX-A. OFFICE OF STATE HUMAN RESOURCES [RESERVED]**

47
48 **PART XXX. INSURANCE**

49
50 **REGULATORY FEE & INSURANCE REGULATORY FUND**

1 **SECTION 30.1.(a)** Notwithstanding the provisions of G.S. 58-6-25(b), the
2 percentage rate to be used in calculating the insurance regulatory charge under G.S. 58-6-25(b)
3 is four percent (4%) for the 2024 calendar year and the 2025 calendar year.

4 **SECTION 30.1.(b)** G.S. 58-6-25 reads as rewritten:
5 **"§ 58-6-25. Insurance regulatory charge.**

6 ...
7 (b) Rates. – The rate of the charge for each taxable year shall be six and one-half percent
8 (6.5%). When the Department prepares its budget request for each upcoming fiscal year, the
9 Department shall propose a percentage rate of the charge levied in this section. The Governor
10 shall submit that proposed rate to the General Assembly each fiscal year. It is the intent of the
11 General Assembly ~~(i)~~ that the percentage rate not exceed the rate necessary to generate funds
12 sufficient to defray the estimated cost of the operations of the Department for each upcoming
13 fiscal year, including a reasonable margin for a reserve fund, ~~and (ii) that the amount of the~~
14 ~~reserve not exceed one-third of the estimated cost of operating the Department for each upcoming~~
15 ~~fiscal year. that shall be used to provide for unanticipated expenditures requiring a budget~~
16 ~~adjustment as authorized by G.S. 143C-6-4.~~ In calculating the amount of the reserve, the General
17 Assembly shall consider all relevant factors that may affect the cost of operating the Department
18 or a possible unanticipated increase or decrease in North Carolina premiums or other charge
19 revenue.

20 ...
21 (d) Use of Proceeds. – ~~The Insurance Regulatory Fund is created in the State treasury,~~
22 ~~under the control of the Office of State Budget and Management. The~~ as an interest-bearing
23 special fund to which the proceeds of the charge levied in this section and all fees collected under
24 Articles 69 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the General
25 Statutes shall be credited to the Fund. ~~The Fund shall be placed in an interest-bearing account~~
26 ~~and any interest or other income derived from the Fund shall be credited to the Fund. credited.~~
27 Moneys in the Fund may be spent only pursuant to appropriation by the General Assembly
28 Assembly, and in accordance with the line item budget enacted by the General Assembly. The
29 the Fund is subject to the provisions of the State Budget Act, ~~except that no unexpended surplus~~
30 ~~of the Fund shall revert to the General Fund. Act.~~ All money credited to the Fund shall be used
31 to reimburse the General Fund for the following:

32 "

33 **DOI/VOLUNTEER FIRE DEPARTMENT FUND**

34 **SECTION 30.2.(a)** G.S. 58-87-1 reads as rewritten:
35 **"§ 58-87-1. Volunteer Fire Department Fund.**

36 ...
37 (a1) Grant Program. – An eligible fire department may apply to the Commissioner for a
38 grant under this section. In awarding grants under this section, the Commissioner must, to the
39 extent possible, select applicants from all parts of the State based upon need. The Commissioner
40 must award the grants on May 15, or on the first business day after May 15 if May 15 falls on a
41 weekend or a holiday, of each year subject to the following limitations:

42 (1) The size of a grant may not exceed ~~thirty~~ forty thousand dollars
43 ~~(\$30,000).~~ (\$40,000).

44 "

45 **SECTION 30.2.(b)** Subsection (a) of this section expires June 30, 2024.

46 **SECTION 30.2.(c)** For the 2023-2024 fiscal year only, the Commissioner of
47 Insurance shall reserve one million dollars (\$1,000,000) of the funds in the Volunteer Fire
48 Department Fund to provide grants to eligible fire departments in the event of an emergency. For
49 purposes of this subsection, the term "emergency" has the same meaning as in
50 G.S. 166A-19.3(6). Emergency reserve grants shall not exceed fifty thousand dollars (\$50,000)
51

1 and shall be used for purposes consistent with G.S. 58-87-1(a1)(3). Any unspent funds remaining
2 in the emergency reserve on June 30 of each fiscal year of the 2023-2025 fiscal biennium shall
3 revert to the Volunteer Fire Department Fund. If an eligible fire department is awarded an
4 emergency reserve grant and thereafter receives a monetary settlement from its insurance carrier
5 for the same loss or damages for which the grant was awarded, the fire department shall
6 reimburse the State for the amount of the grant.

7 **SECTION 30.2.(d)** Within 60 days after all grants have been awarded under this
8 section, the Commissioner shall submit a written report to the Senate Appropriations Committee
9 on General Government and Information Technology, the House of Representatives
10 Appropriations Committee on General Government, the Joint Legislative Oversight Committee
11 on General Government, and the Fiscal Research Division which shall be posted on the
12 Department of Insurance's website and shall contain all of the following:

13 (1) For grants under subsection (a) of this section:

14 a. The total number of grants awarded.

15 b. A list of the eligible fire departments that were awarded grants and the
16 county in which each eligible fire department is located.

17 c. The amount of the grant award to each eligible fire department.

18 (2) For emergency reserve grants under subsection (b) of this section:

19 a. The total number of grants awarded.

20 b. A list of the eligible fire departments that were awarded grants and the
21 county in which each eligible fire department is located.

22 c. The amount of the grant award to each eligible fire department.

23 d. A description of the emergency for which grant funds were awarded.
24

25 **DOI/ADMINISTRATION OF WORKERS' COMPENSATION FUND FOR CERTAIN** 26 **SAFETY WORKERS**

27 **SECTION 30.3.(a)** G.S. 58-87-10 reads as rewritten:

28 **"§ 58-87-10. Workers' Compensation Fund for the benefit of certain safety workers.**

29 ...

30 (d) Administration. – ~~The State Fire and Rescue Commission, established under~~
31 ~~G.S. 58-78-1, Department of Insurance~~ shall administer the Workers' Compensation Fund and
32 shall perform this duty by contracting with a third-party administrator. The contracting procedure
33 is not subject to Article 3C of Chapter 143 of the General Statutes. The reasonable and necessary
34 expenses incurred by the ~~Commission-Department~~ in administering the Fund shall be paid out of
35 the Fund by the State Treasurer. The ~~Commission-Department~~ may adopt rules to implement this
36 section. The ~~State Fire and Rescue Commission-Department~~ shall include the provisions of
37 Section 2(d) of S.L. 2014-64 in all future contracts with its workers' compensation third party
38 administrators.

39 (e) Revenue Source. – Revenue is credited to the Workers' Compensation Fund from a
40 portion of the proceeds of the tax levied under G.S. 105-228.5(d)(3). In addition, every eligible
41 unit and eligible entity that elects to participate shall pay into the Fund an amount set annually
42 by the ~~State Fire and Rescue Commission-Commissioner of Insurance, in consultation with the~~
43 ~~State Fire and Rescue Commission~~, to ensure that the Fund will be able to meet its payment
44 obligations under this section. The amount shall be set as an amount for each member of the
45 roster of the eligible unit or for each employee or volunteer of an eligible entity, and the amount
46 may vary based on whether an individual is a volunteer, a part-time employee, or a full-time
47 employee. The payment shall be made to the ~~State Fire and Rescue Commission-Department~~ on
48 or before July 1 of each year. The ~~Commission-Department~~ shall remit the payments it receives
49 to the State Treasurer, who shall credit the payments to the Fund.
50 ...

1 (g) Allocation of Taxes. – ~~The study conducted under subsection (f) of this section shall~~
 2 ~~be reviewed by the Office of State Budget and Management. On or before March 1 of each year,~~
 3 ~~the Office of State Budget and Management, in consultation with the Department of Insurance,~~
 4 Insurance must notify the Secretary of Revenue of the amount required to meet the needs of the
 5 Fund, as determined by the ~~study,~~ study conducted under subsection (f) of this section, for the
 6 upcoming fiscal year. The Secretary of Revenue shall remit that amount, subject to the twenty
 7 percent (20%) limitation in G.S. 105-228.5(d)(3), to the Fund.

8 (h) Reports. – The Department of Insurance shall, on a quarterly basis, report to the State
 9 Fire and Rescue Commission on its activities conducted pursuant to this section."

10 **SECTION 30.3.(b)** G.S. 58-78-5 reads as rewritten:

11 "**§ 58-78-5. State Fire and Rescue Commission – Powers and duties.**

12 (a) The Commission shall have the following powers and duties:

13 ...

14 (16) To provide oversight for the workers' compensation benefits administered by
 15 the Department of Insurance under G.S. 58-87-10, to create a Volunteer
 16 Safety Workers' Compensation Board to assist it in performing this duty, and
 17 to reimburse the members of the Commission's Volunteer Safety Workers'
 18 Compensation Board in accordance with G.S. 138-5 for travel and subsistence
 19 expenses incurred by them.

20"

21 **DOI/CONTINUE FIREFIGHTERS' HEALTH BENEFITS PILOT PROGRAM**

22 **SECTION 30.4.(a)** Notwithstanding the provisions of G.S. 58-87-10(e), for the
 23 2023-2025 fiscal biennium only, revenue from a portion of the proceeds of the tax levied under
 24 G.S. 105-228.5(d)(3) shall not be credited to the Workers' Compensation Fund administered by
 25 the Department of Insurance as provided in G.S. 58-87-10, but shall instead be credited to the
 26 Firefighters' Health Benefits Pilot Program established in Section 30.4A of S.L. 2021-180.

27 **SECTION 30.4.(b)** Section 30.4A of S.L. 2021-180 reads as rewritten:

28 **"SECTION 30.4A.(a)** Firefighters' Health Benefits Pilot Program. – Of the funds
 29 appropriated in this act to the Department of Insurance, the sum of seven million five hundred
 30 thousand dollars (\$7,500,000) in nonrecurring funds for each fiscal year of the ~~2021-2023~~
 31 2023-2025 fiscal biennium shall be used to ~~establish~~ continue and administer a pilot program to
 32 provide health benefits as authorized by this section to eligible firefighters with a new diagnosis
 33 of cancer on or after January 1, 2022. The health benefits provided under the pilot program shall
 34 be supplemental to any other health benefits authorized by law for firefighters. The pilot program
 35 shall end on ~~June 30, 2023,~~ June 30, 2025, but claims for health benefits filed by that date shall
 36 be paid as long as funds appropriated for the pilot program are available. Effective January 1,
 37 2024, the Department shall begin administering the pilot program instead of purchasing private
 38 insurance for that purpose. The Department may use up to five percent (5%) of the funds
 39 appropriated for the pilot program in this act for the purpose of hiring additional staff to aid in
 40 administering the pilot program in-house and conducting an independent audit of the pilot
 41 program. The results of the independent audit shall be submitted to the General Assembly and
 42 the Governor no later than July 1, 2025, along with the report required by subsection (f) of this
 43 section.

44 ...

45 **"SECTION 30.4A.(c)** Eligibility. – To be eligible to receive benefits under the pilot
 46 program, a firefighter:

47 (1) Must have served in a North Carolina fire department for a minimum of five
 48 continuous ~~years~~ years; provided, however, if a firefighter, during those five
 49 years, experiences a lapse in service of no more than six months, the firefighter
 50 shall not be ineligible to receive benefits under the pilot program.

(2) Must have received a new diagnosis of cancer on or after January 1, 2022. A firefighter with a diagnosis of cancer prior to January 1, 2022, is not eligible for benefits in the pilot program for that previously diagnosed cancer type but remains eligible for benefits in the pilot program upon diagnosis of any other cancer type. A firefighter is not eligible to receive benefits under the pilot program if the firefighter is receiving benefits related to cancer under Article 1 of Chapter 97 of the General Statutes, the North Carolina Workers' Compensation Act.

(3) Must have filed a claim with the Department seeking benefits under this section no later than ~~June 30, 2023~~June 30, 2025.

...

"SECTION 30.4A.(f) Reporting Requirements. – On ~~January 1, 2023, and~~ July 1, 2023, July 1, 2024, and July 1, 2025, the Department shall submit a report to the General Assembly and to the Governor that includes the following information:

(1) The number, type, and primary work location of all firefighters participating in the pilot program. For purposes of this subsection, the term "type" means a volunteer, employee, contractor, or member of a rated and certified fire department, or employee of a County Fire Marshal's Office whose sole duty is to act as fire marshal, deputy fire marshal, assistant fire marshal, or firefighter of the county.

(2) The number of benefit claims ~~filed~~filed, by type.

(3) The types of cancer for which benefit claims were ~~filed~~filed, by type.

(4) All benefits paid out under this ~~section~~section, by type.

...."

DOI/WORKERS' COMPENSATION FUND FOR FIREFIGHTERS AND EMS/RESCUE WORKERS

SECTION 30.5. Notwithstanding the provisions of G.S. 58-87-10, for the 2023-2024 fiscal year and the 2024-2025 fiscal year, the Commissioner of Insurance shall not set an amount to be paid by every eligible unit and eligible entity, as those terms are defined in G.S. 58-87-10(a), that elects to participate in the Workers' Compensation Fund created pursuant to G.S. 58-87-10(b). For the 2023-2024 fiscal year and the 2024-2025 fiscal year, no eligible unit or eligible entity shall be required to submit to the Commissioner of Insurance any payment to participate in the Fund.

PART XXXI. INSURANCE – INDUSTRIAL COMMISSION

LIMIT TORT LIABILITY FOR STATE EMPLOYEES

SECTION 31.1.(a) G.S. 143-291 reads as rewritten:

"§ 143-291. Industrial Commission constituted a court to hear and determine claims; damages; liability insurance in lieu of obligation under Article.

...

(e) Liability in tort of any claim arising as a result of the negligence of any officer, employee, involuntary servant, or agent of the State while acting within the scope of his or her office, employment, service, agency, or authority shall be only under this Article. Any other civil action or proceeding for money damages arising out of or relating to the same subject matter against the officer, employee, involuntary servant, or agent of the State is precluded."

SECTION 31.1.(b) This section is effective when it becomes law and applies to all claims, civil actions, and proceedings filed or pending on or after that date.

PART XXXII. LIEUTENANT GOVERNOR [RESERVED]

1
2 **PART XXXIII. MILITARY AND VETERANS AFFAIRS**

3
4 **VETERANS HOME TRUST FUND/TRANSFER TO VETERANS CEMETERY TRUST**
5 **FUND**

6 **SECTION 33.1.** G.S. 143B-1293 reads as rewritten:

7 **"§ 143B-1293. North Carolina Veterans Home Trust Fund.**

8 ...

9 (d) Miscellaneous. – The following provisions apply to the trust fund created in
10 subsection (a) of this section:

11 ...

12 (1a) ~~The~~ Of the funds deposited in the trust fund each fiscal year, the Department
13 of Military and Veterans Affairs shall transfer ten percent (10%) of the
14 unspent receipts collected in each those funds that are unspent on June 30 of
15 each fiscal year from the trust fund to the North Carolina Veterans Cemeteries
16 Trust Fund on or before June 30 of each fiscal year.

17"

18
19 **VETERANS HOME TRUST FUND/ROUTINE REPAIRS TO STATE VETERANS**
20 **HOMES**

21 **SECTION 33.2.** Of the funds appropriated in this act to the Department of Military
22 and Veterans Affairs for the 2023-2024 fiscal year, the Department shall reserve the sum of one
23 million five hundred thousand dollars (\$1,500,000) to be used to make routine repairs and
24 renovations to buildings and facilities at State veteran homes. Funds held in reserve as required
25 by this section shall not be used for "unforeseen circumstances," as that term is defined in
26 G.S. 143C-6-4(b)(3). Funds for unforeseen circumstances shall be spent only as authorized by
27 G.S. 143C-6-4.

28
29 **VETERANS LIFE CENTER CHALLENGE GRANT**

30 **SECTION 33.3.** Part 1 of Article 14 of Chapter 143B of the General Statutes is
31 amended by adding a new section to read:

32 **"§ 143B-1218. Veterans Life Center; challenge grant to provide rehabilitation and**
33 **reintegration services to veterans.**

34 (a) There is hereby established in the Department of Military and Veterans Affairs a
35 challenge grant program for the Veterans Life Center (hereinafter "Center"), a nonprofit
36 corporation, which shall be administered by the Department as provided in this section. Funds
37 appropriated by the General Assembly for the challenge grant program shall be used to allocate
38 funds to the Center for the purpose of providing rehabilitation and reintegration services and
39 support to veterans across the State, and those funds shall not be used for any other purpose
40 without the express authorization of the General Assembly.

41 (b) To receive State funds under this section, the Center shall raise at least seven hundred
42 fifty thousand dollars (\$750,000) in non-State funds in each fiscal year. The Center shall
43 demonstrate, to the satisfaction of the Department, that it has raised the funds required by this
44 subsection prior to the allocation of State funds. The Department shall disburse State funds on a
45 dollar-for-dollar basis each quarter so that the Center will receive a State dollar for each non-State
46 dollar raised by the Center, but in no case shall the Department disburse State funds to the Center
47 if it has not raised the required non-State funds. The Center shall not supplant, shift, or reallocate
48 Center funds for the purpose of achieving the non-State dollar amount of seven hundred fifty
49 thousand dollars (\$750,000) required by this subsection.

50 (c) Not later than July 1 of each year, the Department shall submit a written report to the
51 Joint Legislative Oversight Committee on General Government and the Fiscal Research Division

1 on all of the following information, and the Center shall provide the information to the
2 Department in the manner and time period requested by the Department for purposes of preparing
3 the report:

- 4 (1) The total number of veterans served.
5 (2) The types of services provided to veterans, and the number of veterans who
6 received each type of service.
7 (3) Demographics of the veterans served, including each veteran's county of
8 residence.
9 (4) Average length of stay for veterans, and the average number of veterans in the
10 Center facility on a daily basis.
11 (5) The total number of veterans who completed the care program, and the
12 number who received postgraduate mentoring from the Center."

14 DMVA/CHILDREN OF VETERANS' SCHOLARSHIPS

15 SECTION 33.4.(a) G.S. 143B-1225 reads as rewritten:

16 "§ 143B-1225. Scholarship.

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

- 19 ...
20 (6) A student who has been awarded a scholarship under this section shall
21 maintain a cumulative grade point average of 2.0 throughout the four
22 academic years for which the student is eligible for a scholarship under this
23 section.

24"

25 SECTION 33.4.(b) G.S. 143B-1227 reads as rewritten:

26 "§ 143B-1227. Administration and funding.

27 (a) The administration of the scholarship program shall be vested in the Department of
28 Military and Veterans Affairs, and the disbursing and accounting activities required shall be a
29 responsibility of the Department of Military and Veterans Affairs. The Veterans' Affairs
30 Commission shall determine the eligibility of applicants, select the scholarship recipients,
31 establish the effective date of scholarships, and may suspend or revoke scholarships if the
32 Veterans' Affairs Commission finds that the recipient does not comply with the registration
33 requirements of the Selective Service System or does not maintain an adequate academic status,
34 or if the recipient engages in riots, unlawful demonstrations, the seizure of educational buildings,
35 or otherwise engages in disorderly conduct, breaches of the peace or unlawful assemblies. The
36 Department of Military and Veterans Affairs shall maintain the primary and necessary records,
37 and the Veterans' Affairs Commission shall promulgate such rules and regulations not
38 inconsistent with the other provisions of this Part as it deems necessary for the orderly
39 administration of the program. It may require of State or private educational institutions, as
40 defined in this Part, such reports and other information as it may need to carry out the provisions
41 of this ~~Part.~~ Part; provided, however, the Veterans' Affairs Commission shall require State and
42 private educational institutions to report no later than December 15 of each year the number of
43 scholarship recipients who maintained a cumulative grade point average of 2.0 and the number
44 of scholarship recipients who completed the degree requirements for graduation. The Department
45 of Military and Veterans Affairs shall disburse scholarship payments for recipients certified
46 eligible by the Department of Military and Veterans Affairs upon certification of enrollment by
47 the enrolling institution.

48"

49 SECTION 33.4.(c) G.S. 143B-1228 reads as rewritten:

50 "§ 143B-1228. Report on scholarships.

1 By January 1 of each year, the Department of Military and Veterans Affairs shall report to
 2 the Joint Legislative Oversight Committee on General Government, the Senate Appropriations
 3 Committee on General Government and Information Technology, the House of Representatives
 4 Appropriations Committee on General Government, and the Fiscal Research Division the
 5 following data on the Scholarships for Children of Wartime Veterans program:

- 6 ...
 7 (2) Number of scholarships awarded in each of the past five fiscal years and sorted
 8 by:
 9 ...
 10 j. Number of scholarship recipients who maintained a cumulative grade
 11 point average of 2.0."
 12

13 **MILITARY AFFAIRS COMMISSION/IN-PERSON MEETINGS REQUIRED**

14 **SECTION 33.5.** G.S. 143B-1310 reads as rewritten:

15 "**§ 143B-1310. Commission established; purpose; transaction of business.**

16 ...
 17 (c) Transaction of Business. – The Commission shall ~~meet, at a minimum,~~ meet in person
 18 at least once during each ~~quarter~~ quarter, at a ~~minimum,~~ and shall provide a report on military
 19 affairs to the Secretary of Military and Veterans Affairs and the Joint Legislative Oversight
 20 Committee on General Government at least every six months. Prior to the start of a Regular
 21 Session of the General Assembly, the Commission shall report to the Joint Legislative Oversight
 22 Committee on General Government with recommendations, if any, for legislation. Priority
 23 actions or issues may be submitted at any time. Subcommittees of the Commission shall also
 24 meet in person.

25"
 26

27 **SANDHILLS STATE VETERANS CEMETERY**

28 **SECTION 33.6.** Of the funds appropriated in this act to the Department of Military
 29 and Veterans Affairs for the 2023-2024 fiscal year, the sum of two hundred thousand dollars
 30 (\$200,000) in nonrecurring funds shall be used to contract with one or more persons or businesses
 31 to improve the appearance of Sandhills State Veterans Cemetery and to perform all the services
 32 and activities, including, but not limited to, grounds maintenance, equipment maintenance, and
 33 headstone marker operations, required to bring Sandhills State Veterans Cemetery into
 34 compliance with the operational standards promulgated by the National Cemetery
 35 Administration in the U.S. Department of Veterans Affairs. Not later than November 30, 2023,
 36 the Department shall report to the Joint Legislative Oversight Committee on General
 37 Government, the House of Representatives Appropriations Committee on General Government,
 38 and the Senate Appropriations Committee on General Government and Information Technology
 39 on the following:

- 40 (1) The names of the persons or businesses with whom the Department contracted
 41 to provide the services and activities required by this section.
 42 (2) The services and activities performed by each person or business and the
 43 amount paid to each person or business pursuant to the contract.
 44

45 **DMVA UPDATE AND PUBLISH RESOURCE GUIDE**

46 **SECTION 33.7.** Notwithstanding any provision of S.L. 2021-180 or the Committee
 47 Report described in Section 43.2 of that act to the contrary, the sum of fifty thousand dollars
 48 (\$50,000) in nonrecurring funds for each year of the 2021-2023 fiscal biennium appropriated to
 49 the Department of Military and Veterans Affairs shall be used to publish a new Department of
 50 Military and Veterans Affairs Resource Guide (for veterans, active military, and their families)
 51 no later than June 30, 2023.

DMVA FILL VETERAN SERVICES OFFICER POSITIONS

SECTION 33.8. The Department of Military and Veterans Affairs shall fill all Veteran Services Officer (VSO) positions that are vacant on the date this act becomes law. The Department shall not, in the 2023-2024 fiscal year or the 2024-2025 fiscal year, use lapsed salaries resulting from vacant VSO positions to hire temporary employees. If the Department does not fill the vacant VSO positions in the 2023-2025 fiscal biennium, the funds appropriated for the position or positions shall revert to the General Fund on June 30 of each fiscal year.

DMVA FILL INTERNAL AUDITOR AND PROGRAM ANALYST POSITIONS

SECTION 33.9. In collaboration with the Office of State Budget and Management, the Department of Military and Veterans Affairs shall make every effort to fill the Program Analyst and Internal Auditor positions authorized by Section 23.5 and Section 23.6 of S.L. 2021-180. If the Department does not fill either or both positions in the 2023-2025 fiscal biennium, the Department shall not use the lapsed salaries resulting from the vacant position or positions to hire temporary employees and the funds appropriated for the position or positions shall revert to the General Fund on June 30 of each fiscal year.

PART XXXIV. REVENUE**DEPARTMENT OF REVENUE SYSTEMS PROJECTS UPDATE REPORT
CLARIFICATION**

SECTION 34.1.(a) Section 8.1(b) of S.L. 2019-246, as enacted by Section 34.4 of S.L. 2021-180 and amended by Section 5.6(d) of S.L. 2022-13, reads as rewritten:

"SECTION 8.1.(b) By January 1, 2022, and ~~monthly~~quarterly thereafter, the Department of Revenue shall submit a written report to the chairs of the House Appropriations Committee on General Government and the Senate Appropriations Committee on General Government and Information Technology and the Fiscal Research Division. The ~~monthly~~quarterly report shall include an update on the following:

- (1) The status of the power of attorney registration project required by subsection (a) of this section.
- (2) The status of the Collections Case Management system implementation and the IBM 4100 replacement project currently underway in the Department.
- (3) The status of the Department's ability to make the programmatic changes necessary to implement the graduated penalty for failure to pay tax when due that will apply to tax assessed on or after July 1, 2024."

SECTION 34.1.(b) Section 34.1 of S.L. 2022-74 is repealed.

ASSIGNMENT OF DEPARTMENT OF REVENUE LAW ENFORCEMENT AGENTS

SECTION 34.2. G.S. 105-236.1 reads as rewritten:

"§ 105-236.1. Enforcement of revenue laws by revenue law enforcement agents.

(a) General. – The Secretary may appoint employees of the ~~Unauthorized Substances Tax Section of the Tax Enforcement Division Department~~ to serve as revenue law enforcement officers having the responsibility and subject-matter jurisdiction to enforce the excise tax on unauthorized substances imposed by Article 2D of this Chapter.

(a1) The Secretary may appoint up to 11 employees of the ~~Motor Fuels Investigations Section of the Tax Enforcement Division Department~~ to serve as revenue law enforcement officers having the responsibility and subject-matter jurisdiction to enforce the taxes on motor fuels imposed by Articles 36B, 36C, and 36D of this Chapter and by Chapter 119 of the General Statutes.

1 (a2) The Secretary may appoint employees of the ~~Criminal Investigations Section of the~~
2 ~~Tax Enforcement Division/Department~~ to serve as revenue law enforcement officers having the
3 responsibility and subject-matter jurisdiction to enforce the following tax violations and criminal
4 offenses:

5"

6
7 **DOR ADMINISTRATIVE COSTS FOR COLLECTING PREPAID WIRELESS**
8 **TELECOMMUNICATIONS SERVICE CHARGES**

9 **SECTION 34.3.** G.S. 143B-1414 reads as rewritten:

10 **"§ 143B-1414. Service charge for prepaid wireless telecommunications service; seller**
11 **collects 911 service charge on each retail transaction occurring in this State;**
12 **remittances to Department of Revenue and transfer to 911 Fund.**

13 ...

14 (c) Administration. – Administration, auditing, requests for review, making returns,
15 collection of tax debts, promulgation of rules and regulations by the Secretary of Revenue,
16 additional taxes and liens, assessments, refunds, and penalty provisions of Article 9 of Chapter
17 105 of the General Statutes apply to the collection of the 911 service charge for prepaid wireless
18 telecommunications service. An audit of the collection of the 911 service charge for prepaid
19 wireless telecommunications service shall only be conducted in connection with an audit of the
20 taxes imposed by Article 5 of Chapter 105 of the General Statutes. Underpayments shall be
21 subject to the same interest rate as imposed for taxes under G.S. 105-241.21. Overpayments shall
22 be subject to the same interest rate as imposed for taxes under G.S. 105-241.21(c)(2). Excessive
23 and erroneous collections of the service charge will be subject to G.S. 105-164.11. The
24 Department of Revenue shall establish procedures for a seller of prepaid wireless
25 telecommunications service to document that a sale is not a retail transaction, and the procedures
26 established shall substantially coincide with the procedures for documenting a sale for resale
27 transaction under G.S. 105-164.28. The Secretary of Revenue may retain the costs of collection
28 from the remittances received under subsection (b) of this section, not to exceed ~~five~~six hundred
29 thousand dollars (~~\$500,000~~)~~–(\$600,000)~~ a year of the total 911 service charges for prepaid
30 wireless telecommunications service remitted to the Department. Within 45 days of the end of
31 each month in which 911 service charges for prepaid wireless telecommunications service are
32 remitted to the Department, the Secretary of Revenue shall transfer the total 911 service charges
33 remitted to the Department less the costs of collection to the 911 Fund established under
34 G.S. 143B-1404.

35"

36
37 **TAX FRAUD ANALYTICS**

38 **SECTION 34.4.** Of the funds appropriated in this act to the Department of Revenue,
39 the sum of four million four hundred thousand dollars (\$4,400,000) in recurring funds for each
40 fiscal year of the 2023-2025 fiscal biennium shall be used to continue and expand the
41 Department's tax fraud analysis contract through the Government Data Analytics Center
42 (GDAC). These funds shall be used in each fiscal year to fund detection analytics, information
43 reporting, collections case management, collections optimization, managed services, and
44 technical infrastructure. The Department of Revenue shall continue to coordinate with the GDAC
45 and utilize the subject matter expertise and technical infrastructure available through existing
46 GDAC public-private partnerships for fraud detection and analytics infrastructure.

47
48 **PART XXXV. SECRETARY OF STATE [RESERVED]**

49
50 **PART XXXVI. TREASURER**
51

PUBLIC SAFETY EMPLOYEES' DEATH BENEFITS

SECTION 36.1.(a) G.S. 143-166.2 reads as rewritten:

"§ 143-166.2. Definitions.

The following definitions apply in this Article:

- ...
- (9) Official duties. – All duties to which an individual is assigned as part of the individual's job function. This term shall also include those duties performed by an individual while (i) en route to, engaged in, or returning from duty or training; (ii) in the course of responding to, engaged in, or returning from a call by the department of which the individual is a member; or (iii) in the course of responding to, engaged in, or returning from a call for assistance from any department or organization within the State of North Carolina or within a service area contiguous to the borders of the State of North Carolina when served or aided by a department from within the State of North Carolina. While within the State of North Carolina, any covered person who renders service or assistance, of his or her own volition, at the scene of an emergency, is performing his or her official duties when both of the following apply:
-"

SECTION 36.1.(b) This section is effective retroactively as of January 1, 2022, and applies to applicable deaths of covered persons occurring on or after that date when the covered person was en route to, engaged in, or returning from duty at the time of the covered person's death.

PART XXXVII. [RESERVED]**PART XXXVIII. INFORMATION TECHNOLOGY****INFORMATION TECHNOLOGY INTERNAL SERVICE FUND**

SECTION 38.1. The estimated agency impact across all agencies from the final subscription and service rates for the 2023-2024 fiscal year and the 2024-2025 fiscal year shall not exceed one percent (1%) of the estimated Internal Service Fund revenue from subscription and service rates during the 2022-2023 fiscal year.

INFORMATION TECHNOLOGY PROCUREMENT/STATE CIO TRANSFER

SECTION 38.2.(a) The Statewide IT Procurement Office within the Department of Information Technology, authorized under Part 4 of Article 15 of Chapter 143B of the General Statutes, is transferred to the Department of Administration. This transfer has all of the elements of a Type II transfer, as described in G.S. 143A-6, except that the management functions of the Commission shall not be performed under the direction and supervision of the Secretary of Administration but shall be performed by the State Chief Information Officer.

SECTION 38.2.(b) Part 4 of Article 15 of Chapter 143B of the General Statutes is recodified into Part 28D of Article 9 of Chapter 143B of the General Statutes, renumbered as G.S. 143B-426.40K through G.S. 143B-426.40W, respectively, and reads as rewritten:

"Part 28D. Information Technology Procurement.

"§ 143B-426.40K. Procurement of information technology.

(a) The State CIO is responsible for establishing policies and procedures for information technology procurement for State agencies.

Notwithstanding any other provision of law, the Department shall procure all information technology goods and services for participating agencies and shall approve information technology procurements for separate agencies. The State CIO may cancel or suspend any agency information technology procurement that occurs without State CIO approval.

1 (b) The ~~Department~~ Statewide IT Procurement Office shall review all procurements to
2 ensure they meet current technology standards, are not duplicative, meet business objectives, are
3 cost-effective, and are adequately funded. G.S. 143-135.9 shall apply to information technology
4 procurements.

5 (c) The ~~Department~~ Statewide IT Procurement Office shall, subject to the provisions of
6 this Part, do all of the following with respect to State information technology procurement:

- 7 (1) Purchase or contract for all information technology for participating State
8 agencies.
- 9 (2) Approve all technology purchases for separate agencies.
- 10 (3) Establish standardized, consistent processes, specifications, and standards that
11 shall apply to all information technology to be purchased, licensed, or leased
12 by State agencies and relating to information technology personal services
13 contract requirements for State agencies.
- 14 (4) Establish procedures to permit State agencies and local government entities to
15 use the General Services Administration (GSA) Cooperative Purchasing
16 Program to purchase information technology (i) awarded under GSA Supply
17 Schedule 70 Information Technology and (ii) from contracts under the GSA's
18 Consolidated Schedule containing information technology special item
19 numbers.
- 20 (5) Establish procedures to permit State agencies and local government entities to
21 use multiple award schedule contracts and other cooperative purchasing
22 agreements.
- 23 (6) Comply with the State government-wide technical architecture, as required by
24 the State CIO.
- 25 (7) Utilize the purchasing benchmarks established by the Secretary of
26 Administration pursuant to G.S. 143-53.1.
- 27 (8) Provide strategic sourcing resources and detailed, documented planning to
28 compile and consolidate all estimates of information technology goods and
29 services needed and required by State agencies.
- 30 (9) Develop a process to provide a question and answer period for vendors prior
31 to procurements.

32 (d) Each State agency shall furnish to the State CIO when requested, and on forms as
33 prescribed, estimates of and budgets for all information technology goods and services needed
34 and required by such department, institution, or agency for such periods in advance as may be
35 designated by the State CIO. When requested, all State agencies shall provide to the State CIO
36 on forms as prescribed, actual expenditures for all goods and services needed and required by the
37 department, institution, or agency for such periods after the expenditures have been made as may
38 be designated by the State CIO.

39 (e) Confidentiality. – Contract information compiled by the ~~Department~~ Statewide IT
40 Procurement Office shall be made a matter of public record after the award of contract. Trade
41 secrets, test data, similar proprietary information, and security information protected under
42 G.S. 132-6.1(c) or other law shall remain confidential.

43 (f) Electronic Procurement. – The State CIO may authorize the use of the electronic
44 procurement system established by G.S. 143-48.3, or other systems, to conduct reverse auctions
45 and electronic bidding. For purposes of this Part, "reverse auction" means a real-time purchasing
46 process in which vendors compete to provide goods or services at the lowest selling price in an
47 open and interactive electronic environment. The vendor's price may be revealed during the
48 reverse auction. The ~~Department~~ Statewide IT Procurement Office may contract with a
49 third-party vendor to conduct the reverse auction. "Electronic bidding" means the electronic
50 solicitation and receipt of offers to contract. Offers may be accepted and contracts may be entered
51 by use of electronic bidding. All requirements relating to formal and competitive bids, including

1 advertisement, seal, and signature, are satisfied when a procurement is conducted or a contract is
2 entered in compliance with the reverse auction or electronic bidding requirements established by
3 the ~~Department~~ Statewide IT Procurement Office.

4 (f1) Multiple-Award Schedule Contracts. – The procurement of information technology
5 may be conducted using multiple award schedule contracts. Contracts awarded under this
6 subsection shall be periodically updated as directed by the State CIO to include the addition or
7 deletion of particular vendors, goods, services, or pricing.

8 (g) The State CIO shall establish efficient, responsive procedures for the procurement of
9 information technology. The procedures may include aggregation of hardware purchases, the use
10 of formal bid procedures, restrictions on supplemental staffing, enterprise software licensing,
11 hosting, and multiyear maintenance agreements. The State CIO may require agencies to submit
12 information technology procurement requests on a regularly occurring schedule each fiscal year
13 in order to allow for bulk purchasing.

14 (h) All offers to contract, whether through competitive bidding or other procurement
15 method, shall be subject to evaluation and selection by acceptance of the most advantageous offer
16 to the State. Evaluation shall include best value, as the term is defined in G.S. 143-135.9(a)(1),
17 compliance with information technology project management policies, compliance with
18 information technology security standards and policies, substantial conformity with the
19 specifications, and other conditions set forth in the solicitation.

20 (h1) All contracts subject to the provisions of this Part shall include a limitation on the
21 contractor's liability to the State for damages. Except as otherwise provided in this subsection,
22 the limitation of liability shall be for damages arising from any cause whatsoever, regardless of
23 the form of action. The amount of liability shall be determined based on the nature of the goods
24 or services covered by the contract; however, there shall be a presumptive limitation of no more
25 than two times the value of the contract. Limitation of liability pursuant to this subsection shall
26 specifically include, but not be limited to, the contractor's liability for damages and any other
27 losses relating to the loss of, unauthorized access to, or unauthorized disclosure of data.

28 The amount of liability for damages and any other losses relating to the loss of, unauthorized
29 access to, or unauthorized disclosure of data may be raised to no more than three times the value
30 of the contract if all of the following apply:

- 31 (1) The State CIO completes a risk assessment prior to the bid solicitation or
32 request for proposal.
- 33 (2) The risk assessment determines that an increase in the liability amount is
34 necessary to protect the State's best interests.
- 35 (3) The bid solicitation or request for proposal indicates that increased liability
36 will be required for the resulting contract.

37 The State CIO shall report annually to the Joint Legislative Commission on Governmental
38 Operations and the Joint Legislative Oversight Committee on Information Technology no later
39 than March 1 regarding the contracts containing liability amounts of more than two times the
40 value of the contract.

41 Prior to entering into any contract subject to the provisions of this Part, the ~~Department~~
42 Statewide IT Procurement Office or the separate agency, as applicable, shall reasonably
43 determine that the contractor possesses sufficient financial resources, either independently or
44 through third-party sources, such as insurance, to satisfy the agreed upon limitation of liability.
45 The limitation of liability required by this subsection shall not apply to liability of the contractor
46 for intentional or willful misconduct, damage to tangible personal property, physical injuries to
47 persons, or any notification costs resulting from compliance with G.S. 132-1.10(c1). Nothing in
48 this subsection (i) limits the contractor's liability directly to third parties or (ii) affects the rights
49 and obligations related to contribution among joint tortfeasors established by Chapter 1B of the
50 General Statutes and other applicable law.

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

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

4 (2) In the use of master licensing or purchasing agreements governing the
5 ~~Department's Statewide IT Procurement Office's~~ acquisition of proprietary
6 intellectual property.

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

10 Any exceptions shall immediately be reported to the Joint Legislative Oversight Committee
11 on Information Technology and the Fiscal Research Division.

12 (j) Information Technology Innovation Center. – The ~~Department Statewide IT~~
13 Procurement Office may operate a State Information Technology Innovation Center (iCenter) to
14 develop and demonstrate technology solutions with potential benefit to the State and its citizens.
15 The iCenter may facilitate the piloting of potential solutions to State technology requirements. In
16 operating the iCenter, the State CIO shall ensure that all State laws, rules, and policies are
17 followed.

18 Vendor participation in the iCenter shall not be construed to (i) create any type of preferred
19 status for vendors or (ii) abrogate the requirement that agency and statewide requirements for
20 information technology support, including those of the ~~Department Statewide IT Procurement~~
21 Office, are awarded based on a competitive process that follows information technology
22 procurement guidelines.

23 (k) No contract subject to the provisions of this Part may be entered into unless the
24 contractor and the contractor's subcontractors comply with the requirements of Article 2 of
25 Chapter 64 of the General Statutes.

26 (l) For the purposes of this Part, the definitions in G.S. 143B-1320 apply.

27 "**§ 143B-426.40L. Restriction on State agency contractual authority with regard to**
28 **information technology.**

29 (a) All State agencies covered by ~~this Article 15 of this Chapter~~ shall use contracts for
30 information technology to include enterprise licensing agreements and convenience contracts
31 established by the ~~Department Statewide IT Procurement Office~~. The State CIO shall consult
32 the agency heads prior to the initiation of any enterprise project or contract. Notwithstanding any
33 other statute, the authority of State agencies to procure or obtain information technology shall be
34 subject to compliance with the provisions of this Part.

35 (b) Notwithstanding any other provision of law, local governmental entities may use the
36 information technology programs, services, or contracts offered by the ~~Department Statewide IT~~
37 Procurement Office, including information technology procurement, in accordance with the
38 statutes, policies, and rules of the ~~Department Statewide IT Procurement Office~~. Local
39 governmental entities are not required to comply with otherwise applicable competitive bidding
40 requirements when using contracts established by the ~~Department Statewide IT Procurement~~
41 Office.

42 (c) Any other State entities exempt from Part 3 or Part 5 of ~~this Article 15 of this Chapter~~
43 may also use the information technology programs, services, or contracts offered by the
44 ~~Department Statewide IT Procurement Office~~, including information technology procurement,
45 in accordance with the statutes, policies, and rules of the ~~Department Statewide IT Procurement~~
46 Office.

47 "**§ 143B-426.40M. Unauthorized use of public purchase or contract procedures for private**
48 **benefit prohibited.**

49 (a) It is unlawful for any person, by the use of the powers, policies, or procedures
50 described in this Part or established hereunder, to purchase, attempt to purchase, procure, or
51 attempt to procure any property or services for private use or benefit.

1 (b) This prohibition shall not apply if:

2 (1) The State agency through which the property or services are procured had
3 theretofore established policies and procedures permitting such purchases or
4 procurement by a class or classes of persons in order to provide for the mutual
5 benefit of such persons and the department, institution, or agency involved or
6 the public benefit or convenience; and

7 (2) Such policies and procedures, including any reimbursement policies, are
8 complied with by the person permitted thereunder to use the purchasing or
9 procurement procedures described in this Part or established thereunder.

10 (c) Any violation of this section is a Class 1 misdemeanor.

11 (d) Any employee or official of the State who violates this Part shall be liable to the State
12 to repay any amount expended in violation of this Part, together with any court costs.

13 **"§ 143B-426.40N. Financial interest of officers in sources of supply; acceptance of bribes;
14 gifts and favors regulated.**

15 (a) Neither the State CIO, any deputy State CIO, or any other policy-making or
16 managerially exempt personnel shall be financially interested, or have any personal beneficial
17 interest, either directly or indirectly, in the purchase of, or contract for, any information
18 technology, nor in any firm, corporation, partnership, or association furnishing any information
19 technology to the State government or any of its departments, institutions, or agencies. Violation
20 of this section is a Class F felony, and any person found guilty of a violation of this section shall,
21 upon conviction, be removed from State office or employment.

22 (b) The provisions of G.S. 133-32 shall apply to all ~~Department~~ Statewide IT
23 Procurement Office employees.

24 **"§ 143B-426.40O. Certification that information technology bid submitted without
25 collusion.**

26 The State CIO shall require bidders to certify that each bid on information technology
27 contracts overseen by the ~~Department~~ Statewide IT Procurement Office is submitted
28 competitively and without collusion. False certification is a Class I felony.

29 **"§ 143B-426.40P. Award review.**

30 (a) When the dollar value of a contract for the procurement of information technology
31 equipment, materials, and supplies exceeds the benchmark established by subdivision (1) of
32 subsection (c) of this section, an award recommendation shall be submitted to the State CIO for
33 approval or other action. The State CIO shall promptly notify the agency or institution making
34 the recommendation, or for which the purchase is to be made, of the action taken.

35 (b) Prior to submission for review pursuant to this section for any contract for information
36 technology being acquired for the benefit of an agency authorized to deviate from ~~this Article 15~~
37 of this Chapter pursuant to G.S. 143B-1320(c), the State CIO shall review and approve the
38 procurement to ensure compliance with the established processes, specifications, and standards
39 applicable to all information technology purchased, licensed, or leased in State government,
40 including established procurement processes, and compliance with the State government-wide
41 technical architecture and standards established by the State CIO.

42 (c) The State CIO shall provide a report of all contract awards approved through the
43 Statewide IT Procurement Office as indicated below. The report shall include the amount of the
44 award, the contract term, the award recipient, the using agency, and a short description of the
45 nature of the award, as follows:

46 (1) For contract awards greater than twenty-five thousand dollars (\$25,000), to
47 the cochairs of the Joint Legislative Oversight Committee on Information
48 Technology and the Fiscal Research Division as requested.

49 (2) For all contract awards outside the established purchasing system, to the
50 Department of Administration, Joint Legislative Oversight Committee on

1 Information Technology, and the Fiscal Research Division on March 1 and
2 September 1 of each year.

3 **"§ 143B-426.40Q. Multiyear contracts; Attorney General assistance.**

4 (a) Notwithstanding the cash management provisions of G.S. 147-86.11, the ~~Department~~
5 Statewide IT Procurement Office may procure information technology goods and services for
6 periods up to a total of three years where the terms of the procurement contracts require payment
7 of all or a portion of the contract price at the beginning of the contract agreement. All of the
8 following conditions shall be met before payment for these agreements may be disbursed:

- 9 (1) Any advance payment can be accomplished within the IT Internal Service
10 Fund budget.
11 (2) The State Controller receives conclusive evidence that the proposed
12 agreement would be more cost-effective than a multiyear agreement that
13 complies with G.S. 147-86.11.
14 (3) The procurement complies in all other aspects with applicable statutes and
15 rules.
16 (4) The proposed agreement contains contract terms that protect the financial
17 interest of the State against contractor nonperformance or insolvency through
18 the creation of escrow accounts for funds, source codes, or both, or by any
19 other reasonable means that have legally binding effect.

20 The Office of State Budget and Management shall ensure the savings from any authorized
21 agreement shall be included in the IT Internal Service Fund rate calculations before approving
22 annual proposed rates. Any savings resulting from the agreements shall be returned to agencies
23 included in the contract in the form of reduced rates.

24 (b) At the request of the State CIO, the Attorney General shall provide legal advice and
25 services necessary to implement this ~~Article~~Part.

26 **"§ 143B-426.40R. Purchase of certain computer equipment and televisions by State
27 agencies and governmental entities prohibited.**

28 (a) No State agency, local political subdivision of the State, or other public body shall
29 purchase computer equipment or televisions, as defined in G.S. 130A-309.131, or enter into a
30 contract with any manufacturer that the State CIO determines is not in compliance with the
31 requirements of G.S. 130A-309.134 or G.S. 130A-309.135 as determined from the list provided
32 by the Department of Environmental Quality pursuant to G.S. 130A-309.138. The State CIO
33 shall issue written findings upon a determination of noncompliance. A determination of
34 noncompliance by the State CIO is reviewable under Article 3 of Chapter 150B of the General
35 Statutes.

36 (b) The ~~Department~~Statewide IT Procurement Office shall make the list available to
37 local political subdivisions of the State and other public bodies. A manufacturer that is not in
38 compliance with the requirements of G.S. 130A-309.134 or G.S. 130A-309.135 shall not sell or
39 offer for sale computer equipment or televisions to the State, a local political subdivision of the
40 State, or other public body.

41 **"§ 143B-426.40S. Refurbished computer equipment purchasing program.**

42 (a) The ~~Department of Information Technology~~Statewide IT Procurement Office and the
43 Department of Administration, with the administrative support of the Information Technology
44 Strategic Sourcing Office, shall offer State and local governmental entities the option of
45 purchasing refurbished computer equipment from registered computer equipment refurbishers
46 whenever most appropriate to meet the needs of State and local governmental entities.

47 (b) State and local governmental entities shall document savings resulting from the
48 purchase of the refurbished computer equipment, including, but not limited to, the initial
49 acquisition cost as well as operations and maintenance costs. These savings shall be reported
50 quarterly to the ~~Department of Information Technology~~Statewide IT Procurement Office.

1 (c) The Information Technology Strategic Sourcing Office shall administer the
2 refurbished computer equipment program by establishing a competitive purchasing process to
3 support this initiative that meets all State information technology procurement laws and
4 procedures and ensures that agencies receive the best value.

5 (d) Participating computer equipment refurbishers must meet all procurement
6 requirements established by the ~~Department of Information Technology Statewide IT~~
7 Procurement Office and the Department of Administration.

8 **"§ 143B-426.40T. Configuration and specification requirements same as for new**
9 **computers.**

10 Refurbished computer equipment purchased under this act must conform to the same
11 standards as the State may establish as to the configuration and specification requirements for
12 the purchase of new computers.

13 **"§ 143B-426.40U. Data on reliability and other issues; report.**

14 The ~~Department of Information Technology Statewide IT Procurement Office~~ shall maintain
15 data on equipment reliability, potential cost savings, and any issues associated with the
16 refurbished computer equipment initiative and shall report the results of the initiative to the Joint
17 Legislative Oversight Committee on Information Technology and the Fiscal Research Division
18 by March 1, 2016, and then annually thereafter.

19 **"§ 143B-426.40V. Information technology procurement policy; reporting requirements.**

20 (a) Policy. – In order to further the policy of the State to encourage and promote the use
21 of small, minority, physically handicapped, and women contractors in State purchasing of goods
22 and services, all State agencies shall cooperate with the ~~Department Statewide IT Procurement~~
23 Office in efforts to encourage the use of small, minority, physically handicapped, and women
24 contractors in achieving the purposes of this ~~Article, Part~~, which is to provide for the effective
25 and economical acquisition, management, and disposition of information technology.

26 (b) Bids. – A vendor submitting a bid shall disclose in a statement, provided
27 contemporaneously with the bid, where services will be performed under the contract sought,
28 including any subcontracts and whether any services under that contract, including any
29 subcontracts, are anticipated to be performed outside the United States. Nothing in this section is
30 intended to contravene any existing treaty, law, agreement, or regulation of the United States.
31 The State CIO shall retain the statements required by this subsection regardless of the State entity
32 that awards the contract and shall report annually to the Secretary of Administration on the
33 number of contracts which are anticipated to be performed outside the United States.

34 (c) Reporting. – Every State agency that makes a direct purchase of information
35 technology using the services of the ~~Department Statewide IT Procurement Office~~ shall report
36 directly to the Department of Administration all information required by G.S. 143-48(b).

37 (d) Data from Department of Administration. – The Department of Administration shall
38 collect and compile the data described in this section and report it annually to the ~~Department of~~
39 Information Technology, Statewide IT Procurement Office, the Joint Legislative Oversight
40 Committee on Information Technology, and the Fiscal Research Division.

41 **"§ 143B-426.40W. Personal services contracts subject to Article, Part.**

42 (a) Requirement. – Notwithstanding any other provision of law, information technology
43 personal services contracts for executive branch agencies shall be subject to the same
44 requirements and procedures as information technology service contracts, except as provided in
45 this section.

46 (b) Certain Approvals Required. – Notwithstanding any provision of law to the contrary,
47 no information technology personal services contract, nor any contract that provides personnel
48 to perform information technology functions regardless of the cost of the contract, may be
49 established or renewed without written approval from the ~~Department of Information~~
50 Technology, Statewide IT Procurement Office. To facilitate compliance with this requirement,
51 the ~~Department of Information Technology Statewide IT Procurement Office~~ shall develop and

1 document a process to monitor all State agency information technology personal services
2 contracts, as well as any other State contracts providing personnel to perform information
3 technology functions and a process for obtaining approval of contractor positions.

4 (c), (d) Repealed by Session Laws 2019-200, s. 2, effective August 21, 2019.

5 (e) Reporting Required. – The Department of Information Technology Statewide IT
6 Procurement Office shall report biennially to the Joint Legislative Oversight Committee on
7 Information Technology and the Fiscal Research Division on the number of information
8 technology service contractors in each State agency, the cost for each, and the comparable cost,
9 including benefits, of a State employee serving in that capacity rather than a contractor.

10 (f) Information Technology Personal Services Contract Defined. – For purposes of this
11 section, the term "personal services contract" means a contract for services provided by a
12 professional individual as an independent contractor on a temporary or occasional basis.

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

14 **"§ 143B-426.40X. Statewide IT Procurement Office; creation.**

15 There is created the Statewide IT Procurement Office. The office shall be located
16 administratively within the Department of Administration but shall exercise all of its prescribed
17 statutory powers independently of the Secretary of Administration.

18 **"§ 143B-426.40Y. State Chief Information Officer; organization of office.**

19 (a) The Statewide IT Procurement Office shall be headed by the State Chief Information
20 Officer, who shall also be known as the State CIO, and who shall maintain and administer the
21 State information technology procurement system under this Part.

22 (b) The State Chief Information Officer shall be a person qualified by education and
23 experience for the office and shall be appointed by the Governor subject to confirmation by the
24 General Assembly. The term of office of the State Chief Information Officer shall be for seven
25 years; the first full term shall begin October 1, 2023.

26 The Governor shall submit the name of the person to be appointed, for confirmation by the
27 General Assembly, to the President of the Senate and the Speaker of the House of Representatives
28 by July 1 of the year in which the State Chief Information Officer is to be appointed. If the
29 Governor does not submit the name by that date, the President of the Senate and the Speaker of
30 the House of Representatives shall submit a name to the General Assembly for confirmation.

31 In case of death, incapacity, resignation, removal by the Governor for cause, or vacancy for
32 any other reason prior to the expiration of the term of office while the General Assembly is in
33 session, the Governor shall submit the name of a successor State Chief Information Officer to
34 the President of the Senate and the Speaker of the House of Representatives within four weeks
35 after the vacancy occurs. If the Governor does not do so, the President of the Senate and the
36 Speaker of the House of Representatives shall submit a name to the General Assembly for
37 confirmation.

38 In case of death, incapacity, resignation, removal by the Governor for cause, or vacancy for
39 any other reason prior to the expiration of the term of office while the General Assembly is not
40 in session, the Governor shall appoint a State Chief Information Officer to serve on an interim
41 basis pending confirmation by the General Assembly. The salary of the State Chief Information
42 Officer shall be set by the General Assembly in the Current Operations Appropriations Act.

43 (c) The State Chief Information Officer may appoint one or more Deputy State Chief
44 Information Officers. The salary of the Deputy State Chief Information Officers shall be set by
45 the State Chief Information Officer.

46 (d) The State Chief Information Officer may appoint all employees necessary to carry out
47 the powers and duties of the office. These employees shall be subject to the North Carolina
48 Human Resources Act. All employees of the office shall be under the supervision, direction, and
49 control of the State Chief Information Officer. Except as otherwise provided by this Part, the
50 State Chief Information Officer may assign any function vested in the State Chief Information

1 Officer or the Statewide IT Procurement Office to any subordinate officer or employee of the
 2 office.

3 (e) The State Chief Information Officer may, subject to the provisions of
 4 G.S. 147-64.7(b)(2), obtain the services of professional persons or experts to carry out the powers
 5 and duties of the office. The State Chief Information Officer shall have legal custody of all books,
 6 papers, documents, and other records of the office. The State Chief Information Officer shall be
 7 responsible for the preparation of and the presentation of the office budget request, including all
 8 funds requested and all receipts expected for all elements of the budget.

9 (f) The State Chief Information Officer may adopt regulations for the administration of
 10 the office, the conduct of employees of the office, the distribution and performance of business,
 11 the performance of the functions assigned to the State Chief Information Officer, the office, and
 12 the Statewide IT Procurement Office, as well as the custody, use, and preservation of the records,
 13 documents, and property pertaining to the business of the office and the Statewide IT
 14 Procurement Office. All employees of the Statewide IT Procurement Office shall be subject to
 15 the applicable provisions of the State Government Ethics Act under Chapter 138A of the General
 16 Statutes.

17 **"§ 143B-426.40Z. Duties of the State Chief Information Officer.**

18 The State CIO shall have the following powers and duty to do all of the following:

- 19 (1) Ensure that executive branch agencies receive all required information
 20 technology procurement support in an efficient and timely manner.
 21 (2) Ensure that such information technology procurement support is provided to
 22 local government entities and others, as appropriate.
 23 (3) As required, plan and coordinate information technology procurement efforts
 24 with State agencies, nonprofits, and private organizations.
 25 (4) Set technical standards for information technology procurement, review and
 26 approve information technology procurement projects and budgets, establish
 27 information technology security standards, provide for the procurement of
 28 information technology resources, and develop a schedule for the replacement
 29 or modification of information technology systems.
 30 (5) Require reports by State departments, institutions, or agencies of information
 31 technology assets, systems, and projects; prescribe the form of such reports;
 32 and verify the information when the State CIO determines verification is
 33 necessary.
 34 (6) Prescribe the manner in which information technology assets and systems
 35 shall be provided and distributed among agencies."

36 **SECTION 38.2.(c)** Article 15 of Chapter 143B of the General Statutes reads as
 37 rewritten:

38 "Article 15.

39 "Department of Information Technology.

40 "Part 1. General Provisions.

41 **"§ 143B-1320. Definitions; scope; exemptions.**

42 (a) Definitions. – The following definitions apply in this Article:

43 ...

- 44 (18) ~~State Chief Information Officer or State CIO.~~ Secretary of the Department
 45 of Information Technology or Secretary. – The head of the Department, who
 46 is a Governor's cabinet level officer.

47 ...

48 **"§ 143B-1321. Powers and duties of the Department; cost-sharing with exempt entities.**

49 (a) The Department shall have the following powers and duties:

50 ...

1 (6) Establish a consistent process for ~~planning, maintaining, and acquiring~~
 2 planning and maintaining the State's information technology resources. This
 3 includes responsibility for developing and administering a comprehensive
 4 long-range plan to ensure the proper management of the State's information
 5 technology resources.

6 ...

7 (8) Set technical standards for information technology, review and approve
 8 information technology projects and budgets, establish and enforce
 9 information technology security standards, ~~establish and enforce standards for~~
 10 ~~the procurement of information technology resources,~~ and develop a schedule
 11 for the replacement or modification of information technology systems.

12 (9) ~~Implement enterprise procurement processes and develop metrics to support~~
 13 ~~this process.~~

14 ...

15 (27) Adopt plans, policies, and procedures for the ~~acquisition, management,~~
 16 management and use of information technology resources in State agencies to
 17 facilitate more efficient and economic use of information technology in the
 18 agencies.

19 ...

20 **"§ 143B-1322. State CIO duties; Departmental personnel and administration.**

21 (a) ~~State CIO. Secretary. – The State Chief Information Officer (State CIO) Secretary~~
 22 of the Department of Information Technology is the head of the ~~Department, Department and~~
 23 a member of the Governor's ~~cabinet, and may also be referred to as the Secretary of the Department~~
 24 ~~of Information Technology. cabinet.~~ The ~~State CIO Secretary~~ is appointed by and serves at the
 25 pleasure of the Governor. The ~~State CIO Secretary~~ shall be qualified by education and experience
 26 for the office. The salary of the ~~State CIO Secretary~~ shall be set by the Governor. The ~~State CIO~~
 27 Secretary shall receive longevity pay on the same basis as is provided to employees of the State
 28 who are subject to the North Carolina Human Resources Act.

29 (b) Departmental Personnel. – The ~~State CIO Secretary~~ may appoint one or more ~~deputy~~
 30 State CIOs, deputies, each of whom shall be under the direct supervision of the ~~State CIO.~~
 31 Secretary. The salaries of the ~~deputy State CIOs deputies~~ shall be set by the ~~State CIO. Secretary.~~
 32 The ~~State CIO Secretary~~ and the ~~Deputy State CIOs deputies~~ are exempt from the North Carolina
 33 Human Resources Act. Subject to the approval of the Governor and limitations of the G.S. 126-5,
 34 the ~~State CIO Secretary~~ may appoint or designate additional managerial and policy making
 35 positions, including, but not limited to, the Department's chief financial officer and general
 36 counsel, each of whom shall be exempt from the North Carolina Human Resources Act.

37 (c) Administration. – The Department shall be managed under the administration of the
 38 ~~State CIO. Secretary.~~ The ~~State CIO Secretary~~ shall have the following powers and duty to do all
 39 of the following:

40 ...

41 (14) Set technical standards for information technology, review and approve
 42 information technology projects and budgets, establish information
 43 technology security standards, ~~provide for the procurement of information~~
 44 ~~technology resources,~~ and develop a schedule for the replacement or
 45 modification of information technology systems.

46 ...

47 **"§ 143B-1325. State information technology consolidated under Department of**
 48 **Information Technology.**

49 (a) Consolidation Completed. – Effective July 1, 2018, the consolidation of enterprise
 50 information technology functions within the executive branch is completed with the Secretary

1 heading all of the information technology functions under the Department's purview, including
2 all of the following:

3 ...

4 (6) ~~Information technology procurement.~~

5 ...

6 **"§ 143B-1332. Information Technology Fund.**

7 There is established a special revenue fund to be known as the Information Technology Fund,
8 which may receive transfers or other credits as authorized by the General Assembly. Money may
9 be appropriated from the Information Technology Fund to support the operation and
10 administration that meet statewide requirements, including planning, project management,
11 security, electronic mail, State portal operations, and early adoption of enterprise efforts, ~~and the~~
12 ~~administration of systemwide procurement procedures.~~ efforts. Funding for participating agency
13 information technology projects shall be appropriated to the Information Technology Fund and
14 may be reallocated by the State CIO, if appropriate, following coordination with the impacted
15 agencies and written approval by the Office of State Budget and Management. Any redirection
16 of agency funds shall immediately be reported to the Joint Legislative Oversight Committee on
17 Information Technology and the Fiscal Research Division with a detailed explanation of the
18 reasons for the redirection. Expenditures involving funds appropriated to the Department from
19 the Information Technology Fund shall be made by the State CIO. Interest earnings on the
20 Information Technology Fund balance shall be credited to the Information Technology Fund.

21 ...

22 **"§ 143B-1336. Information technology human resources.**

23 ...

24 (d) The State CIO shall establish standard information technology career paths for both
25 management and technical tracks, including defined qualifications, career progression, training
26 requirements, and appropriate compensation. ~~For information technology procurement~~
27 ~~professionals, the State CIO shall establish a career path that includes defined qualifications,~~
28 ~~career progression, training requirements, and appropriate compensation.~~ These career paths
29 shall be documented by February 1, 2016, and shall be provided to the Joint Legislative Oversight
30 Committee on Information Technology and the Fiscal Research Division by February 1, 2016,
31 but may be submitted incrementally to meet Department requirements. The career paths shall be
32 updated on an annual basis.

33 ...

34 **"§ 143B-1341. Project management standards.**

35 ...

36 (d) State CIO Responsibilities. – The State CIO shall provide a project management
37 assistant from the Department for any approved separate agency project, whether the project is
38 undertaken in single or multiple phases or components. The State CIO may designate a project
39 management assistant for any other information technology project.

40 The project management assistant shall advise the agency with the initial planning of a
41 project, the content and design of any request for proposals, contract development, ~~procurement,~~
42 and architectural and other technical reviews. The project management assistant shall also
43 monitor progress in the development and implementation of the project and shall provide status
44 reports to the agency and the State CIO, including recommendations regarding continued
45 approval of the project.

46 The State CIO shall establish a clearly defined, standardized process for project management
47 that includes time lines for completion of process requirements for both the Department and
48 agencies. The State CIO shall also establish reporting requirements for information technology
49 projects, both during the planning, development, and implementation process and following
50 completion of the project. The State CIO shall continue to monitor system performance and
51 financial aspects of each project after implementation. The State CIO shall also monitor any

1 certification process required for State information technology projects and shall immediately
2 report any issues associated with certification processes to the Joint Legislative Oversight
3 Committee on Information Technology and the Fiscal Research Division.

4 ...

5 ~~"§ 143B-1343. Standardization.~~

6 ~~The State CIO shall establish consistent standards for the purchase of agency hardware and~~
7 ~~software that reflect identified, documented agency needs.~~

8"

9 **SECTION 38.2.(d)** The Revisor of Statutes shall delete the phrase "State CIO"
10 wherever it appears in Article 15 of Chapter 143B of the General Statutes and substitute it with
11 the phrase "Secretary."

12 **SECTION 38.2.(e)** The State Chief Information Officer shall retain three
13 procurement specialists, who shall be exempt from the North Carolina Human Resources Act, in
14 connection with the duties established in this section.

15 **DMV SERVICE MODERNIZATION STUDY**

16 **SECTION 38.3.** The Department of Information Technology, in collaboration with
17 the Department of Transportation, shall study the feasibility of modernizing the customer service
18 experience at Division of Motor Vehicles (DMV) locations by expanding the availability and use
19 of customer self-service kiosks at DMV locations. The study shall consider the following:

- 20 (1) Hardware and software needs, including printers, scanning technology, and
21 broadband access.
- 22 (2) Potential impact on staffing, including staff time, staff duties and
23 responsibilities, and staffing needs.
- 24 (3) Potential cost-savings.
- 25 (4) Potential reductions in wait times for DMV customers.
- 26 (5) Assessment of available technology and an analysis of procurement options
27 and partnerships with third-party vendors.
- 28 (6) Assessment of best practices from other states that have implemented similar
29 systems.
- 30 (7) Recommendations on funding needs and potential legislation from the
31 General Assembly.

32 The Department of Information Technology and the Department of Transportation
33 shall submit a report containing the findings of the study described in this section on or before
34 March 1, 2024, to the Joint Legislative Oversight Committee on Information Technology, the
35 Joint Legislative Transportation Oversight Committee, and the Fiscal Research Division.

36 **DPS DIVISIONS TREATED AS SEPARATE AGENCIES**

37 **SECTION 38.4.** In accordance with G.S. 143B-1325(c)(13), and notwithstanding
38 any other provision of Article 15 of Chapter 143B of the General Statutes to the contrary, the
39 State Highway Patrol, the State Bureau of Investigation, and the Division of Emergency
40 Management within the Department of Public Safety shall continue to be entirely exempt from
41 any and all information technology oversight by the Department of Public Safety and the
42 Department of Information Technology. The State Highway Patrol, the State Bureau of
43 Investigation, and the Division of Emergency Management shall be deemed as separate,
44 standalone entities within the Department of Public Safety in all matters related to information
45 technology, and each shall autonomously manage their own respective information technology
46 infrastructure and all associated services without oversight from the Department of Information
47 Technology or the Department of Public Safety. Exemption from information technology
48 oversight includes, but is not limited to, the following:

- 49 (1) Information technology architecture and planning.

- 1 (2) Information technology personnel management.
- 2 (3) Information technology project management.
- 3 (4) Information technology purchasing and procurement decisions and
- 4 methodologies.
- 5 (5) Hardware acquisition, configuration, implementation, and management.
- 6 (6) Software acquisition, configuration, implementation, and management.
- 7 (7) Data center locations, operations, and management.
- 8 (8) Network topology, operations, and management.
- 9 (9) System and data security, including disaster recovery planning.
- 10 (10) Reporting requirements.
- 11 (11) Any future transfers of information technology personnel, operations,
- 12 projects, assets, and information technology budgets to the Department of
- 13 Information Technology.
- 14

15 **PART XXXIX. SALARIES AND BENEFITS**

16 17 **ELIGIBLE STATE-FUNDED EMPLOYEES AWARDED LEGISLATIVE SALARY** 18 **INCREASES/EFFECTIVE JULY 1, 2023, AND JULY 1, 2024**

19 **SECTION 39.1.(a)** Effective July 1, 2023, except as provided by subsection (b) of
20 this section, a person (i) whose salary is set by this Part, pursuant to the North Carolina Human
21 Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded
22 position on June 30, 2023, is awarded:

- 23 (1) A legislative salary increase in the amount of four and twenty-five hundredths
- 24 percent (4.25%) of annual salary in the 2023-2024 fiscal year.
- 25 (2) Any salary adjustment otherwise allowed or provided by law.

26 **SECTION 39.1.(a1)** Effective July 1, 2024, except as provided by subsection (b) of
27 this section, a person (i) whose salary is set by this Part, pursuant to the North Carolina Human
28 Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded
29 position on June 30, 2024, is awarded:

- 30 (1) A legislative salary increase in the amount of three and twenty-five hundredths
- 31 percent (3.25%) of annual salary in the 2024-2025 fiscal year.
- 32 (2) Any salary adjustment otherwise allowed or provided by law.

33 **SECTION 39.1.(b)** For the 2023-2025 fiscal biennium, the following persons are
34 not eligible to receive the legislative salary increases provided by subsections (a) and (a1) of this
35 section:

- 36 (1) Employees of local boards of education.
- 37 (2) Local community college employees.
- 38 (3) Employees of The University of North Carolina.
- 39 (4) Clerks of superior court compensated under G.S. 7A-101.
- 40 (5) Correctional employees to which Section 39.15 of this Part applies.
- 41 (6) Law enforcement officers to which Section 39.16 of this Part applies.
- 42 (7) State Highway Patrol employees to which Section 39.17 of this Part applies.
- 43 (8) Probation and parole officers to which Section 39.18 of this Part applies.
- 44 (9) Employees of schools operated by the Department of Health and Human
- 45 Services, the Department of Public Safety, and the State Board of Education
- 46 who are paid based on the Teacher Salary Schedule.

47 **SECTION 39.1.(c)** Part-time employees shall receive the increases authorized by
48 this section on a prorated and equitable basis.

49 **SECTION 39.1.(d)** No eligible State-funded employee shall be prohibited from
50 receiving the full salary increases provided in this section solely because the employee's salary

1 after applying the legislative increase is above the maximum of the salary range prescribed by
2 the State Human Resources Commission.

4 LABOR MARKET ADJUSTMENT RESERVE

5 SECTION 39.2.(a) Of the Labor Market Adjustment Salary Reserve funds
6 appropriated in this act, agencies shall award salary adjustments to identified employees pursuant
7 to the following requirements:

- 8 (1) Any increase provided to an employee shall not exceed the greater of fifteen
9 thousand dollars (\$15,000) or fifteen percent (15%) of their current base
10 salary.
- 11 (2) Any increase provided to an employee may not result in the employee's salary
12 exceeding the maximum salary of the salary range associated with the
13 position.
- 14 (3) No more than twenty-five percent (25%) of the agency's permanent employees
15 may receive a salary increase from the funds appropriated for this purpose.
- 16 (4) Funds may not be awarded to employees in positions with salaries set in law
17 or paid based on an experience-based salary schedule that is eligible to receive
18 funding from the Pay Plan Reserve.
- 19 (5) Funds must be used to increase salaries paid to employees and shall not be
20 used to supplant other funding sources or for any other purpose.

21 SECTION 39.2.(b) The provisions of subsection (a) of this section do not apply to
22 the State Highway Patrol or the State Bureau of Investigation, and no allocations shall be made
23 to those agencies for labor market adjustments.

24 SECTION 39.2.(c) The Director of the Budget may adjust a State agency's budgeted
25 receipts to provide an equivalent one percent (1%) Labor Market Adjustment Salary Reserve for
26 the 2023-2025 fiscal biennium subject to the requirements in subsection (a) of this section,
27 provided that sufficient receipts are available. Agency receipts needed to implement this section
28 are appropriated for the 2023-2024 fiscal year and the 2024-2025 fiscal year.

29 SECTION 39.2.(d) The Office of State Human Resources (OSHR) shall compile a
30 single report detailing how these funds were distributed by each agency. The OSHR shall develop
31 a uniform reporting mechanism for agencies that display the salary increases made for each
32 position classification, the average increase provided to employees in each position classification,
33 and the market-based justification for the awarded salary increases. Agencies receiving Labor
34 Market Adjustment Salary Reserve appropriations shall report to the OSHR by September 30,
35 2024. By October 31, 2024, the OSHR shall submit the report containing the agency responses
36 to the Fiscal Research Division.

38 STATE AGENCY HIRING, PAY AND CLASSIFICATION FLEXIBILITY

39 SECTION 39.3.(a) Effective July 1, 2023, G.S. 126-5 is amended by adding a new
40 subsection to read:

41 "(c19) Notwithstanding any provision of this Chapter to the contrary, the Council of State,
42 the executive branch agencies, the Community College System Office, and The University of
43 North Carolina are each authorized to do the following:

- 44 (1) Classify or reclassify their positions according to the classification system
45 established by the State Human Resources Commission (SHRC) as long as
46 the employee meets the minimum requirements of the classification.
- 47 (2) Set salaries for their employees within the salary ranges for the respective
48 position classification established by the SHRC."

49 SECTION 39.3.(b) G.S. 126-14.3 reads as rewritten:

50 "§ 126-14.3. Open and fair competition.

51 The State Human Resources Commission shall adopt rules or policies to:

1 ...
 2 (9) Authorize agencies to make job offers as soon as possible after the completion
 3 of the interviews for a position. These rules or policies shall include, without
 4 limitation, authorizing agencies to make job offers that are contingent upon
 5 satisfactory reference checks and, if required, satisfactory background
 6 checks."
 7

8 **GOVERNOR AND COUNCIL OF STATE**

9 **SECTION 39.4.(a)** Effective July 1, 2023, G.S. 147-11(a) reads as rewritten:

10 "(a) The salary of the Governor shall be ~~one hundred sixty-five thousand seven hundred~~
 11 ~~fifty dollars (\$165,750)~~ one hundred seventy-two thousand seven hundred ninety-four dollars
 12 (\$172,794) annually, payable monthly."

13 **SECTION 39.4.(a1)** Effective July 1, 2024, G.S. 147-11(a), as amended by
 14 subsection (a) of this section, reads as rewritten:

15 "(a) The salary of the Governor shall be ~~one hundred seventy-two thousand seven hundred~~
 16 ~~ninety-four dollars (\$172,794)~~ one hundred seventy-eight thousand four hundred ten dollars
 17 (\$178,410) annually, payable monthly."

18 **SECTION 39.4.(b)** Effective July 1, 2023, the annual salaries for members of the
 19 Council of State, payable monthly, are set as follows:

Council of State	Annual Salary
Lieutenant Governor	\$152,644
Attorney General	152,644
Secretary of State	152,644
State Treasurer	152,644
State Auditor	152,644
Superintendent of Public Instruction	152,644
Agriculture Commissioner	152,644
Insurance Commissioner	152,644
Labor Commissioner	152,644

30 **SECTION 39.4.(b1)** Effective July 1, 2024, the annual salaries for members of the
 31 Council of State, payable monthly, are set as follows:

Council of State	Annual Salary
Lieutenant Governor	\$157,605
Attorney General	157,605
Secretary of State	157,605
State Treasurer	157,605
State Auditor	157,605
Superintendent of Public Instruction	157,605
Agriculture Commissioner	157,605
Insurance Commissioner	157,605
Labor Commissioner	157,605

42
 43 **CERTAIN EXECUTIVE BRANCH OFFICIALS**

44 **SECTION 39.5.(a)** Effective July 1, 2023, the annual salaries, payable monthly, for
 45 the following executive branch officials for the 2023-2024 fiscal year are as follows:

Executive Branch Officials	Annual Salary
Chairman, Alcoholic Beverage	
Control Commission	\$137,071
State Controller	190,865
Commissioner of Banks	153,841
Chair, Board of Review, Division	

1	of Employment Security	150,901
2	Members, Board of Review, Division	
3	of Employment Security	149,057
4	Chairman, Parole Commission	150,901
5	Full-time Members of the Parole Commission	139,523
6	Chairman, Utilities Commission	171,057
7	Members of the Utilities Commission	153,841
8	Executive Director, North Carolina	
9	Agricultural Finance Authority	133,486
10	SECTION 35.9.(b) Effective July 1, 2024, the annual salaries, payable monthly, for	
11	the following executive branch officials for the 2024-2025 fiscal year are as follows:	
12	Executive Branch Officials	Annual Salary
13	Chairman, Alcoholic Beverage	
14	Control Commission	\$141,526
15	State Controller	197,068
16	Commissioner of Banks	158,841
17	Chair, Board of Review, Division	
18	of Employment Security	155,805
19	Members, Board of Review, Division	
20	of Employment Security	153,901
21	Chairman, Parole Commission	155,805
22	Full-time Members of the Parole Commission	144,057
23	Chairman, Utilities Commission	176,616
24	Members of the Utilities Commission	158,841
25	Executive Director, North Carolina	
26	Agricultural Finance Authority	137,824

JUDICIAL BRANCH

29 **SECTION 39.6.(a)** Effective July 1, 2023, the annual salaries, payable monthly, for
30 the following judicial branch officials for the 2023-2024 fiscal year are as follows:

31	Judicial Branch Officials	Annual Salary
32	Chief Justice, Supreme Court	\$179,600
33	Associate Justice, Supreme Court	174,939
34	Chief Judge, Court of Appeals	172,172
35	Judge, Court of Appeals	167,703
36	Judge, Senior Regular Resident Superior Court	163,177
37	Judge, Superior Court	158,656
38	Chief Judge, District Court	144,184
39	Judge, District Court	139,661
40	Chief Administrative Law Judge	140,857
41	District Attorney	153,427
42	Assistant Administrative Officer of the Courts	147,747
43	Public Defender	153,427
44	Director of Indigent Defense Services	158,131

45 **SECTION 39.6.(a1)** Effective July 1, 2024, the annual salaries, payable monthly,
46 for the following judicial branch officials for the 2024-2025 fiscal year are as follows:

47	Judicial Branch Officials	Annual Salary
48	Chief Justice, Supreme Court	\$185,437
49	Associate Justice, Supreme Court	180,625
50	Chief Judge, Court of Appeals	177,768
51	Judge, Court of Appeals	173,153

1	Judge, Senior Regular Resident Superior Court	168,480
2	Judge, Superior Court	163,812
3	Chief Judge, District Court	148,870
4	Judge, District Court	144,200
5	Chief Administrative Law Judge	145,435
6	District Attorney	158,413
7	Assistant Administrative Officer of the Courts	152,549
8	Public Defender	158,413
9	Director of Indigent Defense Services	163,270

10 **SECTION 39.6.(b)** The district attorney of a judicial district, with the approval of
 11 the Administrative Officer of the Courts, and the public defender of a judicial district, with the
 12 approval of the Commission on Indigent Defense Services, shall set the salaries of assistant
 13 district attorneys and assistant public defenders in that district such that the average salary of
 14 those assistants in that district, for the 2023-2024 fiscal year, does not exceed ninety-six thousand
 15 two hundred ninety-seven dollars (\$96,297) and the minimum salary of any assistant is at least
 16 fifty-one thousand six hundred eighty-four dollars (\$51,684), effective July 1, 2023.

17 **SECTION 39.6.(b1)** The district attorney of a judicial district, with the approval of
 18 the Administrative Officer of the Courts, and the public defender of a judicial district, with the
 19 approval of the Commission on Indigent Defense Services shall set the salaries of assistant
 20 district attorneys and assistant public defenders in that district such that the average salary of
 21 those assistants in that district, for the 2024-2025 fiscal year, does not exceed one hundred
 22 thousand three hundred ninety dollars (\$100,390) and the minimum salary of any assistant is at
 23 least fifty-three thousand eight hundred eighty-one dollars (\$53,881), effective July 1, 2024.

24

25 **CLERKS OF SUPERIOR COURT**

26 **SECTION 39.7.(a)** Effective July 1, 2023, G.S. 7A-101(a) reads as rewritten:

27 "(a) The clerk of superior court is a full-time employee of the State and shall receive an
 28 annual salary, payable in equal monthly installments, based on the number of State-funded
 29 assistant and deputy clerks of court as determined by the Administrative Office of Court's
 30 workload formula, according to the following schedule:

31	Assistants and Deputies	Annual Salary
32	0-19	\$104,300 <u>\$108,733</u>
33	20-29	115,280 <u>120,179</u>
34	30-49	126,259 <u>131,625</u>
35	50-99	137,238 <u>143,071</u>
36	100 and above	139,983 <u>145,932</u>

37 If the number of State-funded assistant and deputy clerks of court as determined by the
 38 Administrative Office of Court's workload formula changes, the salary of the clerk shall be
 39 changed, on July 1 of the fiscal year for which the change is reported, to the salary appropriate
 40 for that new number, except that the salary of an incumbent clerk shall not be decreased by any
 41 change in that number during the clerk's continuance in office."

42 **SECTION 39.7.(a1)** Effective July 1, 2024, G.S. 7A-101(a), as amended by
 43 subsection (a) of this section, reads as rewritten:

44 "(a) The clerk of superior court is a full-time employee of the State and shall receive an
 45 annual salary, payable in equal monthly installments, based on the number of State-funded
 46 assistant and deputy clerks of court as determined by the Administrative Office of Court's
 47 workload formula, according to the following schedule:

48	Assistants and Deputies	Annual Salary
49	0-19	\$108,733 <u>\$112,267</u>
50	20-29	120,179 <u>124,085</u>
51	30-49	131,625 <u>135,903</u>

1	50-99	143,071 <u>147,721</u>
2	100 and above	145,932 <u>150,675</u>

If the number of State-funded assistant and deputy clerks of court as determined by the Administrative Office of Court's workload formula changes, the salary of the clerk shall be changed, on July 1 of the fiscal year for which the change is reported, to the salary appropriate for that new number, except that the salary of an incumbent clerk shall not be decreased by any change in that number during the clerk's continuance in office."

ASSISTANT AND DEPUTY CLERKS OF COURT

SECTION 39.8.(a) Effective July 1, 2023, G.S. 7A-102(c1) reads as rewritten:

"(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time deputy clerk serving as head bookkeeper per county, shall be paid an annual salary subject to the following minimum and maximum rates:

Assistant Clerks and Head Bookkeeper	Annual Salary
Minimum	\$ 37,254 <u>\$38,837</u>
Maximum	68,828 <u>71,753</u>
Deputy Clerks	Annual Salary
Minimum	\$ 33,419 <u>\$34,839</u>
Maximum	54,056 <u>56,353</u> "

SECTION 39.8.(a1) Effective July 1, 2024, G.S. 7A-102(c1), as amended by subsection (a) of this section, reads as rewritten:

"(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time deputy clerk serving as head bookkeeper per county, shall be paid an annual salary subject to the following minimum and maximum rates:

Assistant Clerks and Head Bookkeeper	Annual Salary
Minimum	\$ 38,837 <u>\$40,099</u>
Maximum	71,753 <u>74,085</u>
Deputy Clerks	Annual Salary
Minimum	\$ 34,839 <u>\$35,971</u>
Maximum	56,353 <u>58,184</u> "

MAGISTRATES

SECTION 39.9.(a) Effective July 1, 2023, G.S. 7A-171.1(a)(1) reads as rewritten:

"(a) The Administrative Officer of the Courts, after consultation with the chief district judge and pursuant to the following provisions, shall set an annual salary for each magistrate:

- (1) A full-time magistrate shall be paid the annual salary indicated in the table set out in this subdivision. A full-time magistrate is a magistrate who is assigned to work an average of not less than 40 hours a week during the term of office. The Administrative Officer of the Courts shall designate whether a magistrate is full-time. Initial appointment shall be at the entry rate. A magistrate's salary shall increase to the next step every two years on the anniversary of the date the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6:

Table of Salaries of Full-Time Magistrates

Step Level	Annual Salary
------------	---------------

1	Entry Rate	\$43,462	\$45,309
2	Step 1	\$46,670	\$48,653
3	Step 2	\$50,131	\$52,262
4	Step 3	\$53,795	\$56,081
5	Step 4	\$58,186	\$60,659
6	Step 5	\$63,473	\$66,171
7	Step 6	\$69,401	\$72,351.

8
9 **SECTION 39.9.(a1)** Effective July 1, 2024, G.S. 7A-171.1(a)(1), as amended by
10 subsection (a) of this section, reads as rewritten:

11 "(a) The Administrative Officer of the Courts, after consultation with the chief district
12 judge and pursuant to the following provisions, shall set an annual salary for each magistrate:

- 13 (1) A full-time magistrate shall be paid the annual salary indicated in the table set
14 out in this subdivision. A full-time magistrate is a magistrate who is assigned
15 to work an average of not less than 40 hours a week during the term of office.
16 The Administrative Officer of the Courts shall designate whether a magistrate
17 is full-time. Initial appointment shall be at the entry rate. A magistrate's salary
18 shall increase to the next step every two years on the anniversary of the date
19 the magistrate was originally appointed for increases to Steps 1 through 3, and
20 every four years on the anniversary of the date the magistrate was originally
21 appointed for increases to Steps 4 through 6:

22 Table of Salaries of Full-Time Magistrates

23	Step Level	Annual Salary	
24	Entry Rate	\$45,309	\$46,782
25	Step 1	\$48,653	\$50,234
26	Step 2	\$52,262	\$53,961
27	Step 3	\$56,081	\$57,904
28	Step 4	\$60,659	\$62,630
29	Step 5	\$66,171	\$68,322
30	Step 6	\$72,351	\$74,702.

31
32 **LEGISLATIVE EMPLOYEES**

33 **SECTION 39.10.(a)** Effective July 1, 2023, the annual salaries of the Legislative
34 Services Officer and of nonelected employees of the General Assembly in effect on June 30,
35 2023, shall be legislatively increased by four and twenty-five hundredths percent (4.25%).

36 **SECTION 39.10.(a1)** Effective July 1, 2024, the annual salaries of the Legislative
37 Services Officer and of nonelected employees of the General Assembly in effect on June 30,
38 2024, shall be legislatively increased by three and twenty-five hundredths percent (3.25%).

39 **SECTION 39.10.(b)** Nothing in this act limits any of the provisions of G.S. 120-32.

40
41 **GENERAL ASSEMBLY PRINCIPAL CLERKS**

42 **SECTION 39.11.(a)** Effective July 1, 2023, G.S. 120-37(c) reads as rewritten:

43 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled
44 to other benefits available to permanent legislative employees and shall be paid an annual salary
45 of ~~one hundred twenty-five thousand thirty-four dollars (\$125,034)~~, one hundred thirty thousand
46 three hundred forty-eight dollars (\$130,348), payable monthly. Each principal clerk shall also
47 receive such additional compensation as approved by the Speaker of the House of
48 Representatives or the President Pro Tempore of the Senate, respectively, for additional
49 employment duties beyond those provided by the rules of their House. The Legislative Services
50 Commission shall review the salary of the principal clerks prior to submission of the proposed
51 operating budget of the General Assembly to the Governor and shall make appropriate

1 recommendations for changes in those salaries. Any changes enacted by the General Assembly
2 shall be by amendment to this paragraph."

3 **SECTION 39.11.(b)** Effective July 1, 2024, G.S. 120-37(c), as amended by
4 subsection (a) of this section, reads as rewritten:

5 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled
6 to other benefits available to permanent legislative employees and shall be paid an annual salary
7 of ~~one hundred thirty thousand three hundred forty eight dollars (\$130,348)~~, one hundred
8 thirty-four thousand five hundred eighty-four dollars (\$134,584), payable monthly. Each
9 principal clerk shall also receive such additional compensation as approved by the Speaker of the
10 House of Representatives or the President Pro Tempore of the Senate, respectively, for additional
11 employment duties beyond those provided by the rules of their House. The Legislative Services
12 Commission shall review the salary of the principal clerks prior to submission of the proposed
13 operating budget of the General Assembly to the Governor and shall make appropriate
14 recommendations for changes in those salaries. Any changes enacted by the General Assembly
15 shall be by amendment to this paragraph."
16

17 **SERGEANTS-AT-ARMS/READING CLERKS**

18 **SECTION 39.12.(a)** Effective July 1, 2023, G.S. 120-37(b) reads as rewritten:

19 "(b) The sergeant at arms and the reading clerk in each house shall be paid a salary of ~~four~~
20 ~~hundred ninety three dollars (\$493.00)~~ five hundred fourteen dollars (\$514.00) per week plus
21 subsistence at the same daily rate provided for members of the General Assembly, plus mileage
22 at the rate provided for members of the General Assembly for one round trip only from their
23 homes to Raleigh and return. The sergeants at arms shall serve during sessions of the General
24 Assembly and at such time prior to the convening of, and subsequent to adjournment or recess
25 of, sessions as may be authorized by the Legislative Services Commission. The reading clerks
26 shall serve during sessions only."
27

28 **SECTION 39.12.(b)** Effective July 1, 2024, G.S. 120-37(b), as amended by
29 subsection (a) of this section, reads as rewritten:

30 "(b) The sergeant at arms and the reading clerk in each house shall be paid a salary of ~~five~~
31 ~~hundred fourteen dollars (\$514.00)~~ five hundred thirty-one dollars (\$531.00) per week plus
32 subsistence at the same daily rate provided for members of the General Assembly, plus mileage
33 at the rate provided for members of the General Assembly for one round trip only from their
34 homes to Raleigh and return. The sergeants at arms shall serve during sessions of the General
35 Assembly and at such time prior to the convening of, and subsequent to adjournment or recess
36 of, sessions as may be authorized by the Legislative Services Commission. The reading clerks
37 shall serve during sessions only."
38

39 **COMMUNITY COLLEGES**

40 **SECTION 39.13.(a)** Community college personnel shall receive the following
41 legislative salary increases:

- 42 (1) Effective July 1, 2023, the State Board of Community Colleges shall provide
43 community college faculty and non-faculty personnel with an
44 across-the-board salary increase in the amount of four and twenty-five
45 hundredths percent (4.25%).
- 46 (2) Effective July 1, 2024, the State Board of Community Colleges shall provide
47 community college faculty and non-faculty personnel with an
48 across-the-board salary increase in the amount of three and twenty-five
49 hundredths percent (3.25%).

50 **SECTION 39.13.(b)** Effective July 1, 2023, the minimum salaries for nine-month,
51 full-time curriculum community college faculty for the 2023-2024 fiscal year are as follows:

Minimum Salary

1	Education Level	2023-2024
2	Vocational Diploma/Certificate or Less	41,965
3	Associate Degree or Equivalent	42,549
4	Bachelor's Degree	45,080
5	Master's Degree or Education Specialist	47,326
6	Doctoral Degree	50,564

7 **SECTION 39.13.(b1)** Effective July 1, 2024, the minimum salaries for nine-month,
8 full-time curriculum community college faculty for the 2024-2025 fiscal year are as follows:

9		Minimum Salary
10	Education Level	2024-2025
11	Vocational Diploma/Certificate or Less	43,329
12	Associate Degree or Equivalent	43,932
13	Bachelor's Degree	46,545
14	Master's Degree or Education Specialist	48,864
15	Doctoral Degree	52,207

16 **SECTION 39.13.(c)** No full-time faculty member shall earn less than the minimum
17 salary for the faculty member's education level. The pro rata hourly rate of the minimum salary
18 for each education level shall be used to determine the minimum salary for part-time faculty
19 members.

20
21 **THE UNIVERSITY OF NORTH CAROLINA**

22 **SECTION 39.14.** The University of North Carolina shall receive the following
23 legislative salary increases:

- 24 (1) Effective July 1, 2023, the Board of Governors of The University of North
25 Carolina shall provide SHRA employees, EHRA employees, and teachers
26 employed by the North Carolina School of Science and Mathematics with an
27 across the board salary increase in the amount of four and twenty-five
28 hundredths percent (4.25%).
- 29 (2) Effective July 1, 2024, the Board of Governors of The University of North
30 Carolina shall provide SHRA employees, EHRA employees, and teachers
31 employed by the North Carolina School of Science and Mathematics with an
32 across the board salary increase in the amount of three and twenty-five
33 hundredths percent (3.25%).

34
35 **CORRECTIONAL OFFICER SALARY SCHEDULE**

36 **SECTION 39.15.(a)** State employees serving as correctional officers in the
37 Department of Public Safety, Division of Adult Correction, shall be compensated at a specific
38 pay rate on the basis of a salary schedule determined according to the duration of the employee's
39 correctional officer work experience.

40 **SECTION 39.15.(b)** The following annual salary schedule applies under subsection
41 (a) of this section for the 2023-2025 fiscal biennium, effective for each year on July 1, 2023, and
42 July 1, 2024, respectively:

43							
44		FY 2023-24			FY 2024-25		
45	Experience	COI	COII	COIII	COI	COII	COIII
46	0	\$36,439	\$37,637	\$40,253	\$37,623	\$38,860	\$41,561
47	1	\$38,989	\$40,272	\$43,070	\$40,256	\$41,581	\$44,470
48	2	\$41,329	\$42,688	\$45,655	\$42,672	\$44,075	\$47,139
49	3	\$43,395	\$44,823	\$47,938	\$44,805	\$46,280	\$49,496
50	4	\$45,130	\$46,615	\$49,856	\$46,597	\$48,130	\$51,476
51	5	\$46,485	\$48,013	\$51,351	\$47,996	\$49,573	\$53,020

1 6+ \$47,414 \$48,974 \$52,379 \$48,955 \$50,566 \$54,081

2
3 **STATE LAW ENFORCEMENT OFFICER SALARY SCHEDULE**

4 **SECTION 39.16.(a)** Law enforcement officers of the State Bureau of Investigation
5 and Alcohol Law Enforcement shall be compensated pursuant to an experience-based salary
6 schedule and shall be compensated based on the officer's respective work experience pursuant to
7 the salary schedule in subsection (b) of this section.

8 **SECTION 39.16.(b)** The following annual salary schedule applies under subsection
9 (a) of this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1, 2024, for
10 each respective fiscal year:

11 Years of Experience	FY 2023-24	FY 2024-25
12 0	51,620	53,298
13 1	54,976	56,763
14 2	58,550	60,453
15 3	62,356	64,383
16 4	66,409	68,567
17 5	70,726	73,025
18 6+	75,324	77,772

19
20 **STATE HIGHWAY PATROL/SALARY SCHEDULE/INCREASE**

21 **SECTION 39.17.(a)** Law enforcement officers of the State Highway Patrol
22 compensated pursuant to an experience-based salary schedule shall be compensated based on the
23 officer's respective work experience pursuant to the salary schedule in subsection (b) of this
24 section.

25 **SECTION 39.17.(b)** The following annual salary schedule applies under subsection
26 (a) of this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1, 2024, for
27 each respective fiscal year:

29 Years of Experience	Biennium
	2023-2025
31 0	55,000
32 1	58,575
33 2	62,382
34 3	66,437
35 4	70,755
36 5	75,354
37 6+	80,252

38 **SECTION 39.17.(c)** For the 2023-2025 biennium, employees of the State Highway
39 Patrol to whom subsections (a) and (b) of this section do not apply shall receive annual salary
40 increases for the 2023-2024 fiscal year in the amount of eleven and seven hundredths percent
41 (11.07%), effective July 1, 2023.

42
43 **PROBATION AND PAROLE OFFICER SALARY SCHEDULE**

44 **SECTION 39.18.(a)** Probation and parole officers shall be compensated pursuant to
45 the experience-based salary schedule based on the officer's respective work experience, as
46 established in subsection (b) of this section.

47 **SECTION 39.18.(b)** The following annual salary schedule applies under subsection
48 (a) of this section for the 2023-2025 fiscal biennium, effective July 1, 2023, and July 1, 2024, for
49 each respective fiscal year:

50 Years of Experience	FY 2023-24	FY 2024-25
51 0	43,577	44,993

1	1	46,409	47,917
2	2	49,426	51,032
3	3	52,639	54,350
4	4	56,060	57,882
5	5	59,704	61,644
6	6+	63,585	65,652

SECTION 39.18.(c) If an officer will not receive a salary increase during a fiscal year because the officer's salary exceeds the scheduled salary level, then the officer shall receive an annual salary increase equal to the amount of the across-the-board legislative salary increase authorized in this Part for that fiscal year.

PAY PLAN RESERVE

SECTION 39.19. G.S. 143C-4-9(a) reads as rewritten:

"(a) Creation. – The Pay Plan Reserve is established within the General Fund. The General Assembly shall appropriate in the Current Operations Appropriations Act (Act) or other appropriations act a specific amount to this reserve for allocation, on an as-needed basis only, to fund statutory and scheduled pay expenses authorized by:

- (1) G.S. 20-187.3, and the Act, for troopers of the State Highway Patrol compensated pursuant to an experience-based salary schedule.
- (2) G.S. 7A-102.
- (3) G.S. 7A-171.1.
- (4) Teacher Salary Schedule, as enacted by the General Assembly.
- (5) Pay Plans for Principals and Assistant Principals, as enacted by the General Assembly.
- (6) The Act, for law enforcement officers of the State Bureau of Investigation and Alcohol Law Enforcement.
- (7) The Act, for correctional officers compensated pursuant to the Correctional Officer Salary Schedule.
- (8) The Act, for probation and parole officers compensated pursuant to the Probation and Parole Officer Salary Schedule."

STATE AGENCY TEACHERS

SECTION 39.20. Employees of schools operated by the Department of Health and Human Services, the Department of Public Safety, and the State Board of Education who are paid on the Teacher Salary Schedule shall be paid as authorized under this act.

MOST STATE EMPLOYEES

SECTION 39.21. Unless otherwise expressly provided by this Part, the annual salaries in effect for the following persons on June 30, 2023, and June 30, 2024, shall be legislatively increased as provided by this act:

- (1) Permanent, full-time State officials and persons whose salaries are set in accordance with the State Human Resources Act.
- (2) Permanent, full-time State officials and persons in positions exempt from the State Human Resources Act.
- (3) Permanent, part-time State employees.
- (4) Temporary and permanent hourly State employees.

ALL STATE SUPPORTED PERSONNEL

SECTION 39.22.(a) The legislative salary increases authorized by this act:

- (1) For the 2023-2024 fiscal year, shall be paid effective on July 1, 2023, and do not apply to persons separated from service due to resignation, dismissal,

1 reduction in force, death, or retirement or whose last workday is prior to June
2 30, 2023.

- 3 (2) For the 2024-2025 fiscal year, shall be paid effective on July 1, 2024, and do
4 not apply to persons separated from service due to resignation, dismissal,
5 reduction in force, death, or retirement or whose last workday is prior to June
6 30, 2024.

7 **SECTION 39.22.(b)** The Director of the Budget is granted flexibility to administer
8 the compensation increases enacted by this act. The State employer contribution rates enacted by
9 this act for retirement and related benefits may be deemed by the Director of the Budget for
10 administrative purposes to become effective after July 1 of the applicable fiscal year to provide
11 flexibility in the collection and reconciliation of salary-related contributions as required by law,
12 provided the estimated amount contributed to any affected employee benefit trust equals the
13 amount that would have been contributed to the employee benefit trust if the enacted employer
14 contribution rates had been effective on July 1 of the applicable fiscal year.

15 **SECTION 39.22.(c)** This section applies to all employees paid from State funds,
16 whether or not subject to or exempt from the North Carolina Human Resources Act, including
17 employees of public schools, community colleges, and The University of North Carolina.
18

19 **OTHER SALARY ADJUSTMENTS**

20 **SECTION 39.23.(a)** Of the five hundred thousand dollars (\$500,000) appropriated
21 in this act for certain salary adjustments for law enforcement officers in the State Bureau of
22 Investigation, the funds shall only be awarded to Assistant Special Agents in Charge, Special
23 Agents in Charge, and Assistant Directors.

24 **SECTION 39.23.(b)** The district attorney of a judicial district may determine the
25 distribution of funds appropriated in this act for certain salary adjustments of assistant district
26 attorneys in addition to the legislatively mandated annual salary increases authorized in this Part.

27 **SECTION 39.23.(c)** The annual salary for the Director of the State Bureau of
28 Investigation shall be one hundred eighty thousand dollars (\$180,000), effective July 1, 2023.
29

30 **MITIGATE BONUS LEAVE**

31 **SECTION 39.24.** During the 2023-2024 fiscal year, State agencies, departments,
32 institutions, the North Carolina Community College System, and The University of North
33 Carolina may offer State employees the opportunity to use or to cash in special bonus leave
34 benefits that have accrued pursuant to Section 28.3A of S.L. 2002-126, Section 30.12B(a) of S.L.
35 2003-284, Section 29.14A of S.L. 2005-276, and Section 35.10A of S.L. 2014-100, but only if
36 all of the following requirements are met:

- 37 (1) Employee participation in the program must be voluntary.
38 (2) Special leave that is liquidated for cash payment to an employee must be
39 valued at the amount based on the employee's current annual salary rate.
40 (3) By September 1, 2024, a report on the position characteristics of employees
41 participating in the program shall be submitted to the respective agency head
42 or employing agency and to the Fiscal Research Division.
43

44 **USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED INCREASES**

45 **SECTION 39.25.(a)** The Office of State Budget and Management shall ensure that
46 the appropriations made by this act for legislatively mandated salary increases and employee
47 benefits are used only for those purposes.

48 **SECTION 39.25.(b)** If the Director of the Budget determines that funds appropriated
49 to a State agency for legislatively mandated salary increases and employee benefits exceed the
50 amount required by that agency for those purposes, the Director may reallocate those funds to

1 other State agencies that received insufficient funds for legislatively mandated salary increases
 2 and employee benefits.

3 **SECTION 39.25.(c)** Funds appropriated for legislatively mandated salary and
 4 employee benefit increases may not be used to adjust the budgeted salaries of vacant positions,
 5 to provide salary increases in excess of those required by the General Assembly, or to increase
 6 the budgeted salary of filled positions to the minimum of the position's respective salary range.

7 **SECTION 39.25.(d)** Any funds appropriated for legislatively mandated salary and
 8 employee benefit increases in excess of the amounts required to implement the increases shall be
 9 credited to the Pay Plan Reserve.

10 **SECTION 39.25.(e)** No later than May 1, 2024, for the 2023-2024 fiscal year, and
 11 subsequently May 1, 2025, for the 2024-2025 fiscal year, the Office of State Budget and
 12 Management shall report to the Joint Legislative Commission on Governmental Operations and
 13 the Fiscal Research Division on the expenditure of funds for legislatively mandated salary
 14 increases and employee benefits. This report shall include at least the following information for
 15 each State agency for each year of the 2023-2025 fiscal biennium:

- 16 (1) The total amount of funds that the agency received for legislatively mandated
 17 salary increases and employee benefits.
- 18 (2) The total amount of funds transferred from the agency to other State agencies
 19 pursuant to subsection (b) of this section. This section of the report shall
 20 identify the amounts transferred to each recipient State agency.
- 21 (3) The total amount of funds used by the agency for legislatively mandated salary
 22 increases and employee benefits.
- 23 (4) The amount of funds credited to the Pay Plan Reserve.

24
 25 **SALARY-RELATED CONTRIBUTIONS**

26 **SECTION 39.26.(a)** Effective for the 2023-2025 fiscal biennium, required employer
 27 salary-related contributions for employees whose salaries are paid from department, office,
 28 institution, or agency receipts shall be paid from the same source as the source of the employee's
 29 salary. If an employee's salary is paid in part from the General Fund or Highway Fund and in
 30 part from department, office, institution, or agency receipts, required employer salary-related
 31 contributions may be paid from the General Fund or Highway Fund only to the extent of the
 32 proportionate part paid from the General Fund or Highway Fund in support of the salary of the
 33 employee, and the remainder of the employer's requirements shall be paid from the source that
 34 supplies the remainder of the employee's salary. The requirements of this section as to source of
 35 payment are also applicable to payments on behalf of the employee for hospital medical benefits,
 36 longevity pay, unemployment compensation, accumulated leave, workers' compensation,
 37 severance pay, separation allowances, and applicable disability income benefits.

38 **SECTION 39.26.(b)** Effective July 1, 2023, the State's employer contribution rates
 39 budgeted for retirement and related benefits as a percentage of covered salaries for the 2023-2024
 40 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the
 41 University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated
 42 Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth
 43 below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
47 Retirement	16.44%	16.44%	6.84%	32.88%	18.61%
48 Disability	0.11%	0.11%	0.11%	0.00%	0.00%
49 Death	0.13%	0.13%	0.00%	0.00%	0.00%
50 Retiree Health	7.26%	7.26%	7.26%	7.26%	7.26%
51 NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%

Total Contribution

Rate 23.94% 28.94% 14.21% 40.14% 25.87%

The rate for teachers and State employees and State law enforcement officers includes one one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement.

SECTION 39.26.(c) Effective July 1, 2024, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2024-2025 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
Retirement	16.79%	16.79%	6.84%	37.00%	22.00%
Disability	0.13%	0.13%	0.13%	0.00%	0.00%
Death	0.13%	0.13%	0.00%	0.00%	0.00%
Retiree Health	7.41%	7.41%	7.41%	7.41%	7.41%
NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%

Total Contribution

Rate 24.46% 29.46% 14.38% 44.41% 29.41%

The rate for teachers and State employees and State law enforcement officers includes one one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement.

SECTION 39.26.(d) Effective July 1, 2023, the maximum annual employer contributions for the 2023-2024 fiscal year, payable monthly, by the State to the North Carolina State Health Plan for Teachers and State Employees for each covered employee and retiree are as follows:

- (1) For employees, seven thousand six hundred fifty-four dollars (\$7,654).
- (2) For retirees, five thousand six hundred sixteen dollars (\$5,616).

SECTION 39.26.(e) Effective July 1, 2024, the maximum annual employer contributions for the 2024-2025 fiscal year, payable monthly, by the State to the North Carolina State Health Plan for Teachers and State Employees for each covered employee and retiree are as follows:

- (1) For employees, eight thousand four hundred ninety-three dollars (\$8,493).
- (2) For retirees, five thousand seven hundred twenty-eight dollars (\$5,728).

1% COST-OF-LIVING ADJUSTMENT FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM

SECTION 39.27.(a) G.S. 135-5 is amended by adding two new subsections to read: "(zzz) From and after July 1, 2023, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2022, shall be increased by one percent (1%) of the allowance payable on June 1, 2023, in accordance with G.S. 135-5(o). Furthermore, from and after July 1, 2023, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2022, but before June 30, 2023, shall be increased by a prorated amount of one percent (1%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2022, and June 30, 2023.

(aaaa) From and after July 1, 2024, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2023, shall be increased by one percent (1%)

1 of the allowance payable on June 1, 2024, in accordance with G.S. 135-5(o). Furthermore, from
2 and after July 1, 2024, the retirement allowance to or on account of beneficiaries whose
3 retirement commenced after July 1, 2023, but before June 30, 2024, shall be increased by a
4 prorated amount of one percent (1%) of the allowance payable as determined by the Board of
5 Trustees based upon the number of months that a retirement allowance was paid between July 1,
6 2023, and June 30, 2024."

7 **SECTION 39.27.(b)** G.S. 135-65 is amended by adding two new subsections to read:

8 "(kk) From and after July 1, 2023, the retirement allowance to or on account of beneficiaries
9 whose retirement commenced on or before July 1, 2022, shall be increased by one percent (1%)
10 of the allowance payable on June 1, 2023. Furthermore, from and after July 1, 2023, the
11 retirement allowance to or on account of beneficiaries whose retirement commenced after July
12 1, 2022, but before June 30, 2023, shall be increased by a prorated amount of one percent (1%)
13 of the allowance payable as determined by the Board of Trustees based upon the number of
14 months that a retirement allowance was paid between July 1, 2022, and June 30, 2023.

15 (ll) From and after July 1, 2024, the retirement allowance to or on account of beneficiaries
16 whose retirement commenced on or before July 1, 2023, shall be increased by one percent (1%)
17 of the allowance payable on June 1, 2024. Furthermore, from and after July 1, 2024, the
18 retirement allowance to or on account of beneficiaries whose retirement commenced after July
19 1, 2023, but before June 30, 2024, shall be increased by a prorated amount of one percent (1%)
20 of the allowance payable as determined by the Board of Trustees based upon the number of
21 months that a retirement allowance was paid between July 1, 2023, and June 30, 2024."

22 **SECTION 39.27.(c)** G.S. 120-4.22A is amended by adding two new subsections to
23 read:

24 "(ee) In accordance with subsection (a) of this section, from and after July 1, 2023, the
25 retirement allowance to or on account of beneficiaries whose retirement commenced on or before
26 January 1, 2023, shall be increased by one percent (1%) of the allowance payable on June 1,
27 2023. Furthermore, from and after July 1, 2023, the retirement allowance to or on account of
28 beneficiaries whose retirement commenced after January 1, 2023, but before June 30, 2023, shall
29 be increased by a prorated amount of one percent (1%) of the allowance payable as determined
30 by the Board of Trustees based upon the number of months that a retirement allowance was paid
31 between January 1, 2023, and June 30, 2023.

32 (ff) In accordance with subsection (a) of this section, from and after July 1, 2024, the
33 retirement allowance to or on account of beneficiaries whose retirement commenced on or before
34 January 1, 2024, shall be increased by one percent (1%) of the allowance payable on June 1,
35 2024. Furthermore, from and after July 1, 2024, the retirement allowance to or on account of
36 beneficiaries whose retirement commenced after January 1, 2024, but before June 30, 2024, shall
37 be increased by a prorated amount of one percent (1%) of the allowance payable as determined
38 by the Board of Trustees based upon the number of months that a retirement allowance was paid
39 between January 1, 2024, and June 30, 2024."

40 **UNFUNDED LIABILITY SOLVENCY RESERVE**

41 **SECTION 39.28.(a)** G.S. 143C-4-10 reads as rewritten:

42 **"§ 143C-4-10. Unfunded Liability Solvency Reserve.**

43 ...

44 (e) ~~Use of Funds Appropriated by the General Assembly or Transferred From the General~~
45 ~~Fund Based on Estimated State Tax Revenue Growth.—On the first day of each fiscal year, the~~
46 ~~total amount of funds (i) appropriated by the General Assembly to the Reserve as specified in~~
47 ~~subdivision (c)(1) of this section and (ii) transferred into the Reserve under G.S. 143C-4-2(i) or~~
48 ~~(j) as specified in subdivision (c)(1a) of this section, as of the last day of the preceding fiscal year~~
49 ~~shall be used to appropriate an additional employer contribution to the Health Benefit Trust and~~
50 ~~the Retirement System.~~
51

1 (e1) ~~Use of Funds Transferred From Savings Achieved by State Debt Refinancing into~~
2 ~~the Reserve.~~ – As soon as practicable after funds are transferred into the ~~Reserve under~~
3 ~~G.S. 142-15.4 and G.S. 142-96, as specified in subdivision (e)(2) of this section, Reserve, the~~
4 State Controller, in conjunction with the State Treasurer, shall transfer the total amount of these
5 funds to the Health Benefit Fund and the Retirement System. These funds shall be divided
6 between the Health Benefit Fund and the Retirement System according to each program's
7 proportion of the State's total unfunded liability of both programs as reported in the most recent
8 Annual Comprehensive Financial Report issued by the State Controller. Fund.

9 (e2) ~~Use of Funds Transferred From Insurance Rebates.~~—As soon as practicable after
10 funds are transferred into the Reserve as specified in subdivision (c)(3) of this section, the State
11 Controller, in conjunction with the State Treasurer, shall transfer the total amount of these funds
12 to the Health Benefit Fund and the Retirement System. These funds shall be divided between the
13 Health Benefit Fund and the Retirement System according to each program's proportion of the
14 State's total unfunded liability of both programs as reported in the most recent Annual
15 Comprehensive Financial Report issued by the State Controller.

16"

17 **SECTION 39.28.(b)** This section is effective when it becomes law and applies to
18 fiscal years beginning on or after July 1, 2023.

19
20 **AUTHORIZE STATE TREASURER TO PAY PREMIUMS TO PURCHASE**
21 **ALTERNATIVE COVERAGE IN LIEU OF STATE HEALTH PLAN**

22 **SECTION 39.29.(a)** G.S. 135-48.30(a) is amended by adding a new subdivision to
23 read:

24 "(19) Optionally offer to pay premiums to purchase alternative coverage in lieu of
25 coverage under the Plan under G.S. 135-48.39A."

26 **SECTION 39.29.(b)** Part 3 of Article 3B of Chapter 135 of the General Statutes is
27 amended by adding a new section to read:

28 "**§ 135-48.39A. Premiums to purchase alternative coverage for retirees in lieu of coverage**
29 **under the Plan.**

30 (a) The State Treasurer may offer to pay or reimburse premiums for alternative health
31 benefit plan coverage in lieu of coverage under the State Health Plan. If the State Treasurer elects
32 to offer premium payments in lieu of coverage, then the State Treasurer shall adopt rules for and
33 limitations on doing so.

34 (b) Premium payments in lieu of coverage shall be limited to persons eligible for
35 coverage under the following, and the State Treasurer may vary the amounts of premium
36 payments depending on the category of eligibility:

37 (1) G.S. 135-48.40(a)(1).

38 (2) G.S. 135-48.40(a)(2).

39 (3) G.S. 135-48.40(b)(3).

40 (4) G.S. 135-48.40(b)(4).

41 (5) G.S. 135-48.40(c)(2).

42 (c) Notwithstanding the eligibility for coverage provided in Part 4 of this Article,
43 coverage outside of the Plan shall be in lieu of coverage under the Plan during the period for
44 which the Plan member chooses premium payments in lieu of coverage."

45 **SECTION 39.29.(c)** This section becomes effective January 1, 2024.

46
47 **PART XL. CAPITAL**

48
49 **CAPITAL IMPROVEMENT & REPAIRS AND RENOVATIONS APPROPRIATIONS**

1	SECTION 40.1.(a) The following agency capital improvement projects have been	
2	assigned a project code for reference to allocations in this Part, past allocations, and for intended	
3	project support by the General Assembly for future fiscal years:	
4	Agency Capital Improvement Project	Project Code
5	Department of Agriculture and Consumer Services	
6	Tidewater Research Station–Swine Unit Replacements	DACS21-2
7	NCFS–Region 1 Headquarters	DACS21-4
8	Troxler Science Building–Overflow Parking	DACS23-1
9	Western NC Farmers Market	DACS23-2
10	Raleigh State Farmers Market–Improvements	DACS23-3
11	Pesticide Storage, Loading, & Cleaning Facilities	DACS23-4
12	Cherry Research Station–Administrative Office	DACS23-5
13	Griffith Forest Center–Central Warehouse & Office	DACS23-6
14	D-6 HQ (Cumberland Co.)–Maintenance Shop Replacement	DACS23-7
15	Research Stations–New Maintenance Shop Facilities	DACS23-8
16	Piedmont Research Station–Bridge	DACS23-9
17	Research Stations–Multipurpose Facilities	DACS23-10
18	NCFS–New County Offices, Region 3	DACS23-11
19	Tuttle Educational State Forest–Office & Education Center	DACS23-12
20	D-12–New Headquarters & Shop	DACS23-13
21		
22	Department of Environmental Quality	
23	Reedy Creek Laboratory	DEQ21-1
24		
25	Department of Natural and Cultural Resources	
26	Fort Fisher Aquarium–Aquarium Expansion	DNCR21-5
27	NC Museum of History–Expansion	DNCR21-13
28	Zoo–New Aviary	DNCR23-1
29	NC Museum of Art at Winston-Salem/SECCA	DNCR23-2
30	Hanging Rock State Park–Vade Mecum	DNCR23-3
31	Stone Mountain State Park–Parking Lot	DNCR23-4
32	North Carolina Maritime Museum at Beaufort	DNCR23-5
33		
34	Department of Administration	
35	State Government Executive Headquarters	DOA22-1
36	Department of Instruction Building Renovation	DOA22-3
37	Service Campus	DOA23-1
38	State Agency Lease	DOA23-2
39		
40	Department of Insurance	
41	Office of State Fire Marshal	
42	Training Facility	DOI23-1
43	Albemarle Building Facility Improvements	DOI23-2
44		
45	Department of Public Safety	
46	New Youth Detention Center	DPS23-1
47	State Highway Patrol–	
48	Viper Building	DPS21-6
49	Training Center Cadet Dorm & Training Bldg.	DPS23-2
50	Auditorium	DPS23-3
51	Training Academy Facilities Enhancement–Phases 3-6	DPS23-4

1	State Bureau of Investigation–	
2	Headquarters & Building 12 Renovation	DPS21-9
3	National Guard	
4	NCNG Matching Fund	NG23-1
5	Ballentine Building/NCNG Museum	NG23-2
6	Constable Building	NG23-3
7	Rocky Mount Complex/MILCON	NG23-4
8	Special Forces Complex	NG23-5
9	Winston Salem Storage Buildings	NG23-6
10		
11	General Assembly	
12	Education Campus Project	NCGA21-3
13	Education Campus Parking Deck	NCGA23-1
14	Education Campus Site Demolition	NCGA23-2
15		
16	The University of North Carolina	
17	Appalachian State University–	
18	Hickory Campus	UNC/ASU22-1
19	Walker Hall–Interior Renovation	UNC/ASU23-1
20	University of North Carolina at Chapel Hill–	
21	Nursing School Renovation	UNC/CH20-2
22	School of Law	UNC/CH22-1
23	Gardner Hall–Comprehensive Renovation	UNC/CH23-1
24	University of North Carolina at Charlotte–	
25	Smith Hall–Comprehensive Renovation	UNC/CLT23-1
26	Colvard Hall–Comprehensive Renovation	UNC/CLT23-2
27	Esports	UNC/CLT23-3
28	University of North Carolina at Greensboro–	
29	Moore Building–Renovation	UNC/GBO23-1
30	Elizabeth City State University–	
31	Sky Bridge	UNC/ECS21-2
32	Flight School	UNC/ECS21-4
33	Infrastructure Repairs–Phase 3	UNC/ECS23-1
34	Jenkins Hall/Dixon Hall–Labs/Classroom/Bldg. Renovation	UNC/ECS23-2
35	East Carolina University–	
36	Brody School of Medicine	UNC/ECU21-1
37	Howell Science Building North–Comprehensive Renovation	UNC/ECU23-1
38	Leo Jenkins Building/Health Sciences–Comprehensive Renovation	UNC/ECU23-2
39	Medical Examiner	UNC/ECU23-3
40	Fayetteville State University–	
41	College of Education	UNC/FSU21-2
42	Parking Deck	UNC/FSU21-3
43	Butler Targeted Renovation	UNC/FSU23-1
44	H.L. Cook Building–Renovation & Addition	UNC/FSU23-2
45	North Carolina Agricultural & Technical State University–	
46	Marteena Hall–Renovation, Phase 2	UNC/A&T23-1
47	Health and Human Sciences Bldg.	UNC/A&T23-2
48	North Carolina Central University–	
49	Dent Building–Comprehensive Renovation	UNC/NCC23-1
50	Edmonds Classroom Building–Comprehensive Renovation	UNC/NCC23-2
51	University Theater Renovation	UNC/NCC23-3

1	North Carolina State University–	
2	S.T.E.M. Building	UNC/NCS20-1
3	Mann Hall–Renovation, Phase 2	UNC/NCS23-1
4	Dabney Hall–Renovation, Phase 2	UNC/NCS23-2
5	Polk Hall–Renovation, Phase 2	UNC/NCS23-3
6	Veterinary School–Large Animal Hospital	UNC/NCS23-4
7	Engineering Classroom Building	UNC/NCS23-5
8	North Carolina School of Science and Math–	
9	Morganton Campus	
10	Wellness Center	UNC/SSM23-1
11	Durham Campus	
12	Residence Hall/Hill/Reynolds/Royal–Renovation, Phase 1	UNC/SSM23-2
13	Residence Hall/Beall/Bryan–Renovation, Phase 1	UNC/SSM23-3
14	Academic Commons Addition	UNC/SSM23-4
15	University of North Carolina at Asheville–	
16	Lipinsky Hall–Comp. Modernization/Addition	UNC/AVL23-1
17	University of North Carolina at Pembroke–	
18	Health Sciences Center	UNC/PEM21-1
19	Givens Performing Arts Center–Renovation	UNC/PEM23-1
20	University of North Carolina at Wilmington–	
21	Cameron Hall–Comprehensive Renovation/Expansion	UNC/WIL23-1
22	Kenan Auditorium–Comprehensive Renovation/Expansion	UNC/WIL23-2
23	DeLoach Hall–Modernization	UNC/WIL23-3
24	University of North Carolina School of the Arts–	
25	Stevens Center–Renovation, Phase 2	UNC/SA23-1
26	New High School Residence Hall	UNC/SA23-2
27	Western Carolina University–	
28	Replacement Engineering Building	UNC/WCU23-1
29	Winston-Salem State University–	
30	K.R. Williams Auditorium	UNC/WSS21-1
31	Eller Hall–Renovation & Elevator Addition	UNC/WSS23-1
32	Pegram Hall–Renovation & Elevator Addition	UNC/WSS23-2
33	UNC Board of Governors–	
34	UNC Lease Funds	UNC/BOG21-1
35	Athletic Grant Program	UNC/BOG23-1
36		
37	Repairs and Renovations-The University of North Carolina	UNC/R&R21
38	Repairs and Renovations-State Agencies (non-UNC)	R&R21
39	SCIF-Related Personnel	PERS21
40	OSBM Flexibility Funds	FLEX21
41	Community College Capital Allocations	CC21
42	Debt Payoff	DST23-1
43	Wildlife Resources Commission–Hatchery/State Match	WRC23-1
44	SECTION 40.1.(b) This subsection authorizes the following capital projects in the	
45	2023-2025 fiscal biennium based upon projected cash flow needs for the authorized projects. The	
46	authorizations provided in this subsection represent the maximum amount of funding from the	
47	State Capital and Infrastructure Fund that may be expended on each project. An additional action	
48	by the General Assembly is required to increase the maximum authorization for any of the	
49	projects listed:	
50	Capital Improvements–	

	State Capital and Infrastructure Fund	Previous Project Authorization	New/Updated Project Authorization
1			
2			
3	DACS21-2	\$3,518,000	\$7,018,000
4	DACS21-4	4,000,000	8,850,000
5	DACS23-1	N/A	2,500,000
6	DACS23-2	N/A	200,000
7	DACS23-3	N/A	5,000,000
8	DACS23-4	N/A	1,750,000
9	DACS23-5	N/A	749,000
10	DACS23-6	N/A	750,000
11	DACS23-7	N/A	4,000,000
12	DACS23-8	N/A	5,000,000
13	DACS23-9	N/A	750,000
14	DACS23-10	N/A	6,200,000
15	DACS23-11	N/A	3,000,000
16	DACS23-12	N/A	4,000,000
17	DACS23-13	N/A	5,000,000
18	DEQ21-1	55,000,000	68,300,000
19	DNCR21-5	15,000,000	45,000,000
20	DNCR21-13	60,000,000	240,000,000
21	DNCR23-1	N/A	60,000,000
22	DNCR23-2	N/A	15,000,000
23	DNCR23-3	N/A	5,000,000
24	DNCR23-4	N/A	620,000
25	DNCR23-5	N/A	10,000,000
26	DOA22-1	88,000,000	220,000,000
27	DOA22-3	15,000,000	60,000,000
28	DOA23-1	N/A	33,744,000
29	DOI23-1	N/A	55,000,000
30	DOI23-2	N/A	5,000,000
31	DPS21-6	7,139,374	10,634,998
32	DPS23-1	N/A	10,600,000
33	DPS23-2	N/A	43,336,785
34	DPS23-3	N/A	34,000,000
35	DPS23-4	N/A	194,517,803
36	NG23-2	N/A	12,500,000
37	NG23-3	N/A	17,000,000
38	NG23-4	N/A	8,500,000
39	NG23-5	N/A	8,000,000
40	NG23-6	N/A	550,000
41	NCGA21-3	269,000,000	320,000,000
42	NCGA23-1	N/A	65,000,000
43	NCGA23-2	N/A	10,000,000
44	UNC/ASU22-1	9,000,000	50,000,000
45	UNC/ASU23-1	N/A	18,000,000
46	UNC/CH20-2	65,200,000	87,900,000
47	UNC/CH22-1	2,000,000	160,000,000
48	UNC/CLT23-1	N/A	36,000,000
49	UNC/CLT23-2	N/A	45,000,000
50	UNC/CLT23-3	N/A	1,500,000
51	UNC/ECS21-4	34,000,000	54,000,000

1	UNC/ECS23-1	N/A	20,000,000
2	UNC/ECS23-2	N/A	12,500,000
3	UNC/ECU23-1	N/A	46,000,000
4	UNC/ECU23-2	N/A	18,900,000
5	UNC/ECU23-3	N/A	35,000,000
6	UNC/FSU23-1	N/A	20,750,000
7	UNC/FSU23-2	N/A	10,000,000
8	UNC/GBO23-1	N/A	24,200,000
9	UNC/A&T23-1	N/A	9,700,000
10	UNC/A&T23-2	N/A	125,000,000
11	UNC/NCC23-1	N/A	12,073,798
12	UNC/NCC23-2	N/A	12,999,424
13	UNC/NCC23-3	N/A	8,500,000
14	UNC/NCS23-1	N/A	30,000,000
15	UNC/NCS23-2	N/A	80,000,000
16	UNC/NCS23-3	N/A	63,000,000
17	UNC/NCS23-4	N/A	70,000,000
18	UNC/NCS23-5	N/A	200,000,000
19	UNC/SSM23-1	N/A	12,000,000
20	UNC/SSM23-2	N/A	9,250,000
21	UNC/SSM23-3	N/A	7,000,000
22	UNC/SSM23-4	N/A	10,000,000
23	UNC/AVL23-1	N/A	26,150,000
24	UNC/PEM23-1	N/A	61,000,000
25	UNC/SA23-1	N/A	51,000,000
26	UNC/SA23-2	N/A	24,500,000
27	UNC/WIL23-1	N/A	44,500,000
28	UNC/WIL23-2	N/A	24,000,000
29	UNC/WIL23-3	N/A	12,150,000
30	UNC/WCU23-1	N/A	95,300,000
31	UNC/WSS23-1	N/A	10,800,000
32	UNC/WSS23-2	N/A	16,000,000
33	UNC/BOG23-1	N/A	10,000,000
34	CC21	400,000,000	600,000,000
35	FLEX21	100,000,000	175,000,000
36	WRC/23-1	N/A	39,700,000

37 **SECTION 40.1.(c)** The Board of Governors of The University of North Carolina
38 shall prioritize funds allocated for project code UNC/R&R21 for repairs and renovations
39 pursuant to G.S. 143C-8-13 and, notwithstanding G.S. 143C-8-13(a), for projects listed in
40 Section 40.1(d) of S.L. 2021-180. The cost for any single repair and renovation project other than
41 those specifically listed in Section 40.1(d) of S.L. 2021-180 shall not exceed fifteen million
42 dollars (\$15,000,000). The Board of Governors may reallocate funds in accordance with
43 G.S. 143C-8-13(b) or to projects listed in Section 40.1(d) of S.L. 2021-180; provided, however,
44 reallocation of funds intended for a project located at a particular constituent institution may only
45 be reallocated for repairs and renovations projects at that particular constituent institution. The
46 provisions of G.S. 143C-8-13(b)(4) shall not apply to the projects listed in Section 40.1(d) of
47 S.L. 2021-180. The Board of Governors shall report to the Joint Legislative Commission on
48 Governmental Operations in accordance with G.S. 143C-8-13(b).

49 **SECTION 40.1.(d)** For project code R&R21, the provisions of Section 40.1(c) of
50 S.L. 2021-180 shall apply to funds allocated for the project code during the 2023-2025 fiscal
51 biennium.

1 **SECTION 40.1.(e)** For project code UNC/NCS23-4, notwithstanding
2 G.S. 143C-4-5, North Carolina State University is authorized to spend up to one hundred twenty
3 million dollars (\$120,000,000) on the project, but shall commit to providing funding of at least
4 fifty million dollars (\$50,000,000) from non-State sources on or before December 31, 2024, as a
5 match for the intended State allocations totaling seventy million dollars (\$70,000,000) for the
6 project. Upon verification by the Office of State Budget and Management that North Carolina
7 State University has deposited at least twenty-five million dollars (\$25,000,000) into an account
8 dedicated for the project, the University may begin the letting of construction and design
9 contracts and begin construction. It is the intent of the General Assembly to appropriate funds
10 from the State Capital and Infrastructure Fund for this project beginning in the 2025-2026 fiscal
11 year.

12 **SECTION 40.1.(g)** For project code UNC/WIL23-1, notwithstanding
13 G.S. 143C-4-5, the University of North Carolina at Wilmington is authorized to spend up to
14 forty-four million five hundred thousand dollars (\$44,500,000) on the project, but shall commit
15 to providing funding of at least four million four hundred fifty thousand dollars (\$4,450,000)
16 from non-State sources on or before December 31, 2025, as a match for the intended State
17 allocations totaling forty million fifty thousand dollars (\$40,050,000) for the project.

18 **SECTION 40.1.(h)** For project code UNC/WIL23-2, notwithstanding
19 G.S. 143C-4-5, the University of North Carolina at Wilmington is authorized to spend up to
20 twenty-four million dollars (\$24,000,000) on the project, but shall commit to providing funding
21 of at least two million four hundred thousand dollars (\$2,400,000) from non-State sources on or
22 before December 31, 2025, as a match for the intended State allocations totaling twenty-one
23 million six hundred thousand dollars (\$21,600,000) for the project.

24 **SECTION 40.1.(i)** There is established in the General Fund an Additional Project
25 Reserve that shall make funds available for capital improvement project expenditures only upon
26 an act of appropriation by the General Assembly. The State Controller shall reserve to the
27 Additional Project Reserve from funds available in the State Capital and Infrastructure Fund the
28 sum of five hundred million dollars (\$500,000,000) in nonrecurring funds for the 2023-2024
29 fiscal year. Funds reserved in the Additional Project Reserve pursuant to this subsection do not
30 constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of
31 the North Carolina Constitution.

32 **SECTION 40.1.(j)** For project code DST23-1, the Department of State Treasurer
33 may use funds allocated for the project code to redeem bonds that have debt service paid from
34 the State Capital and Infrastructure Fund if the cost of redeeming those bonds is less than the
35 estimated market value the bonds would have if not redeemed.

36 **SECTION 40.1.(k)** For project code BOG23-1, the Board of Governors of The
37 University of North Carolina shall allocate funds, in an amount to be determined by the Board of
38 Governors, to the athletic department for each of the following constituent institutions upon
39 submission of a plan to utilize the funds for capital improvements to intercollegiate athletic
40 facilities:

- 41 (1) Elizabeth City State University.
- 42 (2) Fayetteville State University.
- 43 (3) North Carolina Agricultural and Technical State University.
- 44 (4) North Carolina Central University.
- 45 (5) The University of North Carolina at Asheville.
- 46 (6) The University of North Carolina at Greensboro.
- 47 (7) The University of North Carolina at Pembroke.
- 48 (8) The University of North Carolina at Wilmington.
- 49 (9) Western Carolina University.
- 50 (10) Winston-Salem State University.

1 **SECTION 40.1.(I)** For project code WRC23-1, the Wildlife Resources Commission
 2 is authorized to spend up to thirty-nine million seven hundred thousand dollars (\$39,700,000) on
 3 the project, but shall commit to providing funding of at least nineteen million seven hundred
 4 thousand dollars (\$19,700,000) in non-State funds from the Commission's endowment as a match
 5 to the intended State allocations totaling twenty million dollars (\$20,000,000) for the project.
 6 The Commission shall use the endowment funds described in this subsection on the project prior
 7 to expending any State funds.

8
 9 **SIX-YEAR INTENDED PROJECT ALLOCATION SCHEDULE**

10 **SECTION 40.2.** It is the intent of the General Assembly to fund capital improvement
 11 projects on a cash flow basis and to plan for future project funding based upon projected
 12 availability in the State Capital and Infrastructure Fund. Nothing in this section shall be construed
 13 (i) to appropriate funds or (ii) as an obligation by the General Assembly to appropriate funds for
 14 the projects listed in future years. The following schedule lists capital improvement projects that
 15 will begin or be completed in fiscal years outside of the 2023-2025 fiscal biennium and estimated
 16 amounts (in thousands) needed for completion of those projects:

17	Project Code	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
18	PERS21	3,000	3,000	3,000	3,000	3,000	3,000
19	UNC/R&R21	280,503	250,000	175,000	175,000	175,000	175,000
20	R&R21	200,000	200,000	200,000	200,000	200,000	200,000
21	CC21	150,000	150,000	50,000	50,000	N/A	N/A
22	WRC23-1	8,000	6,000	6,000	N/A	N/A	N/A
23	DACS21-2	N/A	2,000	1,500	N/A	N/A	N/A
24	DACS21-4	1,500	1,850	1,500	N/A	N/A	N/A
25	DACS23-7	N/A	N/A	4,000	N/A	N/A	N/A
26	DACS23-8	N/A	N/A	2,000	1,000	1,000	1,000
27	DACS23-9	N/A	N/A	750	N/A	N/A	N/A
28	DACS23-10	N/A	N/A	2,000	2,000	2,200	N/A
29	DACS23-11	N/A	N/A	N/A	1,500	1,500	N/A
30	DACS23-12	N/A	N/A	N/A	4,000	N/A	N/A
31	DACS23-13	N/A	N/A	N/A	5,000	N/A	N/A
32	DEQ21-1	3,325	28,650	17,075	N/A	N/A	N/A
33	DNCR21-5	3,000	7,500	12,000	7,500	N/A	N/A
34	DNCR21-13	45,000	54,250	86,800	30,950	N/A	N/A
35	DNCR23-1	N/A	N/A	3,000	3,000	30,000	24,000
36	DOA22-1	N/A	N/A	N/A	N/A	77,000	55,000
37	DOA22-3	N/A	21,000	N/A	24,000	N/A	N/A
38	DOA23-1	N/A	N/A	N/A	1,500	20,244	12,000
39	DOA23-2	3,750	3,750	3,750	3,750	N/A	N/A
40	DOI23-1	5,500	13,750	22,000	13,750	N/A	N/A
41	DPS21-6	N/A	836.88	2,658.75	N/A	N/A	N/A
42	DPS21-9	3,268	30,000	19,793.24	N/A	N/A	N/A
43	DPS23-1	N/A	N/A	N/A	600	10,000	N/A
44	DPS23-2	2,000	4,333.68	10,834.2	17,334.7	8,834.2	N/A
45	DPS23-3	N/A	3,400	8,500	13,600	8,500	N/A
46	DPS23-4	N/A	N/A	N/A	N/A	N/A	19,451.78
47	NG23-1	4,000	6,000	6,000	3,500	5,000	5,000
48	NG23-2	1,500	6,000	5,000	N/A	N/A	N/A
49	NG23-3	850	850	7,650	7,650	N/A	N/A

1	NG23-4	N/A	2,000	6,500	N/A	N/A	N/A
2	NG23-5	N/A	N/A	800	4,000	3,200	N/A
3	NCGA21-3	N/A	N/A	65,250	74,750	N/A	N/A
4	NCGA23-1	6,500	16,250	26,000	16,250	N/A	N/A
5	UNC/BOG21-1	3,750	3,750	3,750	N/A	N/A	N/A
6	UNC/ASU22-1	N/A	4,100	12,300	14,350	10,250	N/A
7	UNC/ASU23-1	N/A	N/A	N/A	N/A	1,800	6,300
8	UNC/CH20-2	N/A	15,756.95	17,693.05	N/A	N/A	N/A
9	UNC/CH22-1	N/A	15,800	39,500	42,450	47,800	12,450
10	UNC/CH23-1	N/A	N/A	N/A	N/A	2,500	10,000
11	UNC/CLT23-1	N/A	3,600	N/A	12,600	19,800	N/A
12	UNC/CLT23-2	N/A	N/A	N/A	N/A	4,500	N/A
13	UNC/ECU21-1	N/A	N/A	79,007.28	60,742.7	N/A	N/A
14	UNC/ECU23-1	N/A	N/A	N/A	4,600	13,800	16,100
15	UNC/ECU23-2	N/A	N/A	N/A	N/A	1,890	N/A
16	UNC/ECU23-3	8,750	17,500	8,750	N/A	N/A	N/A
17	UNC/NCS20-1	N/A	6,025.2	22,224.8	N/A	N/A	N/A
18	UNC/NCS23-1	N/A	3,000	27,000	N/A	N/A	N/A
19	UNC/NCS23-2	N/A	8,000	24,000	28,000	20,000	N/A
20	UNC/NCS23-3	N/A	6,300	18,900	22,050	15,750	N/A
21	UNC/NCS23-4	N/A	N/A	35,000	35,000	N/A	N/A
22	UNC/NCS23-5	N/A	N/A	N/A	20,000	60,000	60,000
23	UNC/PEM21-1	N/A	N/A	N/A	N/A	36,400	22,750
24	UNC/PEM23-1	N/A	6,100	24,400	30,500	N/A	N/A
25	UNC/ECS21-2	N/A	N/A	2,500	N/A	N/A	N/A
26	UNC/ECS21-4	N/A	30,827.27	9,172.7	N/A	N/A	N/A
27	UNC/ECS23-1	N/A	2,000	8,000	10,000	N/A	N/A
28	UNC/ECS23-2	N/A	N/A	N/A	N/A	1,250	N/A
29	UNC/FSU21-2	N/A	36,376.1	6,573.9	N/A	N/A	N/A
30	UNC/FSU23-1	N/A	N/A	N/A	N/A	2,075	N/A
31	UNC/FSU23-2	1,000	3,500	5,500	N/A	N/A	N/A
32	UNC/A&T23-1	970	3,395	5,335	N/A	N/A	N/A
33	UNC/A&T23-2	N/A	N/A	N/A	N/A	2,000	18,825
34	UNC/NCC23-1	1,207.4	N/A	4,829.5	6,036.9	N/A	N/A
35	UNC/NCC23-2	N/A	1,299.9	N/A	4,549.8	7,149.7	N/A
36	UNC/NCC23-3	N/A	N/A	N/A	N/A	850	N/A
37	UNC/SSM23-3	N/A	3,500	3,500	N/A	N/A	N/A
38	UNC/SSM23-4	N/A	N/A	N/A	N/A	1,000	N/A
39	UNC/AVL23-1	2,615	6,537.5	11,767.5	5,230	N/A	N/A
40	UNC/WSS21-1	N/A	N/A	N/A	N/A	22,800	14,250
41	UNC/WSS23-1	N/A	800	1,080	N/A	3,780	5,140
42	UNC/WSS23-2	N/A	800	1,600	N/A	5,600	8,000
43	UNC/GBO23-1	N/A	2,420	N/A	8,470	13,310	N/A
44	UNC/SA23-1	5,100	12,750	22,950	10,200	N/A	N/A
45	UNC/SA23-2	N/A	N/A	N/A	N/A	2,450	8,575
46	UNC/WIL23-1	N/A	N/A	N/A	N/A	4,005	10,012.5
47	UNC/WIL23-2	N/A	2,160	5,400	8,640	5,400	N/A
48	UNC/WIL23-3	N/A	1,215	4,860	6,075	N/A	N/A
49	UNC/WCU23-1	N/A	2,000	N/A	9,530	33,355	50,415

50

51 **NATIONAL GUARD PROJECTS**

SECTION 40.3.(a) From the funds allocated in this Part for Project Code NG23-1, the Office of State Budget and Management may disburse to the Department of Public Safety funds needed to provide a State match for federal funds for projects included in the latest Armory and Facilities Development Plan developed pursuant to G.S. 127A-210 and designated by the Adjutant General of the North Carolina National Guard in an amount not exceeding four million dollars (\$4,000,000) during the 2023-2024 fiscal year and not exceeding six million dollars (\$6,000,000) during the 2024-2025 fiscal year.

SECTION 40.3.(b) No later than June 1, 2025, and every two years thereafter until project completion, the Department shall report on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division of the General Assembly, and the Office of State Budget and Management. Each report shall include all of the following:

- (1) The status of all projects undertaken pursuant to this section.
- (2) The estimated total cost of each project.
- (3) The date that work on each project began or is expected to begin.
- (4) The date that work on each project was completed or is expected to be completed.
- (5) The actual cost of each project, including federal matching funds.
- (6) Facilities planned for closure or reversion.
- (7) A list of projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

NON-GENERAL FUND/NON-SCIF CAPITAL PROJECT AUTHORIZATIONS

SECTION 40.4.(a) The General Assembly authorizes the following capital projects to be funded with receipts or from other non-General Fund and non-State Capital and Infrastructure Fund sources available to the appropriate department:

Name of Project	Amount of Non-General Fund/Non-SCIF Funding Authorized	
	FY 2023-2024	FY 2024-2025
Department of Natural and Cultural Resources		
Brunswick Town State Historic Site–		
Historical Restorations	\$150,000	\$0
Department of Agriculture and Consumer Services		
Arena and Barn Replacement	1,900,000	0
State Fair Lunch Facility Renovation	25,500,000	0
State Fair Gate 8 Restroom Renovation	1,500,000	0
Equipment Shelters Replacement	0	300,000
Department of Public Safety		
Alcoholic Beverage Control–		
Warehouse Precast Repair	275,000	0
ABC New Campus–Advanced Planning	4,700,000	0
Department of Adult Correction		
Old Craggy Laundry Wastewater/Stormwater Repl.	742,000	0
Wildlife Resources Commission		
Land Acquisition	5,000,000	5,000,000
Game Land Improvements	2,000,000	0
Caswell Depot Expansion	2,460,000	0
Mills River Equipment Storage	355,000	0
Morganton Depot Equipment Storage	340,000	0
Rhems Depot Equipment Storage	415,000	0

1	Troy Depot Office/Shop & Storage	1,900,000	0
2	Shooting Range Office & Classroom Constr.	3,100,000	0
3	Mount Holly Depot	0	2,400,000
4	Marion Aquaculture Building	0	600,000

5
6 **TOTAL AMOUNT OF NON-GENERAL**
7 **FUND/NON-SCIF CAPITAL PROJECTS**
8 **AUTHORIZED**

\$50,337,000 \$8,300,000

9
10 **SECTION 40.4.(b)** From funds deposited with the State Treasurer in a capital
11 improvement account to the credit of the Department of Agriculture and Consumer Services
12 pursuant to G.S. 146-30, the sum of seventy-five thousand dollars (\$75,000) for the 2023-2024
13 fiscal year and the sum of seventy-five thousand dollars (\$75,000) for the 2024-2025 fiscal year
14 shall be transferred to the Department of Agriculture and Consumer Services to be used,
15 notwithstanding G.S. 146-30, by the Department for its plant conservation program under Article
16 19B of Chapter 106 of the General Statutes for costs incidental to the acquisition of land, such as
17 land appraisals, land surveys, title searches, and environmental studies, and for the management
18 of the plant conservation program preserves owned by the Department.

19
20 **VARIOUS CAPITAL CHANGES**

21 **SECTION 40.5.(a)** G.S. 143C-8-10 is repealed.

22 **SECTION 40.5.(b)** G.S. 143C-8-11 reads as rewritten:

23 **"§ 143C-8-11. Reversion of appropriation; lapse of project authorization; transfer of funds**
24 **remaining after project completion.**

25 (a) Reversion of Appropriation. – A State agency shall begin the planning of or the
26 construction of an authorized capital improvement project during the fiscal year in which the
27 funds are appropriated. If it does not, the Director may credit the appropriation to the ~~Project~~
28 ~~Reserve Account, State Capital and Infrastructure Fund,~~ unless otherwise required by law. ~~If the~~
29 ~~Director does not credit the appropriation to the Project Reserve Account, the appropriation shall~~
30 ~~revert to the principal fund from which it was appropriated.~~ The Director may, for good cause,
31 allow a State agency to take up to an additional 12 months to take the actions required by this
32 subsection.

33 (b) Lapse of Project Authorization. – Authorizations for capital improvement projects
34 shall lapse if any of the following occur: (i) the appropriation for a capital improvement project
35 reverts, (ii) the construction of a project does not begin during the first two fiscal years in which
36 funds are appropriated, or (iii) the Director redirects funds appropriated for a capital improvement
37 project in accordance with G.S. 143C-6-2. The Director may, for good cause, allow a State
38 agency to take up to an additional 12 months to begin construction of a project; however, if the
39 Director approves an extension of time under this subsection and construction of the project has
40 not begun by the end of the extension, the authorization for the project shall lapse.

41 (c) Funds Remaining After Project Completion. – The State Controller shall transfer any
42 balance of State funds appropriated for a capital project that remains unspent and unencumbered
43 two years after completion of the project in accordance with this section. If applicable law
44 requires a particular disposition of the funds, then the transfer shall be made in accordance with
45 that requirement. ~~Otherwise, the transfer shall be made in accordance with the following~~
46 ~~requirements:~~

- 47 (1) ~~If the funds were initially allocated from the Reserve for Repairs and~~
48 ~~Renovations, then the funds shall be transferred to that Reserve.~~
- 49 (2) ~~All other funds balance shall be transferred to the Project Reserve Account~~
50 ~~State Capital and Infrastructure Fund created by G.S.~~
51 ~~143C-8-10.G.S. 143C-4-3.1."~~

1 **SECTION 40.5.(c)** G.S. 143C-4-3.1 reads as rewritten:

2 "**§ 143C-4-3.1. State Capital and Infrastructure Fund.**

3 ...

4 (g) Unexpended Funds. – Funds appropriated for a project that are unspent and
5 unencumbered upon completion of the project shall revert to the Fund. For the purposes of this
6 subsection, a project includes any allocation from the Fund to a State agency or The University
7 of North Carolina.

8 "

9 **SECTION 40.5.(d)** Section 40.6(g)(3) of S.L. 2022-74 reads as rewritten:

10 "(3) Third, to be deposited into the ~~Downtown Government Complex Reserve,~~
11 ~~established in Section 2.2 of this act.~~ State Capital and Infrastructure Fund."

12 **SECTION 40.5.(e)** Section 40.3(f) of S.L. 2021-180, as enacted by Section 18.2 of
13 S.L. 2022-6, reads as rewritten:

14 "**SECTION 40.3.(f)** Notwithstanding any other provision of law to the contrary, there shall
15 be no local match required for the North Topsail Beach Shoreline Protection – Phases 1–4 project
16 referenced in ~~subsection (b)~~ subsection (c) of this section."

17 **SECTION 40.5.(f)** If House Bill 2, 2023 Regular Session, becomes law, then Section
18 9.3 of that act reads as rewritten:

19 "**SECTION 9.3.(a)** Subdivision (65) of Section 40.17(a) of S.L. 2021-180, as enacted by
20 Section 40.2(a) of S.L. 2022-74, reads as rewritten:

21 "(65) The funds for Ball's Creek Camp Ground in the sum of three hundred thousand
22 dollars (\$300,000) for the 2021-2022 fiscal year shall instead be provided to
23 Ball's Creek Campground History & Learning Center, Inc., a nonprofit
24 corporation, to be used for repairs and renovations to Ball's Creek Camp
25 Ground."

26 "**SECTION 9.3.(b)** Section 40.2 of S.L. 2022-74 is amended by adding a new subsection to
27 read:

28 "**SECTION 40.2.(h)** Notwithstanding any provision of law or the Committee Report
29 referenced in Section 43.2 of this act to the contrary, the allocation of two hundred thousand
30 dollars (\$200,000) from the State Capital and Infrastructure Fund to Ball's Creek Campground
31 for capital improvements or equipment shall instead be provided to Ball's Creek Campground
32 History & Learning Center, Inc., a nonprofit corporation, for capital improvements or
33 equipment."

34 **SECTION 40.5.(g)** Part 24 of S.L. 2022-74 is amended by adding a new section to
35 read:

36
37 "**REPEAL GRANT ALLOCATION**

38 "**SECTION 24.5.** Notwithstanding any provision of law or the Committee Report referenced
39 in Section 43.2 of this act to the contrary, the directed grant in the amount of fifty thousand
40 dollars (\$50,000) in nonrecurring funds for the 2022-2023 fiscal year shall not be provided to
41 Ace Speedway Racing, Ltd., and the funds shall revert."

42 **SECTION 40.6.(h)** The State Controller shall transfer all funds remaining in the
43 Government Complex Reserve established in Section 2.2(r) of S.L. 2022-74 to the State Capital
44 and Infrastructure Fund.

45 **SECTION 40.6.(i)** Section 2.2(r) of S.L. 2022-74 is repealed.

46
47 **PART XLI. TRANSPORTATION**

48
49 **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND**

50 **SECTION 41.1.(a)** Subsections (b) and (c) of Section 41.1 of S.L. 2022-74 are
51 repealed.

SECTION 41.1.(b) The General Assembly authorizes and certifies anticipated revenues for the Highway Fund as follows:

For Fiscal Year 2025-2026	\$3,170.2 million
For Fiscal Year 2026-2027	\$3,216.9 million
For Fiscal Year 2027-2028	\$3,265.1 million
For Fiscal Year 2028-2029	\$3,382.0 million
For Fiscal Year 2029-2030	\$3,436.4 million

SECTION 41.1.(c) The General Assembly authorizes and certifies anticipated revenues for the Highway Trust Fund as follows:

For Fiscal Year 2025-2026	\$2,487.2 million
For Fiscal Year 2026-2027	\$2,514.8 million
For Fiscal Year 2027-2028	\$2,652.8 million
For Fiscal Year 2028-2029	\$2,728.1 million
For Fiscal Year 2029-2030	\$2,771.7 million

SECTION 41.1.(d) The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a five-year revenue forecast. The five-year revenue forecast developed under this subsection shall be used (i) to develop the five-year cash flow estimates included in the biennial budgets, (ii) to develop the Strategic Transportation Improvement Program, and (iii) by the Department of the State Treasurer to compute transportation debt capacity.

CONTINGENCY FUNDS

SECTION 41.2.(a) The funds appropriated in this act to the Department of Transportation, Construction – Contingency Fund Code for the 2023-2024 fiscal year shall be allocated statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, railroad infrastructure, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subsection require prior approval by the Secretary of Transportation. Funds allocated under this subsection shall not revert at the end of the applicable fiscal year but shall remain available until expended. The use of funds that do not revert under this subsection is not restricted to the fiscal year in which the funds were allocated.

SECTION 41.2.(b) The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to subsection (a) of this section in each member's district prior to construction. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

CAPITAL, REPAIRS, AND RENOVATIONS

SECTION 41.3. For the 2023-2025 fiscal biennium, the funds appropriated in this act from the Highway Fund to the Department of Transportation for capital, repairs, and renovations shall be used as follows:

Item	FY 2023-24	FY 2024-25
Avery Maintenance Engineer Office	2,628,000	
Cherry Branch Shore Power	2,104,000	
Clay Maintenance Engineer Office and Equipment Shop	261,354	
Columbus DMV Office/Troop B District V Headquarters	3,500,000	
Hyde Maintenance Office and Equipment Shop	2,485,045	
Iredell Maintenance Engineer		

1	and Bridge Maintenance Office	1,628,865	
2	New Hanover DMV Office/Troop		
3	B District VI Headquarters	4,100,000	
4	Replace Rooftop HVAC Units – Century Center	449,500	200,000
5	Rowan District Engineer Office	627,426	
6	Statewide Americans with Disabilities		
7	Act Compliance	1,000,000	1,000,000
8	Statewide Asbestos Abatement	462,000	504,000
9	Statewide Roof Repair	7,027,638	7,623,363
10	Statewide Office Repairs and Renovations	1,244,500	1,244,500
11	Surry District Engineer Office	1,231,450	
12	Watauga District Engineer Office	1,070,041	
13			
14	Total	\$29,819,819	\$10,571,863

STRATEGIC CORRIDORS

SECTION 41.4.(a) The Department of Transportation shall study and develop a schedule for implementing a strategic corridor plan through the State Transportation Improvement Program. The study shall include all of the following corridors:

- (1) Future I-87 Corridor from Williamston to the Virginia state line.
- (2) Future I-74 Corridor from Richmond County to the South Carolina state line in Brunswick County, including the Carolina Bays Parkway Extension.
- (3) Proposed Future Interstate/US 74 from I-26 in Polk County to I-85 in Gaston County.
- (4) Future I-785/US 29 from I-85 in Greensboro to Virginia state line.
- (5) Proposed Future Interstate/US 74 from Wingate to Rockingham.
- (6) Future I-685 from I-85 in Guilford to I-95.
- (7) Future I-42/US 70 from Wake County to Port of Morehead City.

SECTION 41.4.(b) On or before March 1, 2024, the Department shall submit a written report with its findings, including a comprehensive schedule for the corridors, current phase of each project, types of facilities for the project, proposed schedule and completion time line, estimated cost, total amount spent to date, and any recommendations for legislation, to the Joint Legislative Transportation Oversight Committee (JLTOC) and the Fiscal Research Division.

SECTION 41.4.(c) The North Carolina Department of Transportation is directed to work with the State's federal elected representatives, the U.S. Department of Transportation, the Federal Highway Administration (FHWA), and all relevant federal agencies to expedite an interstate designation of the US 74 Corridor from exit 10 in Gaston County through Cleveland County and Rutherford County to exit 67 in Polk County at I-26.

POWELL BILL FUNDS

SECTION 41.5. For the 2023-2025 fiscal biennium:

- (1) The Department of Transportation shall not reduce the funds appropriated under this act to the State Aid – Powell Bill Fund for allocation under the Powell Bill (G.S. 136-41.1 through G.S. 136-41.4).
- (2) Notwithstanding G.S. 136-41.1(a), eligible municipalities with a population of 400,000 or more shall receive the same amount of Powell Bill Program funds allocated for the 2020-2021 fiscal year. The remaining Powell Bill Program funds shall be allocated to municipalities with a population of less than 400,000 in accordance with the requirements of G.S. 136-41.1(a).

FACILITIES MAINTENANCE DIVISION POSITIONS

SECTION 41.6.(a) Of the funds appropriated in this act to the Department of Transportation, Facilities Maintenance Division (FMD), the Department shall create 14 full-time equivalent (FTE) Maintenance and Construction Tech III positions (FMD positions). The FMD positions shall be assigned to the 14 local highway division offices and integrated into the current FMD organizational structure set up for regional maintenance of the Division of Motor Vehicles offices. The FMD positions shall be responsible for building inspections, maintenance, repairs and support for State-owned buildings, and management of contracts necessary to complete tasks. Operational funds based on needs shall be allotted by the FMD main office for support of the local highway divisions and district. The FMD shall submit a report on the implementation status of this section by October 1, 2023, and May 1, 2024, to the House of Representatives Appropriations Committee on Transportation, Senate Appropriations Committee on the Department of Transportation, Joint Legislative Transportation Oversight Committee (JLTOC), and the Fiscal Research Division. The report shall include the status of creating and filling positions, lease of trucks, purchase of rolling stock and other supplies, and methodology for allocation of operational funds for the local highway divisions and amount of funds spent. The FMD shall include a needs assessment for additional staffing and funding for routine building maintenance activities.

SECTION 41.6.(b) By August 1 of each year, the Facilities Maintenance Division shall submit a report to the Joint Legislative Transportation Oversight Committee (JLTOC) and the Fiscal Research Division. The report shall include the following information:

- (1) Capital projects status to include each project undertaken, amount of funds expended, and planned completion and, if additional appropriations are required, include amount needed for completion of the project.
- (2) Information on the contract, including whether the Department of Administration administered the contract and whether the contract was managed by DOT.
- (3) Update of building replacement schedules for upcoming budget planning.

ROAD AND BRIDGE NAMING

SECTION 41.7. Notwithstanding any provision of law to the contrary, the Department of Transportation shall designate as follows:

- (1) A section of Interstate 40 in Catawba County named in honor of Cherie Killian Berry, the first female Commissioner of Labor in North Carolina.
- (2) A pedestrian bridge to be constructed in Concord at the Charlotte Motor Speedway named in honor of Linda P. Johnson.
- (3) The bridge on U.S. Highway 74 that crosses over the Catawba River at the Mecklenburg County and Gaston County line and is numbered 350091 by the Department as the "Dana Bumgardner Bridge.

ROADSIDE ENVIRONMENTAL

SECTION 41.8. Of the funds appropriated to the Department of Transportation from the Highway Fund for the 2023-2025 fiscal biennium, the Department shall spend the following amounts for Roadside Environmental:

FY 2023-2024	\$144,000,000
FY 2024-2025	\$144,000,000

RIGHT-OF-WAY CONDEMNATION JUST COMPENSATION INTEREST RATE

SECTION 41.9.(a) G.S. 136-113 reads as rewritten:

"§ 136-113. Interest as a part of just compensation.

1 To said amount awarded as damages by the commissioners or a jury or judge, the judge shall,
2 as a part of just compensation, add interest at the legal rate as provided in G.S. 24-1 on said
3 amount from the date of taking to the date of satisfaction of the judgment; but interest shall not
4 be allowed from the date of deposit on so much thereof as shall have been paid into court as
5 provided in this Article. ~~For purposes of this section, the term "legal rate" means the prime~~
6 ~~lending rate, as published by the Board of Governors of the Federal Reserve System on the first~~
7 ~~business day of the calendar month immediately preceding the date of taking. The legal rate~~
8 ~~established under this section shall not exceed the legal rate set in G.S. 24-1. An amount awarded~~
9 ~~as damages shall bear simple, not compounding, interest."~~

10 **SECTION 41.9.(b)** G.S. 24-1 reads as rewritten:

11 "**§ 24-1. Legal rate is eight percent.**

12 ~~Except as otherwise provided in G.S. 136-113, the~~ The legal rate of interest shall be eight
13 percent (8%) per annum for such time as interest may accrue, and no more."

14 **SECTION 41.9.(c)** This section is effective when it becomes law and applies to
15 causes of action filed on or after that date.

16 17 **CONTRACT TO MANAGE FERRY CONSTRUCTION**

18 **SECTION 41.10.(a)** For the 2023-2025 fiscal biennium, and notwithstanding any
19 other provision of law, the Department of Transportation shall contract with a qualified vendor
20 to manage ferry vessel construction.

21 **SECTION 41.10.(b)** Beginning January 1, 2024, and quarterly thereafter until the
22 end of the biennium, the Department shall report to the Joint Legislative Transportation Oversight
23 Committee and the Fiscal Research Division on ferry construction progress.

24 25 **CLARIFY FERRY OPERATING BUDGET REQUIREMENTS**

26 **SECTION 41.11.** Section 41.15A of S.L. 2021-180 is amended by adding the
27 following new subsections to read:

28 "**SECTION 41.15A.(c)** Notwithstanding subsections (a) and (b) of this section, the
29 Committee Report described in Section 43.2 of this act, and any other provision of law, the
30 Department of Transportation may maintain field, program, administrative, or any other fund
31 codes it determines to be necessary within its internal SAP accounting system to implement this
32 section. The Department shall combine these internal fund codes to show only Fund Code 7825
33 for Ferry Operations in the North Carolina Accounting System and North Carolina Financial
34 System and any successor accounting systems. To the extent practicable, the Department shall
35 combine these internal fund codes to show only Fund Code 7825 in reports required by the
36 General Assembly and any other public reports.

37 "**SECTION 41.15A.(d)** Notwithstanding any other provision of law, the Office of State
38 Budget and Management may make changes to the Integrated Budget Information System, North
39 Carolina Accounting System, North Carolina Financial System, or any successor systems to
40 those listed to comply with this section."

41 42 **S-LINE ANNUAL REPORT**

43 **SECTION 41.12.** Beginning October 1, 2023, the Department of Transportation,
44 Rail Division, shall report annually on the status of the S-Line rail corridor reconstruction project
45 between Raleigh and Ridgeway to the Joint Legislative Transportation Oversight Committee and
46 the Fiscal Research Division. This report shall include the status of the acquisition of the project;
47 the total allocations of any funds to the project and their source, including Highway Fund,
48 Highway Trust Fund, and federal funds; and the amount of funds disbursed, including the
49 recipients of those funds. The report shall include any details of lease agreements made with any
50 property owners along the corridor after acquisition is completed. The report shall include an
51 estimated time line, or dates of work completed, of the major project phases, including

1 acquisition, preconstruction, construction, and project closeout. The report shall show the amount
 2 of federal funds associated with each State appropriation for the project and detail the award or
 3 awards associated with that appropriation.
 4

5 **PASSENGER RAIL FLEET PLAN AND COST ESTIMATES**

6 **SECTION 41.13.** The Department of Transportation, Rail Division, shall submit a
 7 report on its passenger rail fleet plan to the Joint Legislative Transportation Oversight Committee
 8 (JLTOC) and the Fiscal Research Division by December 31, 2023. The report shall include all
 9 of the following information regarding new passenger rail rolling stock:

- 10 (1) The source of funds for purchasing the new passenger rail rolling stock.
- 11 (2) The cost to purchase the new passenger rail rolling stock.
- 12 (3) The delivery time line for the new passenger rail rolling stock.
- 13 (4) The expected annual cost for maintenance and contractor services for the new
 14 passenger rail rolling stock.
- 15 (5) The annual total cost for the existing passenger rail fleet.
- 16 (6) A comparison of the annual total cost for the existing passenger rail fleet to
 17 the expected annual total cost for the new passenger rail rolling stock.
 18

19 **EXTEND DURATION OF LICENSES AND ALLOW UNLIMITED REMOTE LICENSE** 20 **RENEWALS**

21 **SECTION 41.14.(a)** G.S. 20-7 reads as rewritten:

22 **"§ 20-7. Issuance and renewal of drivers licenses.**

23 ...

24 (f) Duration and Renewal of Licenses. – Drivers licenses shall be issued and renewed
 25 pursuant to the provisions of this subsection:

26 ...

- 27 (2) Duration of original license for persons at least 18 years of age or older. – A
 28 drivers license issued to a person at least 18 years old but less than 66 years
 29 old expires on the birthday of the licensee in the ~~eight~~sixteenth year after
 30 issuance. A drivers license issued to a person at least 66 years old expires on
 31 the birthday of the licensee in the fifth year after issuance. A commercial
 32 drivers license expires on the birthday of the licensee in the fifth year after
 33 issuance. A commercial drivers license that has a vehicles carrying passengers
 34 (P) and school bus (S) endorsement issued pursuant to G.S. 20-37.16 expires
 35 on the birthday of the licensee in the third year after issuance, if the licensee
 36 is certified to drive a school bus in North Carolina.

- 37 (2a) Duration of renewed licenses. – A renewed drivers license that was issued by
 38 the Division to a person at least 18 years old but less than 66 years old expires
 39 ~~eight~~16 years after the expiration date of the license that is renewed. A
 40 renewed drivers license that was issued by the Division to a person at least 66
 41 years old expires five years after the expiration date of the license that is
 42 renewed. A renewed commercial drivers license expires five years after the
 43 expiration date of the license that is renewed.
 44

45 ...

- 45 (6) Remote renewal or conversion. – Subject to the following requirements and
 46 limitations, the Division ~~may~~shall offer remote renewal of a drivers license
 47 or remote conversion of a full provisional license issued by the Division:

- 48 a. Requirements. – To be eligible for remote renewal or conversion under
 49 this subdivision, a person must meet all of the following requirements:

- 1 1. The license holder possesses either (i) a valid Class C drivers
- 2 license or (ii) a valid full provisional license and is at least 18
- 3 years old at the time of the remote conversion.
- 4 2. The license holder's current license includes no restrictions
- 5 other than a restriction for corrective lenses.
- 6 3. The license holder attests, in a manner designated by the
- 7 Division, that (i) the license holder is a resident of the State and
- 8 currently resides at the address on the license to be renewed or
- 9 converted, (ii) the license holder's name as it appears on the
- 10 license to be renewed or converted has not changed, and (iii)
- 11 all other information required by the Division for an in-person
- 12 renewal under this Article has been provided completely and
- 13 truthfully. If the license holder does not currently reside at the
- 14 address on the license to be renewed or converted, the license
- 15 holder may comply with the address requirement of this
- 16 sub-sub-subdivision by providing the address at which the
- 17 license holder resides at the time of the remote renewal or
- 18 conversion request.
- 19 ~~4. For a remote renewal, the most recent renewal was an~~
- 20 ~~in-person renewal and not a remote renewal under this~~
- 21 ~~subdivision.~~
- 22 5. The license holder is otherwise eligible for renewal or
- 23 conversion under this subsection.

...."

INCREASE COMPENSATION TO COMMISSION CONTRACT AGENTS AND INCREASE PORTION OF TITLE & REGISTRATION FEES CREDITED TO HIGHWAY FUND

SECTION 41.15.(a) G.S. 20-63(h1) reads as rewritten:

"(h1) Commission contracts entered into by the Division under this subsection shall also provide for the payment of an additional ~~one dollar (\$1.00)~~ two dollars (\$2.00) of compensation to commission contract agents for any transaction assessed a fee under subdivision (a)(1), (a)(2), (a)(3), (a)(7), (a)(8), or (a)(9) of G.S. 20-85."

SECTION 41.15.(b) G.S. 20-85(a1) reads as rewritten:

"(a1) ~~One dollar (\$1.00)~~ Two dollars (\$2.00) of the fee imposed for any transaction assessed a fee under subdivision (a)(1), (a)(2), (a)(3), (a)(7), (a)(8), or (a)(9) of this section shall be credited to the North Carolina Highway Fund. The Division shall use the fees derived from transactions with commission contract agents for the payment of compensation to commission contract agents. An additional twenty cents (20¢) of the fee imposed for any transaction assessed a fee under subdivision (a)(1) of this section shall be credited to the Mercury Pollution Prevention Fund in the Department of Environmental Quality."

SECTION 41.15.(c) This section becomes effective October 1, 2023, and applies to certificates of title issued or renewed on or after that date.

TRANSPORTATION COMMITTEE REPORT CORRECTIONS

SECTION 41.16. Notwithstanding the Committee Report described in Section 43.2 of this act:

- (1) Funds for the construction of the "US 1 Pedestrian Bridge" shall be transferred from the projected interest accrued to the State Fiscal Recovery Reserve and shall be used for the construction of a pedestrian bridge over Highway 1 at the Rockingham Speedway in Richmond County.

- (2) Funds for the construction of the "Pedestrian Bridge US 49" shall be transferred from the projected interest accrued to the State Fiscal Recovery Reserve.
- (3) Funds for the construction of the "Interchange Wilkes County" shall be transferred from the projected interest accrued to the State Fiscal Recovery Reserve.

PART XLII. FINANCE

ACCELERATE REDUCTION OF PERSONAL INCOME TAX RATE TO 4.5%

SECTION 42.1.(a) G.S. 105-153.7(a) reads as rewritten:

"(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income of every individual. The tax shall be levied, collected, and paid annually. The tax is a percentage of the taxpayer's North Carolina taxable income computed as follows:

Taxable Years Beginning	Tax
In 2022	4.99%
In 2023	4.75%
In 2024 <u>and 2025</u>	4.6% <u>4.5%</u>
In 2025	4.5%
In 2026	4.25%
After 2026	3.99%."

SECTION 42.1.(b) This section is effective when it becomes law.

INCREASE STANDARD DEDUCTION

SECTION 42.2.(a) G.S. 105-153.5(a)(1) reads as rewritten:

"(1) Standard deduction amount. – The standard deduction amount is zero for a person who is not eligible for a standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:

Filing Status	Standard Deduction
Married, filing jointly/surviving spouse	\$25,500 <u>\$26,000</u>
Head of Household	19,125 <u>19,500</u>
Single	12,750 <u>13,000</u>
Married, filing separately	12,750 <u>13,000."</u>

SECTION 42.2.(b) This section is effective for taxable years beginning on or after January 1, 2024.

INCREASE CHILD DEDUCTION

SECTION 42.3.(a) G.S. 105-153.5(a1) reads as rewritten:

"(a1) Child Deduction Amount. – A taxpayer who is allowed a federal child tax credit under section 24 of the Code for the taxable year is allowed a deduction under this subsection for each qualifying child for whom the taxpayer is allowed the federal tax credit. The amount of the deduction is equal to the amount listed in the table below based on the taxpayer's adjusted gross income, as calculated under the Code:

Filing Status	AGI	Deduction Amount
Married, filing jointly/ surviving spouse	Up to \$40,000	\$3,000 <u>\$3,600</u>
	Over \$40,000	
	Up to \$60,000	2,500 <u>3,000</u>
	Over \$60,000	
	Up to \$80,000	2,000 <u>2,400</u>
	Over \$80,000	

1		Up to \$100,000	1,500 <u>1,800</u>
2		Over \$100,000	
3		Up to \$120,000	1,000 <u>1,200</u>
4		Over \$120,000	
5		Up to \$140,000	500.00 <u>600.00</u>
6		Over \$140,000	0
7			
8	Head of Household	Up to \$30,000	\$3,000 <u>\$3,600</u>
9		Over \$30,000	
10		Up to \$45,000	2,500 <u>3,000</u>
11		Over \$45,000	
12		Up to \$60,000	2,000 <u>2,400</u>
13		Over \$60,000	
14		Up to \$75,000	1,500 <u>1,800</u>
15		Over \$75,000	
16		Up to \$90,000	1,000 <u>1,200</u>
17		Over \$90,000	
18		Up to \$105,000	500.00 <u>600.00</u>
19		Over \$105,000	0
20			
21	Single	Up to \$20,000	\$3,000 <u>\$3,600</u>
22		Over \$20,000	
23		Up to \$30,000	2,500 <u>3,000</u>
24		Over \$30,000	
25		Up to \$40,000	2,000 <u>2,400</u>
26		Over \$40,000	
27		Up to \$50,000	1,500 <u>1,800</u>
28		Over \$50,000	
29		Up to \$60,000	1,000 <u>1,200</u>
30		Over \$60,000	
31		Up to \$70,000	500.00 <u>600.00</u>
32		Over \$70,000	0
33			
34	Married, filing separately	Up to \$20,000	\$3,000 <u>\$3,600</u>
35		Over \$20,000	
36		Up to \$30,000	2,500 <u>3,000</u>
37		Over \$30,000	
38		Up to \$40,000	2,000 <u>2,400</u>
39		Over \$40,000	
40		Up to \$50,000	1,500 <u>1,800</u>
41		Over \$50,000	
42		Up to \$60,000	1,000 <u>1,200</u>
43		Over \$60,000	
44		Up to \$70,000	500.00 <u>600.00</u>
45		Over \$70,000	0."

46 **SECTION 42.3.(b)** This section is effective for taxable years beginning on or after
 47 January 1, 2024.

48
 49 **ESTABLISH REFUNDABLE ADOPTION TAX CREDIT**

50 **SECTION 42.4.(a)** G.S. 105-151.32 is reenacted as it existed immediately before its
 51 repeal, is recodified as G.S. 105-153.11, and is rewritten to read:

1 **"§ 105-153.11. Credit for adoption expenses.**

2 (a) Credit. – An individual who is allowed a federal adoption tax credit under section 23
3 of the Code for the taxable year is allowed a credit against the tax imposed by this Part. The credit
4 is equal to two thousand dollars (\$2,000) for each eligible child for the taxable year in which the
5 lawful adoption becomes final.

6 (b) Limitations. – The following limitations apply to a credit under this section:

7 (1) A nonresident or part-year resident who claims the credit allowed by this
8 section shall reduce the amount of the credit by multiplying it by the fraction
9 calculated under G.S. 105-153.4(b) or (c), as appropriate.

10 (2) For spouses who file separate returns for a taxable year in which they could
11 have filed a joint return, each may claim only one-half of the credit provided
12 in this section that would have been allowed on a joint return.

13 (c) Credit Refundable. – If the credit allowed by this section exceeds the amount of the
14 tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, the
15 Secretary must refund the excess to the taxpayer. The refundable excess is governed by the
16 provisions governing a refund of an overpayment by the taxpayer of the tax imposed in this Part.
17 In computing the amount of tax against which multiple credits are allowed, nonrefundable credits
18 are subtracted before refundable credits."

19 **SECTION 42.4.(b)** This section is effective for taxable years beginning on or after
20 January 1, 2024.

21
22 **ESTABLISH INCOME TAX CREDIT FOR LIVE ORGAN DONATION EXPENSES**

23 **SECTION 42.5.(a)** Part 2 of Article 4 of Subchapter I of Chapter 105 of the General
24 Statutes is amended by adding a new section to read:

25 **"§ 105-153.11. Credit for live organ donation.**

26 (a) Definitions. – The following definitions apply in this section:

27 (1) Human organ. – Human bone marrow or any organ of a human, including the
28 intestine, kidney, liver, lung, or pancreas.

29 (2) Live organ donation. – A donation by a living individual of one or more of the
30 individual's human organs to another human to be transplanted using a
31 medical procedure to the body of another individual.

32 (3) Live organ donation expenses. – The total amount of the expenses listed in
33 this subdivision that are incurred by the taxpayer, that are directly related to a
34 live organ donation, and that are not reimbursed to the taxpayer by any person.
35 An expense is "directly related" if it is incurred due to a live organ donation
36 procedure or due to evaluation, recovery, follow-up visits, or rehospitalization
37 associated with a live organ donation procedure. The expenses are:

38 a. Lost wages.

39 b. Transportation, lodging, and meals.

40 (b) Credit. – A taxpayer who makes a live organ donation or who is allowed to claim as
41 a dependent a person who makes a live organ donation is allowed a credit against the tax imposed
42 by this Part equal to the lesser of the live organ donation expenses or five thousand dollars
43 (\$5,000). For the purposes of this section, "dependent" means a qualifying child or qualifying
44 relative as defined in section 152 of the Code.

45 (c) Limitation. – The credit allowed under this section may not exceed the amount of tax
46 imposed by this Part for the taxable year reduced by the sum of all other credits allowable, except
47 tax payment made by or on behalf of the taxpayer.

48 (d) Carryforward. – Any unused portion of a credit allowed in this section may be carried
49 forward for the succeeding five years."

50 **SECTION 42.5.(b)** G.S. 105-153.5(a) reads as rewritten:

"(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection. The deduction amounts are as follows:

...
 (2) Itemized deduction amount. – An amount equal to the sum of the items listed in this subdivision. The amounts allowed under this subdivision are not subject to the overall limitation on itemized deductions under section 68 of the Code:

...
 c. Medical and Dental Expense. – The amount allowed as a deduction for medical and dental expenses under section 213 of the Code for that taxable year. No deduction is allowed for live organ donation expenses for which a credit was taken under G.S. 105-153.11.

...."

SECTION 42.5.(c) This section is effective for taxable years beginning on or after January 1, 2023.

REDUCE FRANCHISE TAX RATE

SECTION 42.6.(a) G.S. 105-120.2(b) reads as rewritten:

"(b) Tax Rate. – Every corporation taxed under this section shall annually pay to the Secretary of Revenue, at the time the return is due, a franchise or privilege tax at the rate of ~~one dollar and fifty cents (\$1.50)~~ listed below per one thousand dollars (\$1,000) of the amount determined under subsection (a) of this section, but in no case shall the tax be more than one hundred fifty thousand dollars (\$150,000) nor less than two hundred dollars (\$200.00). The tax rates are as follows:

<u>Taxable Years Beginning</u>	<u>Tax Rate Per \$1,000</u>
<u>In 2025</u>	<u>\$1.40</u>
<u>In 2026</u>	<u>\$1.30</u>
<u>In 2027</u>	<u>\$1.20</u>
<u>In 2028</u>	<u>\$1.10</u>
<u>After 2028</u>	<u>\$1.00."</u>

SECTION 42.6.(b) G.S. 105-122(d2) reads as rewritten:

"(d2) Tax Rate. – For a C Corporation, as defined in G.S. 105-130.2, the tax rate is one dollar and fifty cents (\$1.50) as listed below per one thousand dollars (\$1,000) of the corporation's tax base as determined under subsection (d) of this section. For an S Corporation, as defined in G.S. 105-130.2, the tax rate is two hundred dollars (\$200.00) for the first one million dollars (\$1,000,000) of the corporation's tax base as determined under subsection (d) of this section and ~~one dollar and fifty cents (\$1.50)~~ the rate listed below per one thousand dollars (\$1,000) of its tax base that exceeds one million dollars (\$1,000,000). In no event may the tax imposed by this section be less than two hundred dollars (\$200.00). The tax rates are as follows:

<u>Taxable Years Beginning</u>	<u>Tax Rate Per \$1,000</u>
<u>In 2025</u>	<u>\$1.40</u>
<u>In 2026</u>	<u>\$1.30</u>
<u>In 2027</u>	<u>\$1.20</u>
<u>In 2028</u>	<u>\$1.10</u>
<u>After 2028</u>	<u>\$1.00."</u>

SECTION 42.6.(c) This section is effective for taxable years beginning on or after January 1, 2025, and is applicable to the calculation of franchise tax reported on the 2024 and later corporate income tax return.

REPEAL STATE PRIVILEGE TAX ON PROFESSIONALS

SECTION 42.7.(a) G.S. 105-41 and G.S. 93-12(12) are repealed.

SECTION 42.7.(b) G.S. 53-191 reads as rewritten:

"§ 53-191. Businesses exempted.

Nothing in this Article shall be construed to apply to any person, firm or corporation doing business under the authority of any law of this State or of the United States relating to banks, trust companies, savings and loan associations, cooperative credit unions, agricultural credit corporations or associations organized under the laws of North Carolina, production credit associations organized under the act of Congress known as the Farm Credit Act of 1933, pawnbrokers lending or advancing money on specific articles of personal property, industrial banks, the business of negotiating loans on real ~~estate as defined in G.S. 105-41, estate,~~ nor to installment paper dealers as defined in G.S. 105-83 other than persons, firms and corporations engaged in the business of accepting fees for endorsing or otherwise securing loans or contracts for repayment of loans."

SECTION 42.7.(c) G.S. 105-88(b) reads as rewritten:

"(b) This section does not apply to banks, industrial banks, trust companies, savings and loan associations, cooperative credit unions, the business of negotiating loans on real ~~estate as described in G.S. 105-41, estate,~~ or insurance premium finance companies licensed under Article 35 of Chapter 58 of the General Statutes. This section applies to those persons or concerns operating what are commonly known as loan companies or finance companies and whose business is as hereinbefore described, and those persons, firms, or corporations pursuing the business of lending money and taking as security for the payment of the loan and interest an assignment of wages or an assignment of wages with power of attorney to collect the amount due, or other order or chattel mortgage or bill of sale upon household or kitchen furniture. No real estate mortgage broker is required to obtain a privilege license under this section merely because the broker advances the broker's own funds and takes a security interest in real estate to secure the advances and when, at the time of the advance, the broker has already made arrangements with others for the sale or discount of the obligation at a later date and does so sell or discount the obligation within the period specified in the arrangement or extensions thereof; or when, at the time of the advance the broker intends to sell the obligation to others at a later date and does, within 12 months from date of initial advance, make arrangements with others for the sale of the obligation and does sell the obligation within the period specified in the arrangement or extensions thereof; or because the broker advances the broker's own funds in temporary financing directly involved in the production of permanent-type loans for sale to others; and no real estate mortgage broker whose mortgage lending operations are essentially as described above is required to obtain a privilege license under this section."

SECTION 42.7.(d) This section is effective for taxes imposed for taxable years beginning on or after July 1, 2023.

INCREASE CREDITS FOR INCOME-PRODUCING REHABILITATED MILL PROPERTY

SECTION 42.8.(a) G.S. 105-129.71 reads as rewritten:

"§ 105-129.71. Credit for income-producing rehabilitated mill property.

(a) Credit. – A taxpayer who is allowed a credit under section 47 of the Code for making qualified rehabilitation expenditures of at least three million dollars (\$3,000,000) with respect to a certified rehabilitation of an eligible site is allowed a credit equal to a percentage of the expenditures that qualify for the federal credit. The credit may be claimed in the year in which the eligible site is placed into service. When the eligible site is placed into service in two or more phases in different years, the amount of credit that may be claimed in a year is the amount based on the qualified rehabilitation expenditures associated with the phase placed into service during that year. In order to be eligible for a credit allowed by this Article, the taxpayer must provide to

1 the Secretary a copy of the eligibility certification and the cost certification. The amount of the
2 credit is as follows:

- 3 (1) For an eligible site located in a development tier one or two area, determined
4 as of the date of the eligibility certification, the amount of the credit is equal
5 to ~~forty percent (40%)~~ forty-five percent (45%) of the qualified rehabilitation
6 expenditures.
7 (2) For an eligible site located in a development tier three area, determined as of
8 the date of the eligibility certification, the amount of the credit is equal to ~~thirty~~
9 ~~percent (30%)~~ thirty-five percent (35%) of the qualified rehabilitation
10 expenditures.

11"

12 **SECTION 42.8.(b)** This section is effective for qualified rehabilitation expenditures
13 occurring on or after January 1, 2024.

14
15 **MAKE HISTORIC REHABILITATION AND HISTORIC MILL CREDITS**
16 **PERMANENT**

17 **SECTION 42.9.(a)** G.S. 105-129.75 and G.S. 105-129.110 are repealed.

18 **SECTION 42.9.(b)** This section is effective when it becomes law.

19
20 **SALES TAX EXEMPTION, FORGIVENESS, AND REFUNDS FOR CONTINUING**
21 **CARE RETIREMENT COMMUNITIES**

22 **SECTION 42.10.(a)** Article 9 of Subchapter I of Chapter 105 of the General Statutes
23 is amended by adding a new section to read:

24 **§ 105-244.4B. Forgiveness of certain sales tax assessments of continuing care retirement**
25 **communities.**

26 (a) Reduction. – The Secretary must reduce by one hundred percent (100%) a sales and
27 use tax assessment against a taxpayer who requests relief for State and local sales and use taxes
28 and waive any penalties imposed as part of the assessment when the assessment is the result of
29 an audit of the taxpayer by the Department, and all of the following apply:

- 30 (1) The taxpayer is a provider of continuing care. The terms "continuing care"
31 and "provider" have the same meanings as defined in G.S. 58-64-1.
32 (2) The taxpayer remitted to the Department during the period under audit all the
33 sales and use taxes it collected during that period.
34 (3) The taxpayer had not been informed by the Department in a prior audit to
35 collect sales and use taxes in the circumstance that is the basis of the
36 assessment, as reflected in the written audit comments of the prior audit.
37 (4) The taxpayer had not requested and received from the Department a private
38 letter ruling advising to collect sales and use taxes in the circumstance that is
39 the basis of the assessment.
40 (5) The taxpayer had not received other specific written guidance from the
41 Department advising it to collect sales and use tax in the circumstances that is
42 the basis of the assessment for which it seeks reduction.
43 (6) The assessment is based on the failure to collect sales tax on items that would
44 be exempt under G.S. 105-164.13(74) if sold on or after October 1, 2023.
45 (7) The taxpayer meets one of the following:
46 a. The taxpayer received a proposed assessment dated on or before June
47 1, 2023, timely filed a request for review, and files a written request
48 with the Secretary on or before December 1, 2023, to request the
49 amount of sales or use taxes be reduced as provided in this section
50 citing the specific reasons. The Department does not need to take
51 further action on the taxpayer's request for review unless the taxpayer

1 states in writing, when filing a request for reduction under this section,
 2 that the reduction does not resolve the taxpayer's objection to the
 3 proposed assessment and that the taxpayer wishes to continue the
 4 Departmental review.

5 b. The taxpayer received a proposed assessment dated on or before June
 6 1, 2023, did not file a request for review, paid the tax due, and files a
 7 written request with the Secretary on or before December 1, 2023, to
 8 request the amount of sales or use taxes be reduced as provided in this
 9 section citing the specific reasons.

10 c. The taxpayer receives a proposed assessment after June 1, 2023,
 11 timely files a request for review, as provided in G.S. 105-241.11, and
 12 files a written request with the Secretary no later than 45 days from the
 13 date of the notice of the proposed assessment to request the amount of
 14 sales or use taxes be reduced as provided in this section citing the
 15 specific reasons.

16 (b) Application. – This section applies to the following for a tax period ending prior to
 17 January 1, 2024:

18 (1) A proposed assessment or portion of a proposed assessment.

19 (2) An assessment that becomes collectible under G.S. 105-241.22.

20 (3) A pending request for review case.

21 (4) A pending contested case hearing at the Office of Administrative Hearings."

22 **SECTION 42.10.(b)** G.S. 105-164.13 reads as rewritten:

23 **"§ 105-164.13. Retail sales and use tax.**

24 The sale at retail and the use, storage, or consumption in this State of the following items are
 25 specifically exempted from the tax imposed by this Article:

26 ...
 27 (74) Sales by a provider of continuing care to its residents, other than sales of
 28 alcoholic beverages. A provider of continuing care must pay sales and use tax
 29 on the purchase price of an item that is exempt from tax under this subdivision.
 30 The terms "provider," "continuing care," and "resident" have the same
 31 meanings as defined in G.S. 58-64-1. The term "alcoholic beverage" has the
 32 same meaning as defined in G.S. 18B-101."

33 **SECTION 42.10.(c)** Refund. – A provider of continuing care is allowed a refund of
 34 all North Carolina State and local sales and use taxes paid by the provider of continuing care for
 35 purchases of items eligible for exemption under G.S. 105-164.13(74), as amended by this section,
 36 if the sale was made on or after October 1, 2020, but before October 1, 2023. The amount of the
 37 refund must be reduced by the amount of sales and use tax due from the provider of continuing
 38 care on the purchase price of the item under G.S. 105-164.13(74), as amended by this section, if
 39 the sale was made on or after October 1, 2020. If a provider of continuing care collected the tax
 40 from the purchaser, the Secretary may allow the refund only if the provider of continuing care
 41 gives the purchaser credit for or a refund of the tax collected from the purchaser. A request for a
 42 refund under this section must be in writing and must include any information and documentation
 43 required by the Secretary. A request for a refund under this section must be made on or after
 44 October 1, 2023, and is due before December 1, 2023. A refund allowed under this section is not
 45 an overpayment of tax and does not accrue interest as provided in G.S. 105-241.21.

46 **SECTION 42.10.(d)** Subsection (b) of this section becomes effective October 1,
 47 2023. The remainder of this section is effective when it becomes law.

48
 49 **EXTEND SUNSET ON EXEMPTIONS AND REFUNDS FOR PROFESSIONAL**
 50 **MOTORSPORTS**

51 **SECTION 42.11.(a)** G.S. 105-164.13 reads as rewritten:

1 **"§ 105-164.13. Retail sales and use tax.**

2 The sale at retail and the use, storage, or consumption in this State of the following items are
3 specifically exempted from the tax imposed by this Article:

- 4 ...
- 5 (65) This subdivision expires January 1, ~~2024~~2028. Sales of the following to a
6 professional motorsports racing team or a related member of a team for use in
7 competition in a sanctioned race series:
- 8 a. The sale, lease, or rental of an engine.
9 b. The sales price of or gross receipts derived from a service contract on,
10 or repair, maintenance, and installation services for, a transmission, an
11 engine, rear-end gears, and any tangible personal property that is
12 purchased, leased, or rented and that is exempt from tax under this
13 subdivision or that is allowed a sales tax refund under
14 G.S. 105-164.14A(a)(5).
15 c. The gross receipts derived from an agreement to provide an engine to
16 a professional motorsports racing team or related member of a team
17 for use in competition in a sanctioned race series, where such
18 agreement does not meet the definition of a "service contract" as
19 defined in G.S. 105-164.3 but may meet the definition of the term
20 "lease or rental" as defined in G.S. 105-164.3.
- 21 (65a) An engine or a part to build or rebuild an engine for the purpose of providing
22 an engine under an agreement to a professional motorsports racing team or a
23 related member of a team for use in competition in a sanctioned race series.
24 This subdivision expires January 1, ~~2024~~2028.

25"

26 **SECTION 42.11.(b)** G.S. 105-164.14A(a) reads as rewritten:

27 **"§ 105-164.14A. Economic incentive refunds.**

28 (a) Refund. – The following taxpayers are allowed an annual refund of sales and use taxes
29 paid under this Article:

30 ...

- 31 (4) Motorsports team or sanctioning body. – A professional motorsports racing
32 team, a motorsports sanctioning body, or a related member of such a team or
33 body is allowed a refund of the sales and use tax paid by it in this State on
34 aviation gasoline or jet fuel that is used to travel to or from a motorsports event
35 in this State, to travel to a motorsports event in another state from a location
36 in this State, or to travel to this State from a motorsports event in another state.
37 For purposes of this subdivision, a "motorsports event" includes a motorsports
38 race, a motorsports sponsor event, and motorsports testing. This subdivision
39 is repealed for purchases made on or after January 1, ~~2024~~2028.
- 40 (5) Professional motorsports team. – A professional motorsports racing team or a
41 related member of a team is allowed a refund of fifty percent (50%) of the
42 sales and use tax paid by it in this State on tangible personal property, other
43 than tires or accessories, that comprises any part of a professional motorsports
44 vehicle. For purposes of this subdivision, "motorsports accessories" includes
45 instrumentation, telemetry, consumables, and paint. This subdivision is
46 repealed for purchases made on or after January 1, ~~2024~~2028.

47"

48 **SECTION 42.11.(c)** This section is effective when it becomes law.

49

1 **EXPAND AVIATION SALES TAX EXEMPTION SO THAT PARTS AND**
 2 **ACCESSORIES EXEMPTION ALIGNS WITH LABOR EXEMPTION FOR SAME**
 3 **TYPES OF AIRCRAFT**

4 **SECTION 42.12.(a)** G.S. 105-164.3(197) reads as rewritten:

5 "(197) Qualified aircraft. – An aircraft with a maximum take-off weight of ~~more than~~
 6 ~~9,000 pounds but not in excess of 15,000 pounds.~~ 2,000 pounds and above."

7 **SECTION 42.12.(b)** G.S. 105-164.13(61a)m. reads as rewritten:

8 "m. Any of the following:

9 1. A qualified aircraft.

10 2. A qualified jet engine.

11 ~~3. An aircraft with a gross take off weight of more than 2,000~~
 12 ~~pounds."~~

13 **SECTION 42.12.(c)** This section becomes effective July 1, 2023, and applies to sales
 14 occurring on or after that date.

15
 16 **EXTEND SUNSET FOR AVIATION GASOLINE AND JET FUEL FOR USE IN**
 17 **COMMERCIAL AIRCRAFT**

18 **SECTION 42.13.(a)** G.S. 105-164.13 reads as rewritten:

19 **"§ 105-164.13. Retail sales and use tax.**

20 The sale at retail and the use, storage, or consumption in this State of the following items are
 21 specifically exempted from the tax imposed by this Article:

22 ...

23 (11b) Sales of aviation gasoline and jet fuel to an interstate air business for use in a
 24 commercial aircraft. For purposes of this subdivision, the term "commercial
 25 aircraft" has the same meaning as defined in subdivision (45a) of this section.
 26 This exemption also applies to aviation gasoline and jet fuel purchased for use
 27 in a commercial aircraft in interstate or foreign commerce by a person whose
 28 primary business is scheduled passenger air transportation. This subdivision
 29 expires January 1, ~~2024.~~ 2028.

30"

31 **SECTION 42.13.(b)** This section is effective when it becomes law.

32
 33 **EXPAND SALES TAX EXEMPTION FOR FUEL & CONSUMABLES USED BY BOATS**
 34 **TRANSPORTING FREIGHT ON INLAND AND INTRACOASTAL WATERWAYS**

35 **SECTION 42.14.(a)** G.S. 105-164.13 reads as rewritten:

36 **"§ 105-164.13. Retail sales and use tax.**

37 The sale at retail and the use, storage, or consumption in this State of the following items are
 38 specifically exempted from the tax imposed by this Article:

39 ...

40 (24) Sales of fuel and other tangible personal property for use or consumption by
 41 or on ~~ocean-going vessels which ply the high seas interstate or foreign~~
 42 ~~commerce in the a~~ watergoing vessel when delivered to an officer or agent of
 43 the vessel for the use of the vessel engaged in either of the activities listed in
 44 this subdivision. Sales of fuel and other tangible personal property made to
 45 officers, agents, members of the crew, or passengers of these vessels for their
 46 personal use are not exempt from payment of the sales tax. The activities are:

47 a. The transport of ~~freight~~ freight in intrastate, interstate, or foreign
 48 commerce, whether on the high seas, intracoastal waterways, sounds,
 49 or rivers.

50 b. ~~and/or~~ The transport of passengers for hire exclusively, when
 51 delivered to an officer or agent of such vessel for the use of such

vessel; provided, however, that sales of fuel and other tangible personal property made to officers, agents, members of the crew or passengers of such vessels for their personal use shall not be exempted from payment of the sales tax exclusively on the high seas.

...."

SECTION 42.14.(b) This section becomes effective October 1, 2023, and applies to sales occurring on or after that date.

REENACT MODIFIED CONSERVATION TAX CREDIT

SECTION 42.15.(a) G.S. 105-130.34 is reenacted as it existed immediately before its expiration and reads as rewritten:

"§ 105-130.34. Credit for certain real property donations.

(a) Credit. – Any C Corporation that makes a qualified donation of an interest in real property located in North Carolina during the taxable year that is useful for ~~(i) public beach access or use, (ii) public access to public waters or trails, (iii) fish and wildlife conservation, (iv) forestland or farmland conservation, (v) watershed protection, (vi) conservation of natural areas as that term is defined in G.S. 113A-164.3(3), (vii) conservation of natural or scenic river areas as those terms are used in G.S. 113A-34, (viii) conservation of predominantly natural parkland, or (ix) historic landscape conservation~~ (i) for forestland or farmland preservation, (ii) for fish and wildlife conservation, (iii) as a buffer to limit land use activities that would restrict, impede, or interfere with military training, testing, or operations on a military installation or training area or otherwise be incompatible with the mission of the installation, (iv) for floodplain protection in a county that, in the five years preceding the donation, was the subject of a Type II or Type III gubernatorial disaster declaration, as provided in G.S. 166A-19.21, as a result of a natural disaster, (v) for historic landscape conservation, or (vi) for public trails or access to public trails is allowed a credit against the tax imposed by this Part equal to twenty-five percent (25%) of the fair market value of the donated property interest. To be eligible for this credit, the interest in real property must be donated in perpetuity for one of the qualifying uses listed in this subsection and accepted in perpetuity for the qualifying use for which the property is donated. The person to whom the property is donated must be 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 pursuant to G.S. 105-130.9. Lands 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 are not eligible for this credit.

The credit allowed under this section for one or more qualified donations made in a taxable year may not exceed five hundred thousand dollars (\$500,000). To support the credit allowed by this section, the taxpayer must file with the income tax return for the taxable year in which the credit is claimed the following:

- (1) A certification by the Department of ~~Environment and Natural~~ and Cultural Resources that the property donated is suitable for one or more of the valid public benefits set forth in this subsection.
- (2) A self-contained appraisal report or summary appraisal report as defined in Standards Rule 2-2 in the latest edition of the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation for the property. For fee simple absolute donations of real property, a taxpayer may submit documentation of the county's appraised value of the donated property, as adjusted by the sales assessment ratio, in lieu of an appraisal report.

(b) Limitation. – The credit allowed by this section may not exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowed, except payments of tax made by or on behalf of the taxpayer.

1 (c) Carryforward. – Any unused portion of this credit may be carried forward for the next
2 succeeding five years.

3 (d) No Double Benefit. – That portion of a qualifying donation that is the basis for a credit
4 allowed under this section is not eligible for deduction as a charitable contribution under
5 G.S. 105-130.9."

6 **SECTION 42.15.(b)** G.S. 105-151.12 is reenacted as it existed immediately before
7 its expiration, is recodified as G.S. 105-153.11, and reads as rewritten:

8 "**§ 105-153.11. Credit for certain real property donations.**

9 (a) Credit. – An individual or pass-through entity that makes a qualified donation of an
10 interest in real property located in North Carolina during the taxable year that is useful ~~for (i)~~
11 ~~public beach access or use, (ii) public access to public waters or trails, (iii) fish and wildlife~~
12 ~~conservation, (iv) forestland or farmland conservation, (v) watershed protection, (vi)~~
13 ~~conservation of natural areas as that term is defined in G.S. 113A-164.3(3), (vii) conservation of~~
14 ~~natural or scenic river areas as those terms are used in G.S. 113A-34, (viii) conservation of~~
15 ~~predominantly natural parkland, or (ix) historic landscape conservation (i) for forestland or~~
16 farmland preservation, (ii) for fish and wildlife conservation, (iii) as a buffer to limit land use
17 activities that would restrict, impede, or interfere with military training, testing, or operations on
18 a military installation or training area or otherwise be incompatible with the mission of the
19 installation, (iv) for floodplain protection in a county that, in the five years preceding the
20 donation, was the subject of a Type II or Type III gubernatorial disaster declaration, as provided
21 in G.S. 166A-19.21, as a result of a natural disaster, (v) for historic landscape conservation, or
22 (vi) for public trails or access to public trails is allowed a credit against the tax imposed by this
23 Part equal to twenty-five percent (25%) of the fair market value of the donated property interest.
24 To be eligible for this credit, the interest in property must be donated in perpetuity for one of the
25 qualifying uses listed in this subsection and accepted in perpetuity for the qualifying use for
26 which the property is donated. The person to whom the property is donated must be the State, a
27 local government, or a body that is both organized to receive and administer lands for
28 conservation purposes and qualified to receive charitable contributions under the Code. Lands
29 required to be dedicated pursuant to local governmental regulation or ordinance and dedications
30 made to increase building density levels permitted under a regulation or ordinance are not eligible
31 for this credit.

32 To support the credit allowed by this section, the taxpayer must file with the income tax return
33 for the taxable year in which the credit is claimed the following:

34 (1) A certification by the Department of ~~Environment and Natural~~ and Cultural
35 Resources that the property donated is suitable for one or more of the valid
36 public benefits set forth in this subsection. The certification for a qualified
37 donation made by a pass-through entity must be filed by the pass-through
38 entity.

39 (2) A self-contained or summary appraisal report as defined in Standards Rule
40 2-2 in the latest edition of the Uniform Standards of Professional Appraisal
41 Practice as promulgated by the Appraisal Foundation for the property. For fee
42 simple absolute donations of real property, a taxpayer may submit
43 documentation of the county's appraised value of the donated property, as
44 adjusted by the sales assessment ratio, in lieu of an appraisal report.

45 (a1) Individuals. – The aggregate amount of credit allowed to an individual in a taxable
46 year under this section for one or more qualified donations made during the taxable year, whether
47 made directly or indirectly as owner of a pass-through entity, may not exceed two hundred fifty
48 thousand dollars (\$250,000). In the case of property owned by a married couple, if both spouses
49 are required to file North Carolina income tax returns, the credit allowed by this section may be
50 claimed only if the spouses file a joint return. The aggregate amount of credit allowed to a
51 husband and wife filing a joint tax return may not exceed five hundred thousand dollars

1 (\$500,000). If only one spouse is required to file a North Carolina income tax return, that spouse
2 may claim the credit allowed by this section on a separate return.

3 (a2) Pass-Through Entities. – The aggregate amount of credit allowed to a pass-through
4 entity in a taxable year under this section for one or more qualified donations made during the
5 taxable year, whether made directly or indirectly as owner of another pass-through entity, may
6 not exceed five hundred thousand dollars (\$500,000). Each individual who is an owner of a
7 pass-through entity is allowed as a credit an amount equal to the owner's allocated share of the
8 credit to which the pass-through entity is eligible under this subsection, not to exceed two
9 hundred fifty thousand dollars (\$250,000). Each corporation that is an owner of a pass-through
10 entity is allowed as a credit an amount equal to the owner's allocated share of the credit to which
11 the pass-through entity is eligible under this subsection, not to exceed five hundred thousand
12 dollars (\$500,000). If an owner's share of the pass-through entity's credit is limited due to the
13 maximum allowable credit under this section for a taxable year, the pass-through entity and its
14 owners may not reallocate the unused credit among the other owners.

15 (b) Limitation. – The credit allowed by this section may not exceed the amount of tax
16 imposed by this Part for the taxable year reduced by the sum of all credits allowed, except
17 payments of tax made by or on behalf of the taxpayer.

18 (c) Carryforward. – Any unused portion of this credit may be carried forward for the next
19 succeeding five years.

20 (d) No Double Benefit. – That portion of a qualifying donation that is the basis for a credit
21 allowed under this section is not eligible for deduction as a charitable contribution under
22 G.S. 105-130.9.

23 ~~(e) In the case of marshland for which a claim has been filed pursuant to G.S. 113-205,~~
24 ~~the offer of donation must be made before December 31, 2003 to qualify for the credit allowed~~
25 ~~by this section.~~

26 (f) Repealed by Session Laws 2007-309, s. 2, effective for taxable years beginning on or
27 after January 1, 2007."

28 **SECTION 42.15.(c)** This section is effective for taxable years beginning on or after
29 January 1, 2023.

30 **PART XLIII. MISCELLANEOUS**

31 **STATE BUDGET ACT APPLIES**

32 **SECTION 43.1.** The provisions of the State Budget Act, Chapter 143C of the
33 General Statutes, are reenacted and shall remain in full force and effect and are incorporated in
34 this act by reference.
35
36
37

38 **COMMITTEE REPORT**

39 **SECTION 43.2.(a)** The North Carolina House Appropriations Committee Report on
40 the Current Operations Appropriations Act of 2023, Proposed Committee Substitute for H259,
41 as amended, which was distributed in the House and used to explain this act, shall indicate action
42 by the General Assembly on this act and shall, therefore, be used to construe this act, as provided
43 in the State Budget Act, Chapter 143C of the General Statutes, as appropriate, and for these
44 purposes shall be considered a part of this act and, as such, shall be printed as a part of the Session
45 Laws.

46 **SECTION 43.2.(b)** The budget enacted by the General Assembly is for the
47 maintenance of the various departments, institutions, and other spending agencies of the State
48 for the 2023-2025 biennial budget as provided in G.S. 143C-3-5. This budget includes the
49 appropriations of State funds as defined in G.S. 143C-1-1(d)(25).

50 The Director of the Budget submitted a recommended base budget to the General
51 Assembly in the Governor's Recommended Budget for the 2023-2025 fiscal biennium, dated

1 March 2023, and in the Budget Support Document for the various departments, institutions, and
2 other spending agencies of the State. The adjustments to the recommended base budget made by
3 the General Assembly are set out in the Committee Report.

4 **SECTION 43.2.(c)** The budget enacted by the General Assembly shall also be
5 interpreted in accordance with G.S. 143C-5-5, the special provisions in this act, and other
6 appropriate legislation. In the event that there is a conflict between the line-item budget certified
7 by the Director of the Budget and the budget enacted by the General Assembly, the budget
8 enacted by the General Assembly shall prevail.

9 **SECTION 43.2.(d)** Notwithstanding subsection (a) of this section, the following
10 portions of the Committee Report are for reference, and do not expand, limit, or define the text
11 of the Committee Report:

- 12 (1) Summary pages setting forth the enacted budget, the legislative changes, the
13 revised budget, and the related FTE information for a particular budget code
14 and containing no other substantive information.
- 15 (2) Summary pages setting forth the enacted budget, the legislative changes, the
16 revised budget, and the related FTE information for multiple fund codes
17 within a single budget code and containing no other substantive information.

18 **REPORT BY FISCAL RESEARCH DIVISION**

19 **SECTION 43.3.** The Fiscal Research Division shall issue a report on budget actions
20 taken by the 2023 Regular Session of the General Assembly. The report shall be in the form of a
21 revision of the Committee Report described in Section 43.2 of this act pursuant to G.S. 143C-5-5.
22 The Director of the Fiscal Research Division shall send a copy of the report issued pursuant to
23 this section to the Director of the Budget. The report shall be published on the General
24 Assembly's internet website for public access.
25

26 **APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

27 **SECTION 43.4.** Except where expressly repealed or amended by this act, the
28 provisions of any legislation enacted during the 2023 Regular Session of the General Assembly
29 affecting the State budget shall remain in effect.
30

31 **MOST TEXT APPLIES ONLY TO THE 2023-2025 FISCAL BIENNIUM**

32 **SECTION 43.5.** Except for statutory changes or other provisions that clearly indicate
33 an intention to have effects beyond the 2023-2025 fiscal biennium, the textual provisions of this
34 act apply only to funds appropriated for, and activities occurring during, the 2023-2025 fiscal
35 biennium.
36

37 **EFFECT OF HEADINGS**

38 **SECTION 43.6.** The headings to the Parts, Subparts, and sections of this act are a
39 convenience to the reader and are for reference only. The headings do not expand, limit, or define
40 the text of this act, except for effective dates referring to a Part or Subpart.
41

42 **SEVERABILITY CLAUSE**

43 **SECTION 43.7.** If any section or provision of this act is declared unconstitutional
44 or invalid by the courts, it does not affect the validity of this act as a whole or any part other than
45 the part so declared to be unconstitutional or invalid.
46

47 **EFFECTIVE DATE**

48 **SECTION 43.8.** Except as otherwise provided, this act becomes effective July 1,
49 2023.
50